GENTING
PLANTATIONS

ANNUAL REPORT 2019

GENTING PLANTATIONS BERHAD
197701003946 (34993-X)

about GENTING PLANTATIONS

OUR VISION

We strive:

To become a leader in the plantation industry.

To embark aggressively onto value-added downstream manufacturing activities which are synergistic to our core business.

To enhance return on the company land bank through property development activities.

To adopt a market-driven and customer-oriented approach, with emphasis on product quality and diversity.

To strengthen our competitive position by adopting new technologies and innovations.

As people are the key to achieving the company's vision, we are committed to develop our employees and create a highly motivating and rewarding environment for them.

OUR CORE VALUES

• HARDWORK • HONESTY • HARMONY • LOYALTY • COMPASSION

CORPORATE PROFILE

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,600 hectares in Malaysia and some 178,200 hectares (including the *Plasma* schemes) in Indonesia. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 580 metric tonnes per hour. In addition, our Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics-based solutions to increase crop productivity and sustainability.

www.gentingplantations.com

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CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report and Audited Financial Statements of Genting Plantations Berhad ("the Company") and its subsidiaries ("our Group") for the year ended 31 December 2019.

FINANCIAL OVERVIEW

2019 proved to be another challenging year for the palm oil industry as it continued to face the negative market dynamics in the previous year, namely the elevated palm oil inventory levels as demand struggled to match the increasing global production. These negative factors along with the prolonged weakness in soybean oil prices caused the crude palm oil ("CPO") prices to continue languishing for the first nine months of 2019, averaging about RM2,000 per metric tonne ("mt").

However, CPO prices recovered sharply starting from October 2019 and closed the year at a high of RM3,025 per mt from concerns of a weaker production outlook arising from the lagged impact of the severe dry weather conditions that beset Malaysia and Indonesia in the first half and third quarter of 2019 respectively. The commitment by Malaysia and Indonesia to implement the B20 and B30 biodiesel mandates respectively in 2020 further fuelled the price rally with the market expecting a more rapid drawdown in palm oil inventory.

Therefore, the year ended on a brighter note with optimism that CPO prices will be sustained until crop production exhibits a recovery from the lagged effects of the dry weather conditions. The sharp rally in CPO prices towards year end was indeed long overdue and contributed to the Group achieving an average CPO price of RM2,048 per mt, narrowing the price gap against the previous year to a 3% year-on-year decline.

Production wise, the Plantation Division once again charted a new high with a 5% year-on-year improvement but had to settle with a lower profit contribution in 2019 as the impact of the lower palm products prices eclipsed its higher crop output.

The Downstream Manufacturing Division turned in a sterling performance with higher sales volume and capacity utilisation, coupled with improved margins for both its biodiesel and refinery operations.

The Property Division performed satisfactorily given the prevailing soft market conditions as it registered higher sales and profit, including the improved contribution from its Premium Outlets®.

Overall, the Group posted a 10% year-on-year decline in pre-tax profit to RM185 million in 2019 reflective of the softer performance from our Plantation Division.

OPERATIONAL PERFORMANCE

For our mainstay Plantation Division, in spite of the dry weather conditions mentioned earlier and the reduced harvesting areas arising from replanting being carried out at our Malaysian estates, total fresh fruit bunch ("FFB") production continued to grow by 5% and registered a record high of 2.19 million mt in 2019 as our Indonesian operations saw an increase in mature areas and reached a better age profile.

Average CPO price achieved for the year fell 3% to RM2,048 per mt from RM2,117 per mt in 2018. Likewise, the average palm kernel ("PK") price achieved was 30% lower at RM1,179 per mt compared to RM1,681 per mt in the previous year.

2019 was an excellent year for our Group's Downstream Manufacturing Division as the biodiesel operations capitalised on the favourable palm oil–gas oil ("POGO") spread, which incentivised the export demand for discretionary blending while the refinery operations continued to expand its market reach by leveraging on its established marketing channel. These factors garnered higher sales, and correspondingly higher capacity utilisation during the year for both of these units.

The property market in Malaysia continued to grapple with lacklustre demand amid tight credit conditions and cautious investor sentiment during the year. In view of the prevailing subdued sentiment, our Group's Property Division adopted a judicious strategy of striking a balance between launching new properties catering to the broader market and promoting existing inventories to offload its carrying stocks. To this end, the Property Division launched 82 units of higher-end residential properties priced between RM885,000 to RM1.2 million per unit at our flagship development, Genting Indahpura, and of which the non-Bumiputra units were fully taken-up. The adopted strategy bore fruit and resulted in a higher year-on-year sales to about RM154 million in 2019.

The performance of the Group's Premium Outlets® continued to grow in 2019. Genting Highlands Premium Outlets® marked its second year of operations with the addition of new brands such as Burberry and Longchamp whilst Johor Premium Outlets® celebrated its official opening, following the completion of its final phase, Phase 3, on 21 March 2019. With the opening of Phase 3, another 45,000 square feet was added along with new stores such as Bottega Veneta, Kenzo, Outlet by Club 21, Prada, Stuart Weitzman and The North Face.

Meanwhile, our Biotechnology Division is continuing its efforts on developing commercial solutions and applications to enhance the yield and productivity of oil palm.

DIVIDENDS

Cognisant of the need to maintain an optimal balance between rewarding shareholders with reasonable dividends while conserving sufficient reserves to support our Group's long-term growth aspirations, the Board of Directors has recommended a final single-tier dividend of 9.5 sen per ordinary share for the 2019 financial year. If approved by shareholders at the coming Annual General Meeting, the final dividend would take the total dividend (including the interim dividend of 3.5 sen) for 2019 to 13.0 sen per ordinary share, representing a payout ratio of 82%. In comparison, the total dividend paid out for the 2018 financial year amounted to 13.0 sen per ordinary share, equivalent to a payout ratio of 68%.

PROSPECTS

As we look ahead for the rest of 2020, the long-term outlook for the palm oil industry remains positive given palm oil's unrivalled versatility as a superior resource for both food and non-food applications, while the continuous growth in global population and household incomes will further boost its demand.

One of the demand catalysts for palm oil in the coming year is the rise in biofuel consumption from Indonesia with its government's commitment to expand the biodiesel mandate to B30. Separately, Malaysia will implement its B20 biodiesel programme for the transportation sector and B10 biodiesel for the industrial sector by mid-2021. It was reported that the aggregate demand for CPO to be utilised towards the aforesaid two countries' biodiesel mandates is more than 3 million mt annually.

However, in the nearer term, demand uncertainties have surfaced for the two biggest importers of palm oil with the recent outbreak of Coronavirus Disease 2019 ("COVID-19") in China as well as India's reported restriction on the import of refined palm oil products from Malaysia. These have caused a notable pullback in CPO prices after peaking at RM3,114 per mt around mid-January 2020.

Palm products prices are also expected to track the development of other factors such as the extent of palm oil supply tightness and demand from major importing countries.

The palm oil industry has to contend with many operational challenges such as the rising cost of production particularly workers' wages and securing sufficient manpower for field operational work in Malaysia. At our end, all our estate and oil mill personnel have worked tirelessly to innovate and mechanise their area of work for better efficiency and less reliance on manual labour. I am happy to inform that our Malaysian operations are now fully mechanised in all areas possible and efforts are now focused on the implementation of mechanisation at our Group's Indonesian operations. Mechanisation is currently being rolled out for key processes at our Indonesian estates, including harvesting, in-field collection and crop evacuation.

In addition, our Group has been proactive in adopting new technologies for better agronomic management. For example, the use of drones have augmented the monitoring and surveillance capabilities in the field, allowing for more effective monitoring of estate conditions as well as rapid detection of hotspots and floods. Drone technology has also been employed for palm census and land mapping activities across our operations in Malaysia and Indonesia.

At Genting Plantations, sustainability is a fundamental principle that lies at the heart of our business philosophy. Our Group's unwavering commitment to this important tenet has led us to attain another sustainability milestone during 2019, by being fully certified under the Malaysian Sustainable Palm Oil ("MSPO"). Our Malaysian operations are also close to accomplishing full certification under the Roundtable on Sustainable Palm Oil ("RSPO") following the latest certification of our Genting Jambongan Oil Mill and its supplying estate during the year.

ACKNOWLEDGMENTS AND APPRECIATION

On behalf of the Board, I wish to convey our appreciation to all shareholders for the confidence and trust accorded to us at all times. The Board is honoured to be entrusted with the fiduciary duty of safeguarding the best interest of shareholders and is committed to upholding the highest standards of corporate governance to ensure that our business is at all times conducted professionally, ethically and with integrity. On that note, I wish to thank my distinguished fellow Board members for their wise counsel and insightful advice over the years.

The ability of the Group to continue pursuing excellence on all fronts despite the challenging times is a testament to the strong foundation of trust and confidence that has been continuously built upon by all our stakeholders. As such, I would like to extend my sincere appreciation to the management and employees, governing authorities and regulatory bodies, our business associates, vendors and customers for their steadfast support. The contribution of everyone associated with Genting Plantations has made it possible for our Group to chart continual growth towards greater heights in the years to come.

Thank you.

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman
26 February 2020

<u>Updates (6 April 2020)</u>

The paragraphs below supersede in full all the paragraphs above under the header "Prospects". Shareholders should not rely on the preceding section under Prospects but instead refer to the two paragraphs below for the Group's prospects.

The COVID-19 outbreak has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of the virus. In Malaysia, a nationwide Movement Control Order ("MCO") has been imposed from 18 March 2020, resulting in disruptions to part of our operations in Sabah.

As at the date of this update, the MCO is still in force in Malaysia, whilst more countries go into lockdown due to the COVID-19 pandemic. These containment measures have caused disruptions across the upstream and downstream supply chains for palm oil, resulting in discernible fluctuations in CPO prices. In addition, oil prices have also been volatile and are expected to remain volatile. The situation globally will remain fluid as world-wide governments' response to the COVID-19 pandemic continue to evolve rapidly to contain the outbreak. Given these unprecedented times of uncertainty, it is not prudent at this point in time to issue any statement on the Group's prospects.

PENYATA PENGERUSI

Para Pemegang Saham yang Dihormati,

Bagi pihak Lembaga Pengarah, saya dengan sukacitanya membentangkan Laporan Tahunan dan Penyata Kewangan Beraudit Genting Plantations Berhad ("Syarikat") dan anak-anak syarikatnya ("Kumpulan kami") bagi tahun berakhir 31 Disember 2019.

GAMBARAN KESELURUHAN KEWANGAN

2019 merupakan satu lagi tahun yang mencabar bagi industri kelapa sawit kerana ia terus menghadapi dinamik pasaran negatif pada tahun sebelumnya, iaitu paras inventori minyak sawit yang tinggi apabila peningkatan pengeluaran global melebihi permintaan. Faktor-faktor negatif ini serta harga minyak kacang soya yang terus menerus lemah menyebabkan harga minyak kelapa sawit mentah ("CPO") terus lembap untuk sembilan bulan pertama tahun 2019, dengan purata kira-kira RM2,000 setiap tan metrik ("mt").

Walau bagaimanapun, harga CPO pulih dengan ketara bermula dari Oktober 2019 dan ditutup tinggi untuk tahun 2019 pada RM3,025 setiap mt berikutan kebimbangan tentang prospek pengeluaran yang lebih lemah susulan kesan tertunda kemarau teruk yang melanda Malaysia dan Indonesia masing-masing pada separuh tahun pertama dan suku ketiga 2019. Komitmen oleh Malaysia dan Indonesia masing-masing untuk melaksanakan mandat biodiesel B20 dan B30 pada 2020 terus memacu kenaikan harga dengan pasaran menjangkakan penurunan yang lebih cepat dalam inventori minyak sawit.

Justeru, tahun 2019 berakhir lebih menggalakkan dengan keyakinan bahawa harga CPO akan kekal sehingga pengeluaran tanaman pulih daripada kesan tertunda akibat musim kemarau. Rali mendadak harga CPO menjelang akhir tahun memang sudah lama tertangguh dan menyumbang kepada Kumpulan kami mencapai harga CPO purata sebanyak RM2,048 setiap mt, merapatkan jurang harga berbanding tahun sebelumnya kepada penurunan 3% tahun ke tahun.

Dari segi pengeluaran, Bahagian Perladangan sekali lagi mencatatkan rekod tinggi dengan peningkatan 5% tahun ke tahun tetapi terpaksa berpuas hati dengan agihan keuntungan yang lebih rendah pada 2019 memandangkan kesan harga produk sawit yang lebih rendah mengatasi pengeluaran tanaman yang lebih tinggi.

Bahagian Pembuatan Hiliran merekodkan prestasi cemerlang dengan jumlah jualan dan penggunaan kapasiti yang lebih tinggi, ditambah dengan margin yang lebih baik bagi kedua-dua operasi biodiesel dan penapisan.

Bahagian Hartanah, walaupun dalam prestasi suasana pasaran semasa yang lemah, mencatatkan jualan dan keuntungan yang lebih tinggi, termasuk sumbangan yang lebih baik daripada Premium Outlets®.

Secara keseluruhannya, Kumpulan kami mencatatkan penurunan 10% tahun ke tahun dalam keuntungan sebelum cukai kepada RM185 juta pada tahun 2019 yang mencerminkan prestasi yang lebih rendah daripada Bahagian Perladangan kami.

PENCAPAIAN OPERASI

Bagi Bahagian Perladangan yang merupakan tulang belakang Kumpulan kami, walaupun berdepan dengan musim kemarau seperti yang dinyatakan sebelum ini dan kawasan penuaian yang berkurangan disebabkan penanaman semula di ladang-ladang kami di Malaysia, jumlah pengeluaran buah tandan segar ("FFB") terus meningkat sebanyak 5% dan mencatatkan rekod tertinggi sebanyak 2.19 juta mt pada tahun 2019 kerana operasi kami di Indonesia menyaksikan peningkatan dalam kawasan matang dan mencapai profil usia yang lebih baik.

Harga CPO purata yang dicapai pada tahun 2019 turun 3% kepada RM2,048 setiap mt berbanding RM2,117 setiap mt pada 2018. Begitu juga harga purata isirung sawit yang dicapai adalah 30% lebih rendah pada RM1,179 setiap mt berbanding RM1,681 setiap mt pada tahun sebelumnya.

2019 ialah tahun yang sangat baik untuk Bahagian Pembuatan Hiliran Kumpulan kami apabila operasi biodiesel memanfaatkan penyerakkan julat minyak sawit–minyak gas ("*palm oil-gas oil spread*") yang menggalakkan, yang mendorong permintaan eksport bagi pengadunan biodiesel sementara operasi penapisan terus mengembangkan jangkauan pasaran dengan memanfaatkan saluran pemasarannya yang mantap. Faktor-faktor ini menghasilkan jualan yang lebih tinggi, serta susulan penggunaan kapasiti yang lebih tinggi bagi kedua-dua unit pada tahun ini.

Pasaran hartanah di Malaysia terus bergelut dengan permintaan yang lemah di tengah-tengah suasana kredit yang ketat dan sentimen pelabur yang berhati-hati sepanjang tahun. Memandangkan sentimen semasa yang lemah, Bahagian Hartanah Kumpulan kami mengguna pakai strategi yang bijak bagi mendapatkan keseimbangan antara melancarkan hartanah baharu yang memenuhi pasaran yang lebih luas dan mempromosikan inventori sedia ada untuk mengurangi stok. Untuk tujuan ini, Bahagian Hartanah telah melancarkan 82 unit hartanah kediaman mewah yang berharga antara RM885,000 hingga RM1.2 juta seunit di pembangunan perdana kami, Genting Indahpura yang mana unit bukan Bumiputra telah pun habis dijual. Strategi ini telah menghasilkan jualan tahun ke tahun yang lebih tinggi kepada kira-kira RM154 juta pada tahun 2019.

Prestasi Premium Outlets® terus meningkat pada tahun 2019. Genting Highlands Premium Outlets® menandakan tahun kedua operasi dengan penambahan jenama baharu seperti Burberry dan Longchamp manakala Johor Premium Outlets® merayakan pembukaan rasminya, berikutan penyempurnaan fasa akhir, Fasa 3, pada 21 Mac 2019. Dengan pembukaan Fasa 3, 45,000 kaki persegi lagi telah ditambah dengan kedai-kedai baharu seperti Bottega Veneta, Kenzo, Outlet by Club 21, Prada, Stuart Weitzman dan The North Face.

Sementara itu, Bahagian Bioteknologi kami masih meneruskan usaha untuk membangunkan penyelesaian dan penggunaan komersial untuk meningkatkan hasil dan produktiviti kelapa sawit.

DIVIDEN

Menyedari keperluan untuk mengekalkan keseimbangan optimum antara memberikan dividen yang munasabah kepada pemegang saham dan mengekalkan rizab yang mencukupi untuk menyokong aspirasi pertumbuhan jangka panjang Kumpulan kami, Lembaga Pengarah telah mencadangkan dividen akhir satu peringkat sebanyak 9.5 sen sesaham biasa untuk tahun kewangan 2019. Sekiranya diluluskan oleh para pemegang saham kami pada Mesyuarat Agung Tahunan akan datang, jumlah dividen akhir (termasuk dividen interim 3.5 sen) untuk 2019 akan berjumlah 13.0 sen sesaham biasa, mewakili nisbah pembayaran sebanyak 82%. Sebagai perbandingan, jumlah dividen yang diagihkan untuk tahun kewangan 2018 adalah sebanyak 13.0 sen sesaham biasa, bersamaan dengan nisbah pengagihan sebanyak 68%.

PROSPEK

Melangkah ke depan untuk sepanjang tahun 2020, tinjauan jangka panjang untuk industri minyak sawit kekal positif berikutan kepelbagaian minyak kelapa sawit sebagai sumber unggul untuk kedua-dua kegunaan makanan dan bukan makanan yang tidak dapat ditandingi sementara pertumbuhan berterusan dalam populasi global dan pendapatan isi rumah akan terus meningkatkan permintaan untuk sumber luar biasa ini.

Salah satu pemangkin permintaan minyak sawit pada tahun akan datang adalah kenaikan penggunaan biofuel dari Indonesia dengan komitmen kerajaannya untuk mengembangkan mandat biodiesel kepada B30. Malaysia akan juga melaksanakan program biodiesel B20 untuk sektor pengangkutan dan biodiesel B10 untuk sektor perindustrian menjelang pertengahan tahun 2021. Seperti yang telah dilaporkan, permintaan agregat untuk CPO yang digunakan berikut mandat biodiesel kedua-dua negara tersebut adalah melebihi 3 juta mt setiap tahun.

Walau bagaimanapun, dalam tempoh yang lebih dekat, dua pengimport minyak sawit terbesar berdepan dengan ketidakpastian dalam permintaan dengan wabak penyakit Coronavirus 2019 ("COVID-19") baru-baru ini di China serta sekatan oleh India ke atas pengimportan produk minyak sawit dari Malaysia. Ini telah menyebabkan kemerosotan yang ketara dalam harga CPO selepas mencecah RM3,114 setiap mt sekitar pertengahan Januari 2020.

Harga produk sawit juga dijangka menjejaki perkembangan faktor-faktor lain seperti kekangan bekalan minyak sawit dan permintaan dari negara-negara pengimport utama.

Industri minyak sawit perlu menghadapi banyak cabaran operasi seperti kenaikan kos pengeluaran terutamanya gaji pekerja dan mendapatkan tenaga kerja yang mencukupi bagi kerja-kerja operasi lapangan di Malaysia. Pada ladang-ladang kami, semua kakitangan ladang dan kilang minyak kami bekerja dengan gigih untuk berinovasi dan menggunakan jentera dalam kerja mereka untuk menjadi lebih cekap serta mengurangkan pergantungan kepada tenaga kerja manual. Saya dengan sukacitanya memaklumkan bahawa objektif mekanisasi untuk operasi kami di Malaysia kini telah dilaksanakan sepenuhnya di semua bidang yang mungkin dan kini usaha kami ditumpukan kepada pelaksanaan penggunaan jentera dalam operasi Kumpulan kami di Indonesia. Bagi proses utama di ladang kami di Indonesia, mekanisasi sedang dijalankan untuk penuaian, pengumpulan di lapangan dan memidahan hasil tanaman.

Di samping itu, Kumpulan kami juga bertindak proaktif dalam mengguna pakai teknologi baharu untuk pengurusan agronomi yang lebih baik. Sebagai contoh, penggunaan dron telah meningkatkan keupayaan pemantauan dan penyeliaan di lapangan, yang membolehkan pemantauan lebih berkesan terhadap keadaan ladang serta pengesanan segera terhadap titik panas dan banjir. Teknologi dron juga telah digunakan untuk bancian sawit dan aktiviti pemetaan tanah di seluruh operasi kami di Malaysia dan Indonesia.

Di Genting Plantations, kelestarian merupakan prinsip asas yang menjadi teras kepada semua falsafah perniagaan kami. Komitmen Kumpulan kami yang tidak berbelah bagi terhadap prinsip penting ini telah membawa kami mencapai pencapaian yang lebih baik pada tahun 2019, dengan mendapat pengesahan sepenuhnya di bawah Minyak Sawit Lestari Malaysia (“MSPO”). Operasi kami di Malaysia juga hampir mencapai pensijilan penuh di bawah Meja Bulat Mengenai Minyak Sawit Lestari (“RSPO”) dengan pensijilan terkini Kilang Minyak Genting Jambongan kami dan pembekalnya pada tahun tersebut.

PERAKUAN DAN PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan kami kepada semua pemegang saham atas keyakinan dan kepercayaan yang diberikan kepada kami untuk bertindak. Lembaga Pengarah berasa berbesar hati diamanahkan dengan kewajipan fidusiari untuk menjaga kepentingan terbaik pemegang saham dan komited untuk menegakkan piawai tadbir urus korporat yang tertinggi supaya perniagaan dijalankan secara profesional, beretika dan dengan integriti. Justeru itu, saya ingin mengucapkan terima kasih kepada ahli-ahli Lembaga yang dihormati atas pendapat yang bijaksana dan nasihat berwawasan mereka selama bertahun-tahun ini.

Keupayaan Kumpulan kami untuk terus mengejar kecemerlangan dalam semua bidang walaupun dalam suasana yang mencabar adalah bukti asas kepercayaan dan keyakinan kukuh yang terus dibina oleh semua pihak yang berkepentingan. Oleh itu, saya ingin memanjangkan penghargaan saya yang tulus kepada pengurusan dan kakitangan, pihak berkuasa dan badan pengawalseliaan, rakan usaha sama perniagaan, vendor dan pelanggan kami atas sokongan mereka yang teguh. Sumbangan semua pihak yang berkaitan dengan Genting Plantations telah membolehkan Kumpulan kami untuk mencorakkan pertumbuhan yang berterusan ke peringkat yang lebih tinggi pada tahun-tahun akan datang.

Terima kasih.

JEN. DATO’ SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (B)
Pengerusi
26 Februari 2020

<u>Kemas Kini (6 April 2020)</u>

Kenyataan di dalam perenggan-perenggan yang menyusul berikut mengambil alih pernyataan di perenggan-perenggan sebelumnya yang terletak di bawah tajuk “Prospek”. Pemegang saham haruslah tidak merujuk kepada seksyen di bawah Prospek itu tetapi sebaliknya perlu merujuk kepada perenggan-perenggan berikut untuk pernyataan berkaitan prospek Kumpulan kami.

Penularan wabak COVID-19 kini telah menyebabkan situasi pandemik global, dan menjejaskan ekonomi antarabangsa akibat dari penguatkuasaan halangan perjalanan, kawalan pergerakan manusia dan penggantungan kegiatan ekonomi bagi menghalang penyebaran virus ini. Di Malaysia, Perintah Kawalan Pergerakan (“PKP”) telah dilaksanakan bermula 18 Mac 2020 dan perintah ini telah menjejaskan sebahagian operasi kami di Sabah.

Sehingga tarikh kemaskini ini, PKP masih dilaksanakan di Malaysia, sementara lebih banyak negara telah mengetatkan sempadan dan melaksanakan kawalan pergerakan untuk melawan pandemik COVID-19 ini. Pelaksanaan langkah pembendungan ini telah menjejaskan rantaian bekalan huluan dan hiliran industri kelapa sawit yang mana menyebabkan harga minyak sawit mentah jadi tidak menentu. Tambahan itu, harga minyak dunia juga tidak menentu dan dijangkakan akan kekal terumbang-ambing. Situasi global, buat masa kini akan tetap anjal disebabkan keperluan tindakan yang sentiasa berubah oleh kerajaan di serluruh dunia bagi mengekang penyebaran rancak wabak COVID-19. Memandangkan waktu tidak menentu yang tidak pernah berlaku sebelum ini, adalah tidak berhemat untuk mengeluarkan apa-apa kenyataan mengenai prospek Kumpulan pada ketika ini.

主席文告

尊敬的股东们，

本人谨代表董事部欣然提呈云顶种植有限公司(简称“本公司”)与其子公司(统称“本集团”)截至2019年12月31日的年度报告及已审核财务报表。

财务概览

2019年是油棕业充满挑战的另一个年头，因为持续面对前一年的负面市场动力，即需求赶不上节节升高的全球产量，导致棕油库存升高。这些负面因素，加上大豆油价格持续低迷，导致原棕油在2019年首9个月的行情停滞不前，每公吨价格平均为2,000令吉。

然而，2019年上半年与第三季干旱天气分别困扰着马来西亚与印尼所带来的滞后效应，引起产量前景疲软的忧虑，进而带动原棕油价格于2019年10月大幅收复失地，并以每公吨3,025令吉高点结束全年交易。马来西亚与印尼于2020年实施B20与B30生物柴油指令，进一步激励价格涨势，因为市场期望棕油存货将更迅速地降低。

因此，这一年以较乐观的姿态结束，因市场看好在棕果从干旱天气引发的滞后效应到恢复正常产量之前，原棕油价格可持稳在现有水平。原棕油价格接近年杪时的显著涨潮确实是久旱逢甘霖，协助本集团的平均原棕油价格达到每公吨2,048令吉，收窄与前一年的差价，按年下降3%。

产量方面，种植组再次创新高，按年成长5%，但是棕油产品价格下降的冲击，掩盖了农作物产量升高的效应，种植组于2019年贡献的盈利下降。

下游制造组表现优秀，销售量与产能使用率相应升高，加上生物柴油与棕油提炼业务的赚幅皆有所改善。

在当前市场疲弱的情况下，产业组表现令人满意，销售与盈利皆升高，包括名牌折扣购物中心的贡献亦有所改善。

整体而言，本集团的税前盈利按年下降10%，于2019年报一亿八千五百万令吉，反映出种植组业务趋软的表现。

营运表现

作为我们支柱的种植组，尽管面对前述提及的干旱天气，以及马来西亚园丘翻种活动减少了收成区，但由于印尼业务的成熟果树面积扩大，并达到更好的油棕树龄组合，让新鲜棕果串产量持续增长，于2019年达到二百一十九万公吨新高记录，成长率达5%。

这一年的原棕油每公吨平均价格从2018年的2,117令吉，下降3%至2,048令吉。同样的，棕仁平均价格亦下跌30%，从前一年每公吨1,681令吉，挫跌至每公吨1,179令吉。

2019年是本集团下游制造组表现特佳的一年，因为棕油—石油汽的价差更为有利，激励了对自行判断混合比例的出口需求，生物柴油业务因此从中受益，与此同时，提炼业务善用已建立起来的营销渠道，而得以持续深化新市场接触面。这些因素造就了更高销售额，导致这些业务单位产能使用率在这一年也相应提高。

马来西亚产业市场在这一年持续面对信贷收紧与投资者谨慎行事的大环境，需求停滞不前。鉴于当前产业市场行情趋缓，集团产业组业务采用明智策略，致力于在推介迎合广大市场的新产业，以及推销现有存货以消化库存之间取得平衡。就此而言，产业组在旗舰发展计划——云顶优美城(Genting Indahpura)推介82间高档住宅产业，每单位售价介于八十八万五千令吉至一百二十万令吉之间，而非土著单位已悉数售罄。采此策略已看到效果，2019年达到更高的按年销售，约为一亿五千四百万令吉。

本集团名牌折扣购物中心(Premium Outlets®)于2019年的表现持续增长。云顶高原名牌折扣购物中心(Genting Highlands Premium Outlets®)进入第二年营运，增加了额外新品牌，例如博柏利(Burberry)与珑骧(Longchamp)，而柔佛名牌折扣购物中心(Johor Premium Outlets®)于2019年3月21日完成最后一期，即第三期发展计划而举行正式开张仪式。随着第三期开张，增加了额外的四万五千平方尺，新增商店包括宝缇嘉(Bottega Veneta)、高田贤三(Kenzo)、普拉达(Prada)、Outlet by Club 21、斯图尔特・韦茨曼(Stuart Weitzman)与乐斯菲斯(The North Face)。

同时，生物科技组继续努力研发商业化方案与相关应用，来增强油棕的收成与生产力。

股息

本公司认同以合理股息回馈股东之余，亦需保留充分储备金，以支持本集团未来的成长目标，在两者间保持最优平衡，董事部建议2019财政年度派发每一普通股9.5仙末期单层股息。若此末期股息在来临股东常年大会上获股东批准，2019财政年度的总股息(包括3.5仙中期股息)将达到每一普通股13.0仙，等于82%股息支付率。相比之下，2018财政年度的总股息为每一普通股13.0仙，股息支付率相等于68%。

前景

展望2020年剩余日子，鉴于棕油作为食品与非食品应用的卓越资源，具有无与伦比的多功能性，加上全球人口与家庭收入持续增长，将可提高棕油的需求，棕油业的长期前景仍一片光明。

棕油在来年的其中一项需求催化剂就在于印尼政府承诺进一步扩大生物柴油掺和至B30指令，增加了当地的生物燃料消费。另一方面，马来西亚将于2021年中，对运输领域以及工业领域落实B20和B10生物柴油计划。据报导，为了

供给前述两个国家生物柴油指令的用途，原棕油每年总需求将超过三百万公吨。

然而，短期而言，随着中国爆发2019年新型冠状病毒COVID-19，以及据报导印度限制从大马进口精炼棕油产品，让两大棕油进口国的需求充斥着不明朗因素。这已导致原棕油价格从2020年1月中的每公吨3,114令吉顶峰显著回退。

棕油产品价格亦将尾随其他因素的进展，例如棕油供应紧缩的程度、各主要进口国家的需求。

棕油业须应对众多的营运挑战，例如生产成本上涨，尤其是工人工资上涨，并且要取得充足人力，以应付马来西亚园丘的营运工作。就我们而言，园丘与榨油厂人员努力不懈地创新与机械化工作范围，以加强效率并减少依赖体力劳动。我欣然告知各位，我们的马来西亚业务如今已在所有层面皆全面机械化，如今则专注于在印尼业务推行机械化。目前我们在印尼园丘的关键流程都推行机械化，包括棕果收割、收集，以及疏散运送。

此外，本集团已积极地采用新科技来改善农事管理，例如，使用无人机来增强监督与监测实地功能，以便更有效率地监视园丘状况，以及迅速侦查出热点与水灾。无人机科技也用来统计调查油棕概况，并在马来西亚与印尼的业务进行地图绘制。

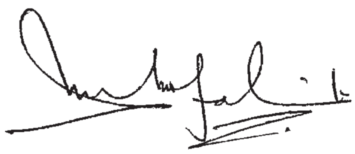
对云顶种植而言，永续经营是所有商业理念的关键基本原则。本集团对此重要原则坚定的承诺，让我们于2019年达到另一个永续经营的里程碑，即在马来西亚永续发展棕油(MSPO)下获得全面认证。随着Genting Jambongan Oil Mill及作其供应园丘于今年获得永续发展棕油圆桌会议(RSPO)的认证，我们在马来西亚业务也将近完成RSPO的全面认证。

表扬与鸣谢

我谨代表董事局成员，感谢全体股东一直以来给予我们的信心和信任。董事局很荣幸受托付履行维护股东最大利益的诚信义务，致力于持守企业治理的最高标准并确保业务都以专业、 道德规范、及廉正进行 。就此而言，我欲感谢尊贵的董事部成员，感激他们多年来的明智决策与真知灼见。

尽管面对艰难时刻，本集团仍能在各方面继续追求卓越，这得归功于所有利益相关者持续地建立起牢固的信任和信心根基。因此，我要衷心感谢管理层和员工、管治当局与监管机构、业务伙伴、供应商与客户的坚定支持。所有与云顶种植相关人士所作的贡献，都帮助本集团可望在未来多年持续成长，迈向更高峰。

谢谢！



JEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (B)
主席
2020年2月26日

<u>最新情况(2020年4月6日)</u>

上述的“前景”文段将被以下的段落所取代，股东们应以以下的两段文字作为本集团最新的前景依据。

2019年新型冠状病毒(COVID-19，简称“新冠病毒”)疫情已演变为全球大流行病，严重地影响了全球经济。为了抑制病毒扩散，旅游广泛地受限制，人流移动亦受管制，许多业务也被迫暂停。在马来西亚，政府从2020年3月18日开始实施行动管制令(简称“行管令”或“MCO”)，导致我们在沙巴的部分业务受到干扰。

直至截稿时，马来西亚仍在实施行管令，亦有更多国家出动封锁政策来抑制新冠病毒蔓延。这些封锁措施导致棕油供应链的上游与下游业务皆受干扰，原棕油价格因而明显地起伏不定。此外，油价呈现波动走势，并预料会继续波动。全球局势仍充斥变数，因为各国政府仍在以变应变，力求抑制新冠病毒疫情扩散，整体进展尚在演变中。鉴于这些前所未有的不稳定性，目前仍不宜发表任何有关本集团前景预测的声明。

BOARD OF DIRECTORS

TAN SRI DATO' SRI ZALEHA BINTI ZAHARI
Independent Non-Executive Director

MR QUAH CHEK TIN
Independent Non-Executive Director

MR LIM KEONG HUI
Deputy Chief Executive and Executive Director/ Non-Independent Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman/Independent Non-Executive Director

TAN SRI LIM KOK THAY
Deputy Chairman and Executive Director/ Non-Independent Executive Director

MR TAN KONG HAN
Chief Executive and Executive Director/ Non-Independent Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Independent Non-Executive Director

MR CHING YEW CHYE
Independent Non-Executive Director

MR YONG CHEE KONG
Independent Non-Executive Director

AUDIT COMMITTEE

MR QUAH CHEK TIN
Chairman/Independent Non-Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Member/Independent Non-Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Member/Independent Non-Executive Director

MR CHING YEW CHYE
Member/Independent Non-Executive Director

RISK MANAGEMENT COMMITTEE

MR QUAH CHEK TIN
Chairman/Independent Non-Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Member/Independent Non-Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Member/Independent Non-Executive Director

MR CHING YEW CHYE
Member/Independent Non-Executive Director

NOMINATION COMMITTEE

MR QUAH CHEK TIN
Chairman/Independent Non-Executive Director

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Member/Independent Non-Executive Director

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Member/Independent Non-Executive Director

REMUNERATION COMMITTEE

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman/Independent Non-Executive Director

MR QUAH CHEK TIN
Member/Independent Non-Executive Director

MR CHING YEW CHYE
Member/Independent Non-Executive Director

DIRECTORS' PROFILE

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)

Chairman/Independent Non-Executive Director

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) (Malaysian, aged 71, male), appointed on 1 July 2005, is an Independent Non-Executive Director. He was appointed as the Chairman of the Company on 1 October 2011. He had a distinguished career in the Malaysian Armed Forces for nearly 40 years, before retiring from the Force on 30 April 2005. During the period as a professional military officer, he served 6 years 4 months as the Malaysian Chief of Defence Forces from 1 January 1999 and as the Chief of the Malaysian Army for one year from 1 January 1998.

In international duties, he served as a Military Observer under the United Nations International Monitoring Group in Iraq after the Iran-Iraq War Ceasefire in 1988/1989.

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) is presently the Chairman of Lembaga Tabung Angkatan Tentera. He is also a director of Genting Malaysia Berhad, Bintang Capital Partners Berhad, Bintulu Port Holdings Berhad, Affin Holdings Berhad and Sogo (K.L.) Department Store Sdn Bhd.

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was made a Member of Dewan Negara Perak by DYMM Paduka Seri Sultan Perak on 25 November 2006 and is a Director/ Trustee for the Board of Trustees of Yayasan Sultan Azlan Shah. On 23 April 2013, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) was appointed as Orang Kaya Bendahara Seri Maharaja Perak Darul Ridzuan by DYMM Paduka Seri Sultan Perak and the Dewan Negara Perak Darul Ridzuan. On 19 April 2014, he was bestowed with the Perak's highest award for commoners, the 'Darjah Kebesaran Seri Paduka Sultan Azlan Shah Perak Yang Amat Dimulia' (S.P.S.A), which carries the title "Dato' Seri DiRaja".

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) holds a Masters of Science degree in Defence and Strategic Studies from the Quaid-I-Azam University, Islamabad, Pakistan and had attended the Senior Executive Programme in Harvard University, United States of America, Command and General Staff College Philippines, Joint Services Staff College Australia and National Defence College Pakistan.

In June 2015, Asia Metropolitan University elected Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi (R) as the Chancellor of the University. In October 2016, Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi was conferred with an honorary doctorate in Management of Defense and Strategic Studies from National Defence University of Malaysia, also known as Universiti Pertahanan Nasional Malaysia.

Tan Sri Lim Kok Thay

Deputy Chairman and Executive Director/
Non-Independent Executive Director

Tan Sri Lim Kok Thay (Malaysian, aged 68, male), appointed on 29 September 1977, was the Chief Executive and Director until he relinquished his position as Chief Executive and assumed the position of Deputy Chairman and Executive Director on 1 January 2019. He holds a Bachelor of Science degree in Civil Engineering from the University of London. He attended the Programme for Management Development of Harvard Business School, Harvard University in 1979. He is a Honorary Professor of Xiamen University, China.

He is also the Chairman and Chief Executive of Genting Berhad and Genting Malaysia Berhad; Chairman and Chief Executive Officer of Genting Hong Kong Limited ("GENHK"), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited and Executive Chairman of Genting Singapore Limited and Genting UK Plc. He is also a Director of Travellers International Hotel Group, Inc., a company listed on the Main Board of The Philippine Stock Exchange, Inc. and an associate of GENHK until its voluntary delisting in October 2019. He joined the Genting Group in 1976 and has since served in various positions within the Group. He is a Founding Member and a Permanent Trustee of The Community Chest, Malaysia. He also sits on the Boards of other Malaysian and foreign companies as well as the Boards of Trustees of several charitable organisations in Malaysia.

For his leadership excellence and significant contributions to the leisure and travel industry, he was named the "Travel Entrepreneur of the Year 2009" by Travel Trade Gazette (TTG) Asia, "The Most Influential Person in Asian Gaming 2009" by Inside Asian Gaming, "Asian Leader for Global Leisure and Entertainment Tourism 2011" by Seagull Philippines Inc. and "Lifetime Achievement Award for Corporate Philanthropy 2013" by World Chinese Economic Forum.

Mr Tan Kong Han

Chief Executive and Executive Director/
Non-Independent Executive Director

Mr Tan Kong Han (Malaysian, aged 54, male), the Deputy Chief Executive since 1 December 2010, was appointed as the Chief Executive and Executive Director of the Company on 1 January 2019. He is also the President and Chief Operating Officer of Genting Berhad ("GENT"), the holding company and was appointed as an Executive Director on 1 January 2020 and redesignated as President and Chief Operating Officer and Executive Director of GENT, on the same day.

He has more than 13 years working experience in investment banking prior to joining Tanjong Public Limited Company as the Group Chief Operating Officer in 2003. He left Tanjong Public Limited Company in 2007 to join Genting Berhad. He read economics and law and has been conferred a Master of Arts degree by the University of Cambridge. Mr Tan was called to the English Bar (Lincoln's Inn) in 1989 and the Malaysian Bar in 1990.

He serves as a director of a variety of subsidiary companies within the Genting Berhad and Genting Plantations Berhad group. He is also a member of the Board of Trustees of Yayasan Genting and Yayasan Kebajikan Komuniti Malaysia, the Administrator of The Community Chest, Malaysia, a director of Asian Centre for Genomics Technology Berhad, GB Services Berhad and Genting RMTN Berhad, all of which are public listed companies as well as the Managing Director of Pan Malaysian Pools Sdn Bhd.

Mr Lim Keong Hui

Deputy Chief Executive and Executive Director/
Non-Independent Executive Director

Mr Lim Keong Hui (Malaysian, aged 35, male), appointed on 23 November 2011 as a Non-Independent Non-Executive Director, was redesignated as a Non-Independent Executive Director, following his appointment as the Chief Information Officer ("CIO") of the Company on 1 January 2015. On 5 May 2017, Mr Lim was redesignated as Non-Independent Non-Executive Director of the Company following his resignation as the CIO of the Company. On 1 January 2019, he was redesignated as the Deputy Chief Executive and Executive Director of the Company.

He holds a Bachelor of Science (Honours) degree in Computer Science from the Queen Mary University of London, United Kingdom and a Master's Degree in International Marketing Management from Regent's Business School London, United Kingdom.

Mr Lim Keong Hui is a son of Tan Sri Lim Kok Thay, the Deputy Chairman and Executive Director of the Company. Both Tan Sri Lim Kok Thay and Mr Lim Keong Hui are major shareholders of the Company.

On 1 January 2019, he was redesignated as the Deputy Chief Executive and Executive Director of Genting Berhad ("GENT"). He was a Non-Independent Executive Director of GENT following his appointment as the Senior Vice President ("SVP") – Business Development on 1 March 2013 until he was redesignated as the Executive Director – Chairman's Office of GENT on 1 June 2013 and assumed additional role as the CIO on 1 January 2015. He was a Non-Independent Executive Director of Genting Malaysia Berhad ("GENM") following his appointment as the CIO of GENM on 1 January 2015. On 1 January 2019, he was redesignated as the Deputy Chief Executive and Executive Director of GENM. He is also a director of Genting UK Plc and a member of the Board of Trustees of Yayasan Lim Goh Tong.

Prior to his appointment as the SVP – Business Development of GENT, he was the SVP - Business Development of Genting Hong Kong Limited ("GENHK") until he was redesignated as the Executive Director – Chairman's Office of GENHK following his appointment as an Executive Director of GENHK on 7 June 2013. He was the Executive Director – Chairman's Office and CIO of GENHK after taking up additional role of CIO of GENHK on 1 December 2014. On 28 March 2019, Mr Lim was redesignated as the Deputy Chief Executive Officer and Executive Director of GENHK. Prior to joining GENHK in 2009, he had embarked on an investment banking career with The Hongkong and Shanghai Banking Corporation Limited.

Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)

Independent Non-Executive Director

Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) (Malaysian, aged 78, male), appointed on 14 February 1996, was redesignated as an Independent Non-Executive Director on 21 May 2007.

Dato' Abdul Ghani retired as a Director of the Company pursuant to Section 129 of the Companies Act, 1965 at the conclusion of the Company's 39th Annual General Meeting of the Company held on 30 May 2017. On the same day, Dato' Abdul Ghani was appointed as an Independent Non-Executive Director of the Company pursuant to a resolution of the Board of Directors of the Company dated 30 May 2017.

Dato' Abdul Ghani has had a distinguished career with the Malaysian Armed Forces for 36 years. He was Field Army Commander before his retirement as a three star general. Prior to that, Dato' Abdul Ghani served in Kuching, Sarawak as Commander of the First Division for East Malaysia and earlier between 1990 and 1993 commanded the Armed Forces' Strategic Division with the rank of Major General. His long army career also saw Dato' Abdul Ghani doing planning and logistics at the Ministry of Defence and attending training programs at the US Army Intelligence School, Defence Services Staff College in India, the Joint Services Staff College in Canberra and the National Defence College in Pakistan. Dato' Abdul Ghani holds a Masters of Science degree in Defence and Strategic Studies.

Mr Quah Chek Tin

Independent Non-Executive Director

Mr Quah Chek Tin (Malaysian, aged 68, male), appointed on 19 October 2001, was redesignated as an Independent Non-Executive Director on 8 October 2008.

He began his career with Coopers & Lybrand London, before returning to Malaysia. He joined the Genting Group in 1979 and has served in various positions within the Group. He was the Executive Director of Genting Berhad as well as the Executive Director and Chief Operating Officer of Genting Malaysia Berhad prior to his retirement in October 2006. He holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

In addition, he sits on the Boards of Genting Malaysia Berhad and Batu Kawan Berhad.

Mr Ching Yew Chye

Independent Non-Executive Director

Mr Ching Yew Chye (Malaysian, aged 66, male), appointed on 23 November 2011, is an Independent Non-Executive Director. He holds an Honours Degree in Computer Science from the University of London.

He is a seasoned management and information technology professional with more than 25 years of experience. He held various management positions in Accenture until his retirement in 2007 as a senior partner of Accenture, a global management consulting, technology services and outsourcing company.

During his career with Accenture, he worked primarily with clients in the financial services industry in ASEAN. Major client assignments included strategic information planning, design and implementation of major information technology systems, bank reorganisation and operational integration arising from bank mergers. He is also a director of YTL Starhill Global Reit Management Limited, United Overseas Bank (Malaysia) Bhd and the Chairman of AIA Bhd and AIA General Berhad.

Mr Yong Chee Kong

Independent Non-Executive Director

Mr Yong Chee Kong (Malaysian, aged 65, male), appointed on 1 January 2018 as a Non-Independent Non-Executive Director, was redesignated as an Independent Non-Executive Director on 1 December 2019.

He pursued his accountancy studies in Tunku Abdul Rahman University College. He is a Fellow of the Association of Chartered Certified Accountants, an Associate of the Institute of Chartered Secretaries and Administrators and a member of the Malaysian Institute of Accountants. In 1999, he attended the Advanced Management Program in Harvard Business School, Harvard University.

He joined Genting Berhad in 1985 and was appointed as Chief Financial Officer of Genting Plantations Berhad in 1991. In 2006, he was promoted to Chief Operating Officer and in 2010 as President & Chief Operating Officer of Genting Plantations Berhad, a position he held till his retirement on 1 July 2017. Prior to joining the Genting Group, he was attached to the Inland Revenue Department of Malaysia and two major international accounting firms.

Tan Sri Dato' Sri Zaleha binti Zahari

Independent Non-Executive Director

Tan Sri Dato' Sri Zaleha binti Zahari (Malaysian, aged 71, female), appointed on 26 February 2018, is an Independent Non-Executive Director. Having qualified as a Barrister-at-Law, Middle Temple, London in 1971, she joined the Judicial and Legal Service. In the twenty years of her service, she had, inter alia, served as a Magistrate, Senior Assistant Registrar of the High Court, Deputy Public Prosecutor as well as a Legal Adviser to the Ministry of Education, the Economic Planning Unit, the Ministry of Home Affairs as well as the Department of Inland Revenue. She was the Head of the Civil Division in the Attorney General's Chambers prior to being appointed as a Judge of the Superior Bench.

She was initially appointed as a Judicial Commissioner and subsequently as Judge of the High Court, then Court of Appeal Judge and thereafter, as a Federal Court Judge.

After her retirement from the Bench, she was appointed as an Independent Non-Executive Director of the Ombudsman of Financial Services. She was the Chairman of the Operations Review Panel of the Malaysian Anti-Corruption Commission for a period of three years from 15 August 2016 to 14 August 2019.

Notes:

The details of Directors' attendances at Board Meetings are set out in the Corporate Governance Overview Statement on page 44 of this Annual Report.

The details of the Board Committees where certain Directors are also members are set out on pages 10 and 11 of this Annual Report.

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Genting Plantations Berhad, have no conflict of interest with Genting Plantations Berhad, have not been convicted for any offence within the past five years and have no public sanction or penalty imposed by relevant regulatory bodies during the financial year.

MANAGEMENT & CORPORATE INFORMATION

PRINCIPAL EXECUTIVE OFFICERS' PROFILE

TAN SRI LIM KOK THAY
Deputy Chairman and Executive Director

His profile is disclosed in the Directors' Profile on page 13 of this Annual Report.

MR TAN KONG HAN
Chief Executive and Executive Director

His profile is disclosed in the Directors' Profile on page 14 of this Annual Report.

MR LIM KEONG HUI
Deputy Chief Executive and Executive Director

His profile is disclosed in the Directors' Profile on page 15 of this Annual Report.

MR TAN WEE KOK
President & Chief Operating Officer

Mr Tan Wee Kok, (Malaysian, aged 54, male), was promoted to President & Chief Operating on 1 July 2017 after holding the position of Chief Financial Officer of the Company since 1 January 2009. He graduated with a Bachelor of Accounting (Hons.) degree from University of Malaya. He is a member of the Malaysian Institute of Certified Public Accountants and a member of the Malaysian Institute of Accountants. Prior to this appointment, he was the Senior Vice President – Corporate, in charge of corporate affairs and strategic planning, new projects and investments, as well as investor relations. He started his career with PricewaterhouseCoopers in 1991 and later joined Malaysia Mining Corporation Berhad as the Corporate Planner in 1995. He joined Genting Plantations Berhad ("GENP") in 1997. Currently, he holds directorships in various subsidiaries within the GENP Group and is a director of Asian Centre for Genomics Technology Berhad, a public company.

Mr Tan Wee Kok does not have family relationship with any Director and/or major shareholders of GENP, has no conflict of interest with GENP, has not been convicted for any offences within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MR LEE SER WOR
Chief Financial Officer

Mr Lee Ser Wor, (Malaysian, aged 52, male), was appointed the Chief Financial Officer of Genting Plantations Berhad ("GENP") on 1 July 2017. He holds a professional qualification from the Chartered Institute of Management Accountants and is a member of the Malaysian Institute of Accountants.

He has been with GENP since 1991 and has held various work portfolios covering inter alia, corporate, treasury, tax and management accounting. Prior to his appointment as Chief Financial Officer, he was the Senior Vice President – Corporate and Finance of GENP. He currently holds directorships in various subsidiaries within the GENP Group as well as a public company, Benih Restu Berhad.

Mr Lee Ser Wor does not have family relationship with any Director and/or major shareholders of GENP, has no conflict of interest with GENP, has not been convicted for any offences within the past five years and has no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

MANAGEMENT & CORPORATE INFORMATION

SENIOR MANAGEMENT

TAN SRI LIM KOK THAY
Deputy Chairman and Executive Director

MR TAN KONG HAN
Chief Executive and Executive Director

MR LIM KEONG HUI
Deputy Chief Executive and Executive Director

MR TAN WEE KOK
President & Chief Operating Officer

MR LEE SER WOR
Chief Financial Officer

PLANTATION

MR TAN CHENG HUAT
Executive Vice President

DOWNSTREAM MANUFACTURING

MR CHOO HUAN BOON
Senior Vice President

BIOTECHNOLOGY

MR LEE WENG WAH
Vice President

CORPORATE INFORMATION

GENTING PLANTATIONS BERHAD

A public limited liability company
Incorporated and domiciled in Malaysia
Registration No. 197701003946 (34993-X)

REGISTERED OFFICE

24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2178 2288/2333 2288
Fax : (603) 2161 5304
E-mail : gpbinfo@genting.com

REGISTRARS

Genting Management and Consultancy Services Sdn Bhd
24th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2178 2266/2333 2266
Fax : (603) 2161 5304

SECRETARY

Ms Loh Bee Hong
MAICSA 7001361
SSM Practicing Certificate No. 202008000906

CORPORATE HEAD OFFICE/ PRINCIPAL PLACE OF BUSINESS

10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : (603) 2178 2255/2333 2255
Fax : (603) 2161 6149

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
(Listed on 30 August 1982)

Stock Name : GENP
Stock Code : 2291

AUDITORS

PricewaterhouseCoopers PLT
(Chartered Accountants)

INTERNET HOMEPAGE

www.gentingplantations.com

CORPORATE
DIARY

2019

26 FEBRUARY 2019
Announcement on the Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2018.

1 APRIL 2019
Announcement on the following :
(a) Proposed renewal of the shareholders' mandate for recurrent related party transactions of a revenue or trading nature.
(b) Entitlement date for the proposed final single-tier dividend for the financial year ended 31 December 2018
(c) Proposed renewal of authority for the Company to purchase its own shares.

3 APRIL 2019
Announcement on the proposed adoption of a new constitution of the Company.

8 APRIL 2019
Notice to shareholders of the Forty-First Annual General Meeting.

23 MAY 2019
Announcement on the Consolidated Unaudited Results of the Group for the first quarter ended 31 March 2019.

18 JUNE 2019
Announcement on the appointment of Mr Ching Yew Chye as a member of the Remuneration Committee.

18 JUNE 2019
Forty-First Annual General Meeting

28 AUGUST 2019
Announcement on the following :
(a) Consolidated Unaudited Results of the Group for the second quarter ended 30 June 2019.
(b) Entitlement date for the interim single-tier dividend of 3.5 sen per ordinary share in respect of the financial year ended 2019.

27 NOVEMBER 2019
Announcement on the Consolidated Unaudited Results of the Group for the third quarter ended 30 September 2019.

29 NOVEMBER 2019
Announcement on the redesignation of Mr Yong Chee Kong from Non-Independent Non-Executive Director to Independent Non-Executive Director with effect from 1 December 2019.

31 DECEMBER 2019
Announcement on the separation of the Audit and Risk Management Committee into two separate committees namely, Audit Committee and Risk Management Committee.

2020

12 FEBRUARY 2020
Announcement on the proposed unwinding of the Share Sale and Purchase Agreement dated 11 July 2014 between Genting Plantations Berhad ("GENP") and Elevance Renewable Sciences Singapore Pte Ltd ("ERS Singapore") for the disposal by GENP of 72 million fully paid-up ordinary shares representing 25% of the entire share capital of Genting Biorefinery Sdn Bhd to ERS Singapore for a cash consideration of RM72.00 million ("Proposed Unwinding").

18 FEBRUARY 2020
Announcement on the completion of the Proposed Unwinding on 18 February 2020.

26 FEBRUARY 2020
Announcement on the Consolidated Unaudited Results of the Group for the fourth quarter and the Audited Results for the financial year ended 31 December 2019.

DIVIDENDS		Announcement	Entitlement Date	Payment
2018	Final single-tier – 8.25 sen per ordinary share	26 February 2019	28 June 2019	19 July 2019
2019	Interim single-tier – 3.5 sen per ordinary share	28 August 2019	18 September 2019	9 October 2019
2019	Proposed Final single-tier – 9.5 sen per ordinary share	26 February 2020	To be announced^	To be announced^*

^ To be announced when the date of the Forty-Second Annual General Meeting ("42nd AGM") is fixed after taking into consideration the situation of the COVID-19 outbreak.
** Upon approval of shareholders at the 42nd AGM.*

FINANCIAL HIGHLIGHTS
2019

REVENUE
RM2,266.4 MILLION
2018: RM1,902.9 million

MARKET CAPITALISATION
RM9.49 BILLION
AS AT 31 DECEMBER 2019

ADJUSTED EBITDA*
RM433.0 MILLION
2018: RM436.8 million

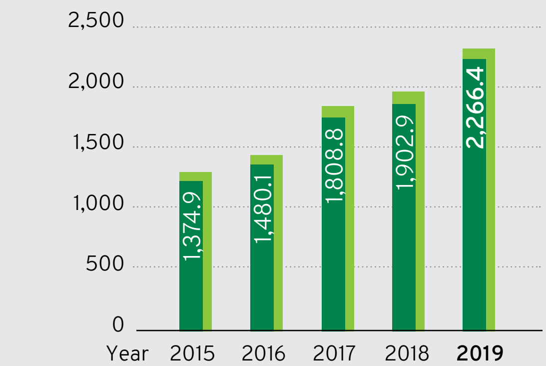
TOTAL EQUITY
RM5.1 BILLION
2018: RM4.3 billion

NET PROFIT
RM130.4 MILLION
2018: RM147.0 million

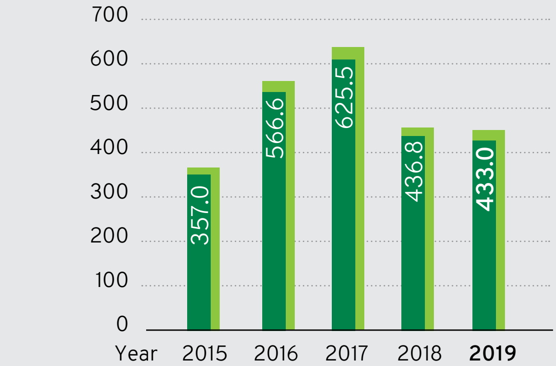
TOTAL ASSETS EMPLOYED
RM8.5 BILLION
2018: RM7.8 billion

* EBITDA refers to earnings before interest, tax, depreciation and amortisation.

REVENUE

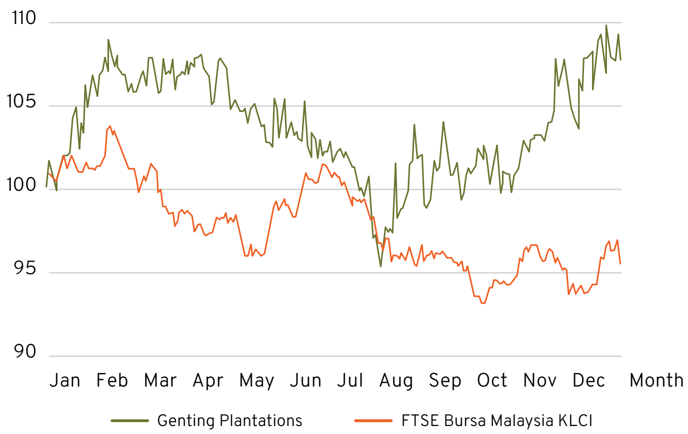


ADJUSTED EBITDA



2019 GENTING PLANTATIONS SHARE PRICE PERFORMANCE RELATIVE TO FTSE BURSA MALAYSIA KLCI

Normalised data (rebased to 100)



Source - Bloomberg

All figures are in Ringgit Malaysia

TOP 10 BURSA MALAYSIA PLANTATION COMPANIES

	By Market Capitalisation (31 Dec 2019)	RM billion
1	Sime Darby Plantation Berhad	37.52
2	IOI Corporation Berhad	28.97
3	Kuala Lumpur Kepong Berhad	26.41
4	**Genting Plantations Berhad**	**9.49**
5	Batu Kawan Berhad	6.84
6	FGV Holdings Berhad	5.55
7	United Plantations Berhad	5.43
8	Sarawak Oil Palms Berhad	2.34
9	TSH Resources Berhad	2.13
10	IJM Plantations Berhad	2.08

Sources - Bursa Malaysia & Bloomberg

FIVE-YEAR
SUMMARY

Amount in RM'000 unless otherwise stated	2019	2018	2017	2016	2015
Revenue	2,266,402	1,902,899	1,808,774	1,480,079	1,374,931
Adjusted EBITDA	433,036	436,758	625,548	566,637	357,022
Profit before taxation	185,465	207,736	457,293	448,771	200,883
Taxation	(55,046)	(60,783)	(115,406)	(121,280)	(66,796)
Profit for the financial year	130,419	146,953	341,887	327,491	134,087
Attributable to:-					
Equity holders of the Company	142,074	164,898	335,089	338,213	156,452
Non-controlling interests	(11,655)	(17,945)	6,798	(10,722)	(22,365)
	130,419	146,953	341,887	327,491	134,087
Share capital	1,724,016	863,267	841,340	397,019	391,331
Retained earnings	3,466,900	3,428,873	3,465,165	3,297,472	2,995,275
Other reserves	(317,797)	(171,570)	35,170	586,434	474,101
	4,873,119	4,120,570	4,341,675	4,280,925	3,860,707
Non-controlling interests	186,474	191,873	231,334	255,380	265,720
Total equity	5,059,593	4,312,443	4,573,009	4,536,305	4,126,427
Borrowings and lease liabilities (non-current)	2,109,334	2,279,367	2,559,068	2,315,708	2,232,537
Borrowings and lease liabilities (current)	487,884	507,011	639,939	29,097	56,896
Total capital	7,656,811	7,098,821	7,772,016	6,881,110	6,415,860
Property, plant and equipment	4,365,549	4,419,409	4,425,151	3,811,281	3,349,143
Land held for property development	243,580	246,594	254,655	254,825	175,016
Investment properties	23,052	24,484	25,115	25,517	26,137
Leasehold land use rights	-	664,644	641,053	495,758	387,063
Right of use assets	963,141	-	-	-	-
Intangible assets	32,558	32,832	32,189	34,628	145,684
Joint ventures	196,453	148,809	108,096	77,894	59,440
Associates	10,136	9,644	12,871	12,501	10,774
Available-for-sale financial assets	-	-	94,548	143,170	137,854
Financial assets at fair value through profit or loss	3,263	3,073	-	-	-
Other non-current assets	50,312	38,000	12,897	14,361	15,748
Deferred tax assets	78,965	110,850	105,743	92,556	134,314
Total non-current assets	5,967,009	5,698,339	5,712,318	4,962,491	4,441,173
Current assets	2,493,191	2,135,979	2,761,007	2,513,023	2,482,154
Total assets	8,460,200	7,834,318	8,473,325	7,475,514	6,923,327
Basic earnings per share (sen)	16.6	20.5	41.8	42.8	20.2
Net dividend per share (sen)	13.0	13.0	26.0	21.0	5.5
Dividend cover (times)	1.3	1.6	1.6	2.0	3.7
Current ratio	2.7	2.4	2.8	5.5	5.8
Net assets per share (RM)	5.43	5.12	5.40	5.39	4.93
Return (after tax and non-controlling interests) on average shareholders' equity (%)	3.2	3.9	7.8	8.3	4.2
Market share price					
- highest (RM)	10.80	10.72	11.72	11.56	10.90
- lowest (RM)	9.36	9.06	10.28	10.02	8.91

OPERATIONS

	2019	2018	2017	2016	2015
OIL PALM					
FFB Production* (mt)	2,193,814	2,083,405	1,883,945	1,614,137	1,727,138
Yield Per Mature Hectare (mt)	18.5	18.2	18.4	17.5	19.0
Average Selling Prices					
Crude Palm Oil (RM/mt)	2,048	2,117	2,715	2,631	2,122
Palm Kernel (RM/mt)	1,179	1,681	2,443	2,477	1,552

* excluding *Plasma*

LAND AREAS

HECTARES	2019	2018	2017	2016	2015
Oil Palm					
Mature	112,771	112,822	110,285	92,691	90,212
Immature	30,558	31,005	33,619	38,468	36,253
	143,329	143,827	143,904	131,159	126,465
Oil Palm (*Plasma*)					
Mature	12,088	11,552	11,446	7,756	6,454
Immature	3,766	3,746	3,852	2,271	1,909
	15,854	15,298	15,298	10,027	8,363
TOTAL PLANTED AREA	159,183	159,125	159,202	141,186	134,828
Unplanted Area	77,025	81,691	81,998	113,903	99,102
Buildings, Infrastructure, etc.	6,333	6,332	6,143	6,023	5,855
Property Development	245	310	312	309	298
TOTAL LAND AREA	242,786	247,458	247,655	261,421	240,083

LIST OF GROUP PROPERTIES

AS AT 31 DECEMBER 2019

Location	Tenure	Year Of Expiry	Hectares Plantation	Hectares Property Developement	Description	Age Of Buildings (years)	Year Of Acquistion/ Revaluation*	Net Book Value As At 31 Dec 2019 (RM000)
PENINSULAR MALAYSIA								
A. NORTH								
1. Genting Bukit Sembilan Estate,Baling/ Jitra, Kedah	Freehold		1,241				1981*	10,795
2. Genting Selama Estate, Serdang & Kulim, Kedah/Selama, Perak	Freehold		1,830				1981*	25,182
B. CENTRAL								
3. Genting Sepang Estate, Sepang & Ulu Langat, Selangor	Freehold		432				1981*	18,486
4. Genting Tebong Estate, Jasin & Alor Gajah, Melaka/Tampin & Kuala Pilah, Negeri Sembilan	Freehold		2,217				1981*	35,760
5. Genting Cheng Estate, Melaka Tengah, Alor Gajah & Kuala Linggi, Melaka	Freehold		792	1			1981*	10,543
6. Genting Tanah Merah Estate, Tangkak, Johor	Freehold		1,801				1981*	30,701
C. SOUTH								
7. Genting Sri Gading Estate, Batu Pahat, Johor	Freehold		3,425	182			1983	138,461
8. Genting Sungei Rayat Estate, Batu Pahat, Johor	Freehold		1,707				1983	29,929
9. Genting Sing Mah Estate, Air Hitam, Johor	Freehold		669			39	1983	14,056
10. Genting Kulai Besar Estate, Kulai/ Simpang Renggam, Johor	Freehold		2,513	10			1983	195,275
11. Genting Setiamas Estate, Kulai & Batu Pahat, Johor	Freehold		71	48			1996	40,532
SABAH								
12. Genting Sabapalm Estate, Labuk Valley, Sandakan	Leasehold	2085,2887	4,360			49	1991	56,240
13. Genting Tanjung Estate, Kinabatangan	Leasehold	2086, 2096	4,345			25	1988, 2001	52,575
14. Genting Bahagia Estate,Kinabatangan	Leasehold	2085, 2086	4,548				1988, 2003	36,262
15. Genting Tenegang Estate, Kinabatangan	Leasehold	2088	3,653				1990	22,929
16. Genting Landworthy Estate, Kinabatangan	Leasehold	2083	4,039				1992	22,398
17. Genting Layang Estate, Kinabatangan	Leasehold	2090	2,077				1993	17,150
18. Genting Jambongan Estate, Beluran	Leasehold	2033 - 2100, 2043, 2044, 2045	4,062			6	2001 - 2004, 2014, 2015, 2016	102,775
19. Genting Indah, Genting Permai & Genting Kencana Estates, Kinabatangan	Leasehold	2096	8,182			11	2001	149,989
20. Genting Mewah & Genting Lokan Estates, Kinabatangan	Leasehold	2083 - 2890	5,611			23	2002	89,938
21. Genting Sekong & Genting Suan Lamba Estates, Kinabatangan	Leasehold	2022 - 2098	6,755			23	2004	137,312
INDONESIA								
22. Ketapang, Kalimantan Barat	Leasehold	2037, 2044, 2046, 2051, *Note*	38,787			7	2006, 2009, 2011, 2014, 2016	624,223
23. Sanggau, Kalimantan Barat	Leasehold	2053, *Note*	25,596				2010, 2016	413,908
24. Sintang, Kalimantan Barat	Leasehold	*Note*	11,727				2016	73,349
25. Kapuas & Barito Selatan, Kalimantan Tengah	Leasehold	2054, *Note*	81,182			6 & 4	2008, 2012, 2015	1,827,588
26. Tapin, Kalimantan Selatan	Leasehold	2044	14,661			3	2017	730,425
OTHER PROPERTIES OWNED								
27. Bangi Factory, Selangor	Leasehold	2086		12,140 (sq.m)		38	1990	1,789
28. Wisma Genting Plantations, Sandakan, Sabah	Leasehold	2100	2,023 (sq.m)			17	2004	3,059
29. Residential Bungalows, Sandakan, Sabah	Leasehold	2887	1,206 (sq.m)			35	1991	106
30. Genting Vegetable Oils Refinery, Sandakan, Sabah	Leasehold	2080	8				1992	1,808
31. Genting Integrated Biorefinery Complex, Lahad Datu, Sabah	Leasehold	2104, 2105	41.50			12	2011, 2014, 2015	77,885
32. Commercial land, Segambut, Kuala Lumpur	Leasehold	2074		4		1	2016	74,342
33. Office Space at DBS Bank Tower 15th Floor, Ciputra World 1 Jakarta, Indonesia	Leasehold	2027	1,923 (sq.m)			6	2017	25,242
34. Office Space, Kalimantan Selatan	Leasehold	2043	349 (sq.m)			6	2017	935
35. Office Space, Kalimantan Selatan	Leasehold	2036	75 (sq.m)			9	2018	565

Plantation
Property Development
Johor Premium Outlets®
Downstream Manufacturing
Mill
Office
Vacant Land
Note: Yet to be determined
Residential Bungalow
Factory
The Gasoline Tree™ Experimental Research Station
Genting Indahpura Car City
Genting Indahpura Sports City
Seed Garden

LOCATION OF GROUP PROPERTIES

Peninsular Malaysia

Plantation
- Genting Bukit Sembilan Estate
- Genting Selama Estate
- Genting Tebong Estate
- Genting Tanah Merah Estate
- Genting Sri Gading Estate
- Genting Sungei Rayat Estate
- Genting Kulai Besar Estate

Oil Mill
- Genting Ayer Item Oil Mill

Property
- Genting Indahpura
- Genting Pura Kencana
- Genting Cheng Perdana
- Johor Premium Outlets®
- Genting Highlands Premium Outlets®
- Segambut Land

Biotechnology
- ACGT Laboratories
- The Gasoline Tree™ Experimental Research Station

Sabah

Plantation
- Genting Sabapalm Estate
- Genting Indah Estate
- Genting Permai Estate
- Genting Kencana Estate
- Genting Mewah Estate
- Genting Lokan Estate
- Genting Sekong Estate
- Genting Suan Lamba Estate
- Genting Jambongan Estate
- Genting Tanjung Estate
- Genting Bahagia Estate
- Genting Tenegang Estate
- Genting Landworthy Estate
- Genting Layang Estate

Sabah

Oil Mill
- Genting Sabapalm Oil Mill
- Genting Mewah Oil Mill
- Genting Trushidup Oil Mill
- Genting Indah Oil Mill
- Genting Tanjung Oil Mill
- Genting Jambongan Oil Mill

Downstream Manufacturing
- Genting Integrated Biorefinery Complex

Sarawak

Oil Mill
- Serian Palm Oil Mill

Indonesia

Plantation
- Mulia Estates
- Abadi Estates
- Surya Estates
- Cemerlang Estates
- Mangkatip Estates
- Bakuta Estates
- Lamunti Estates
- UAI Estates
- AAC Estates
- PALJ Estates
- KIU Estates
- DWK Estates
- SP Estates
- KMJ Estates

Oil Mill
- Mulia Oil Mill
- Golden Hill Oil Mill
- Globalindo Oil Mill
- KIU Oil Mill

MANAGEMENT'S DISCUSSION AND ANALYSIS OF BUSINESS OPERATIONS AND FINANCIAL PERFORMANCE

DESCRIPTION OF OUR GROUP'S BUSINESS AND STRATEGIES

Genting Plantations Berhad ("our Group") commenced operations in 1980 and its principal business is in oil palm plantations. As of 31 December 2019, our Group has a landbank of approximately 242,800 hectares where about 64,600 hectares are located in Malaysia and some 178,200 hectares (including the *Plasma* schemes) in Indonesia. Our Group owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 580 metric tonnes per hour. Genting Plantations Berhad has also diversified into property development, biotechnology and the manufacturing of downstream palm-based products.

Our Group is focused on delivering value enhancement and better returns to our shareholders. For our mainstay Plantation Division, our Group continuously explores opportunities to expand through value-accretive investments for future growth while progressively planting up areas in our existing landbank. At the same time, we strive to manage cost and yield improvement through better agronomic practices, innovative technology and operational efficiency.

For the Property Division, we continuously identify and develop our strategically-located landbank for property development. We have also invested significantly in the Biotechnology Division to apply genomics-based solutions to improve crop productivity and sustainability. In addition, our Downstream Manufacturing Division produces products which are synergistic to our core upstream plantation business as part of our Group's strategy to further enhance our Group's competitive strengths.

FINANCIAL REVIEW

Revenue

Our Group's revenue for the financial year ended 31 December 2019 ("FY 2019") was RM2.27 billion, representing a 19% year-on-year growth.

The year-on-year improvement was on account of the higher sales volume attained by the Downstream Manufacturing segment. The Group's FFB production grew 5% year-on-year contributed by its Indonesia operations on the back of increased harvesting area and better age profile.

CPO prices rallied sharply in 4Q 2019, driven by the decline in inventory levels from the tightening of supply and anticipated increase in demand upon implementation of the higher biodiesel mandates in Indonesia and Malaysia. However, the late rally was not sufficient to offset the weaker year-on-year CPO prices for the first nine months of 2019 resulting in our Group posting a marginally lower year-on-year CPO price of RM2,048 per mt for FY 2019. Meanwhile, our Group's PK selling price for FY 2019 was lower year-on-year at RM1,179 per mt, burdened by the elevated inventory levels for palm kernel oil.

	Financial Year ended 31 December		
	2019	**2018**	**Change (%)**
Average Selling Price/mt (RM)			
CPO	**2,048**	2,117	-3
PK	**1,179**	1,681	-30
FFB Production ('000mt)	**2,194**	2,083	+5

Costs and Expenses

For FY 2019, total costs and expenses before finance costs and share of results in joint ventures and associates increased to RM2.09 billion from RM1.70 billion in the previous year principally arising from the higher sales volume of the Downstream Manufacturing segment.

EBITDA

Despite a 19% year-on-year increase in revenue, our Group's EBITDA for FY 2019 was lower at RM433.0 million mainly due to lower contribution from the Plantation segment. However, the decline was mostly cushioned by a notable improvement in performance of the Downstream Manufacturing segment.

a) Plantation segment
For FY 2019, the Plantation segment registered a 14% decline in EBITDA to RM336.9 million on the back of weaker palm products prices but partly mitigated by a 5% increase in FFB production.

b) Property segment
The Property segment's EBITDA for FY 2019 of RM37.9 million was marginally higher year-on-year due to better overall margin for its projects.

c) Biotechnology segment
The Biotechnology segment's results were relatively stable year-on-year, in line with its research and development activities.

d) Downstream Manufacturing segment
The Downstream Manufacturing segment posted a considerably higher year-on-year EBITDA of RM58.4 million for FY 2019, reflective of its higher sales volume, capacity utilisation and improved margins.

e) Others
The year-on-year movement in FY 2019 was mainly due to the impact of changes in foreign currency translation position of our Group's US Dollar denominated cash reserves and borrowings arising from foreign exchange fluctuations along with returns from investment in income funds.

Other Income

Other income for FY 2019 of RM63.5 million was 16% lower year-on-year mainly due to lower net surplus from compensation in respect of our Group's land acquired by the Government.

Finance Cost

Finance cost for FY 2019 of RM104.1 million was 5% lower year-on-year in line with the lower outstanding external borrowings and borrowing rates.

Taxation

The effective tax rate for FY 2019 was higher than the statutory tax rate mainly due to expenses not deductible for tax purposes and tax losses of certain subsidiaries where deferred tax assets have not been recognised.

Profit Attributable to Equity Holders of the Company

In line with the lower year-on-year EBITDA and higher depreciation, profit attributable to equity holders of the Company for FY 2019 decreased 14% year-on-year to RM142.1 million, whilst earnings per share of our Group declined 19% year-on-year to 16.62 sen due to the aforementioned reasons.

Liquidity and Capital Resources

Our Group's cash and cash equivalents as at 31 December 2019 increased marginally year-on-year to RM955.1 million mainly due to the net effects of the following:-

a) Net cash inflow generated from operating activities of RM295.0 million contributed mostly by the Plantation segment.

b) An outflow of RM578.3 million from investing activities, mainly for capital expenditure and additional investment in income funds (classified under financial assets at fair value through profit or loss) of RM377.6 million and RM250.0 million respectively but partly cushioned by an aggregate of RM47.8 million derived from interest received and investment income.

c) A net cash inflow of RM286.7 million for financing activities where our Group received RM710.1 million from the issue of 91.6 million ordinary shares upon exercise of the Company's warrants by shareholders but partly offset by net repayment of bank borrowings of RM179.2 million, finance cost paid of RM134.0 million and payments of dividend amounting to RM107.4 million.

Gearing

The Group's gearing ratio improved to 33.9% as at 31 December 2019 from 39.3% a year ago due to the higher share capital following the issuance of 91.6 million ordinary shares upon exercise of the Company's warrants as mentioned earlier and lower bank borrowings. The gearing ratio is calculated as total debts divided by total capital where total debts is calculated as total borrowings (including "current and non-current borrowings") and lease liabilities as shown in the Statement of Financial Position. Total capital is calculated as the sum of total equity plus total debts.

Prospects

The Group's prospects for 2020 will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

The January 2020 outbreak of COVID-19 in China has raised concerns on its impact on the outlook for global growth and demand for palm oil, fuelling a pullback in CPO prices from a rally which started in 4Q 2019.

Despite the headwinds from the COVID-19 outbreak, palm product prices are currently trading well above their corresponding levels in 2019. In the near term, the Group expects prices to also be influenced by a confluence of other factors including the extent of palm oil supply tightness, demand for palm oil from major importing countries and the implementation of higher biodiesel mandates by Indonesia and Malaysia.

The Group anticipates an overall growth in FFB production for 2020 driven mainly by its additional mature areas and better age profile in Indonesia. However, crop production is expected to be moderated by the lagged effects of dry weather conditions across Malaysia and Indonesia in 2019.

For the Property segment, the Group will continue to offer products that cater to the broader market. Meanwhile, the Premium Outlets will experience lower patronage until concerns on the spread of COVID-19 subside.

The Biotechnology segment will continue its work on developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The outlook for the Downstream Manufacturing segment in 2020 will be challenging due to the unfavourable POGO spread, the COVID-19 outbreak and import restrictions on refined palm oil from India which will likely lead to softer demand for its products.

Updates (6 April 2020)

The paragraphs below supersede in full all the paragraphs above under the header "Prospects". Shareholders should not rely on the preceding section under Prospects but instead refer to the two paragraphs below for the Group's prospects.

The COVID-19 outbreak has evolved into a global pandemic, adversely affecting economies worldwide due to the widespread imposition of travel restrictions, constraints on the movement of people and the suspension of many business operations to curb the spread of the virus. In Malaysia, a nationwide Movement Control Order ("MCO") has been imposed from 18 March 2020, resulting in disruptions to part of our operations in Sabah.

As at the date of this update, the MCO is still in force in Malaysia, whilst more countries go into lockdown due to the COVID-19 pandemic. These containment measures have caused disruptions across the upstream and downstream supply chains for palm oil, resulting in discernible fluctuations in CPO prices. In addition, oil prices have also been volatile and are expected to remain volatile. The situation globally will remain fluid as world-wide governments' response to the COVID-19 pandemic continue to evolve rapidly to contain the outbreak. Given these unprecedented times of uncertainty, it is not prudent at this point in time to issue any statement on the Group's prospects.

REVIEW OF OPERATIONS

Cemerlang Oil Mill - the Group's fifth oil mill in Indonesia; scheduled to be completed in 2020

Plantation

The operating landscape of the palm oil industry showed little improvement in 2019 as CPO price continued to be weak for most parts of the year, after hitting its 10-year low of circa RM1,700 per mt in November 2018. Despite a strong price upsurge in the last quarter of 2019, the recovery was insufficient to have a strong bearing on the average price for 2019.

In tandem with the overall weaker palm products prices, our Group's achieved selling prices for the year averaged 3% and 30% lower at RM2,048 per mt for CPO and RM1,179 per mt for PK respectively, when compared to the previous year.

On the other hand, the Group's FFB production recorded a 5% year-on-year increase in 2019 despite the impact of the dry weather experienced in the central and southern regions of Peninsular Malaysia during the first half of the year as well as during the third quarter in Indonesia. FFB yield also improved to 18.5 mt per hectare compared to the 18.2 mt per hectare attained in the previous year.

On the crop processing front, our Group's oil mills recorded a moderate increase in average oil extraction rate to 21.6%, resulting from the initiatives implemented to improve the quality of FFB despatched to the Group's oil mills as well as to minimise oil losses.

Operational processes and efficiencies in the mills were continually evaluated in anticipation of higher feedstock input as our Group's crop production increases. During the year, the milling capacity of our Group's existing mills in Indonesia was increased to 285 mt per hour. Works also progressed on the construction of our Group's fifth oil mill in Indonesia and remains on track for completion during the second half of 2020. When commissioned, this new mill will add another 60 mt per hour to our Group's processing capacity.

On top of this, works were underway for the development of a special terminal that will be used as a permanent CPO despatch facility for our mills in Central Kalimantan. The terminal is expected to be completed within the next two years.

For our Group's Malaysian operations, a total of over 8,000 hectares have been planted under our Group's replanting roadmap, which was initiated in 2017 in our continuous efforts to improve the age profile of our plantings and achieve better yields.

Genting Jambongan Oil Mill, the nation's first zero-discharge oil mill, and its supply base was RSPO-certified in 2019

With our Malaysian estates fully mechanised in all areas possible and as we benefit from the improvement in operating efficiencies, efforts are now focused on the implementation of mechanisation at our Group's Indonesian operations. Mechanisation for key processes in the estates, including harvesting, in-field collection and crop evacuation are being rolled-out progressively.

During the dry season in mid-2019, several hotspots incidences within and in the vicinity of our areas of operations in Indonesia were encountered. Measures are in place to prevent or mitigate fire outbreaks, including the implementation of satellite and drone monitoring systems as well as vigilant surveillance by in-house fire patrol teams. Where fires were spotted, immediate actions were taken to extinguish the fires even if the occurrences were not within our estates.

Our Group remains resolute in our commitment towards sustainability with further progress made in our sustainability certification journey. Genting Jambongan Oil Mill and its supply bases received the certification by RSPO during the year, bringing the number of oil mills and estates audited or certified under the scheme to seven and nineteen respectively. All our Malaysian oil mills and their supply bases remain certified by the International Sustainability and Carbon Certification ("ISCC") EU and ISCC PLUS standards.

In addition, all seven oil mills and their supply bases in Malaysia were fully certified under the MSPO certification in 2019.

As at 31 December 2019, our Group had a total of about 159,100 hectares of oil palm planted area in Malaysia and Indonesia, along with eleven oil mills with a combined capacity of 580 mt per hour. Out of the Group's total land bank, some 29,213 hectares or 12% thereof are set aside for conservation purposes underscoring our steadfast commitment to Environmental, Social and Governance ("ESG") principles.

Artists' impression of Raintree Residences at Genting Indahpura; launched in 2019

1. Double-Storey Link Bungalow
2. Double-Storey Semi-Detached
3. Double-Storey Cluster Homes

Property

The property market in Malaysia continued to face challenges in 2019 amidst the prevalent overhang and oversupply issues. According to the Malaysia Property Market Report released by National Property Information Center ("NAPIC") for first half of 2019, the residential sub-sector overhang continued to increase albeit at a lower rate than the year before. The report showed that the residential overhang has accumulated to 32,810 units worth RM19.76 billion, an increase of 1.5% in volume whilst the value decreased by 0.5%, as compared to 32,313 units with a value of RM19.86 billion in the second half of 2018.

The combination of weak economic outlook, ample property supply, the wait-and-see approach of buyers and stricter bank requirements to secure housing loans had contributed to the market's stagnation and the rising inventory levels.

Given the soft market dynamics, the Property Division took on a judicious approach of launching new properties that can draw on a broader catchment of potential purchasers as well as promoting existing inventories to pare down its carrying stocks.

A total of 82 units of residential properties were launched over the course of the year with encouraging take-up rate as all the non-bumiputra units were snapped up, whilst inventories were successfully reduced by 42% from a year ago. These achievements were due to the Division's continuous marketing activities such as participating in road shows, organising festival events as well as advertising on social media along with the National Home Ownership Campaign 2019.

Overall, the Property Division's strategy yielded satisfactory results with sales of RM154 million for 2019, which translated to a year-on-year growth of 7%. Our flagship development, Genting Indahpura was the main contributor with sales of RM130 million, which were mainly generated from residential properties. Sales at Genting Pura Kencana also improved by 34% year-on-year to RM23.8 million in 2019.

Among the residential properties completed in 2019

Genting Indahpura

1. *Rumah Mampu Milik*, Johor
2. Double-Storey Terrace Houses - Crystal 2

Genting Pura Kencana

3. Double-Storey Terrace Houses

The Property Division will continue to carefully manoeuvre the challenges of the current property market by launching products that are aligned to the needs of the broader market.

The performance of the Group's Premium Outlets® continued to grow in 2019. Genting Highlands Premium Outlets® marked its second year of operations with new stores opening such as Burberry and Longchamp. This iconic retail landmark at Resorts World Genting continues to gain traction in terms of operational and financial performance.

Meanwhile, Johor Premium Outlets®, South East Asia's first Premium Outlets Center® celebrated its official opening, following the completion of its final phase, Phase 3, on 21 March 2019. This event, which commemorated the fully completed Johor Premium Outlets®, was graced by His Majesty, Sultan Ibrahim Ibni Almarhum Sultan Iskandar, Sultan of Johor. With the opening of Phase 3, another 45,000 square feet was added, bringing the gross leasable area to about 310,000 square feet, with new stores such as Bottega Veneta, Godiva, Kenzo, Outlet by Club 21, Prada, Stuart Weitzman and The North Face.

Genting Highlands Premium Outlets®

Johor Premium Outlets®

(Top) Unloading of liquefied natural gas ("LNG") at GMMR

(Left) With the successful installation of the dual burner, GMMR became the 1st refinery in Sabah to be able to operate on LNG

Downstream Manufacturing

In contrast to the challenging landscape experienced by our Group's upstream Plantation Division, the low CPO price environment for most parts of 2019 worked in favour of our Downstream Manufacturing Division, which turned in a noteworthy performance.

The Group's refinery held by Genting MusimMas Refinery ("GMMR") achieved its highest capacity utilisation of 79% since it started operation in January 2017. This feat was made possible as it continued to expand its market reach by leveraging on the marketing channel established through its joint venture partner, the Musim Mas Group as well as its own customer base.

The refinery also successfully obtained the MSPO certification in 2019 to add to the existing certifications from RSPO, ISCC, Hazard Analysis and Critical Control Points ("HACCP"), *Makanan Selamat Tanggungjawab Industri ("MeSTI")*, *halal* and Kosher.

The biodiesel unit also enjoyed improved capacity utilisation of its plant at 85% or almost two fold increase compared to the previous year. This is on account of the higher demand for discretionary blending as well as mandatory blending in EU countries, resulting in export volume tripling to around 123,000 mt, with the favourable POGO spread during the first nine months of 2019.

With the implementation of the B10 biodiesel mandate for the transportation sector from 1 February 2019 and the B7 mandate for the industrial sector from 1 July 2019 by the Malaysian Government, the Group also registered a 20% increase year-on-year for local biodiesel demand.

The Group's 2 biodiesel plants
– Genting Biodiesel Plant *(top)* and SPC Biodiesel Plant *(bottom)*

The biodiesel operations also successfully obtained the RSPO Supply Chain Certification as well as made further improvements in its logistic and production planning during the course of 2019.

In addition, the Downstream Manufacturing Division had successfully implemented some cost saving measures during 2019. One of which was for fuel cost saving, whereby GMMR replaced the use of diesel with LNG for its plant operation and was the first refinery in Sabah to do so. Additionally, logistic cost was reduced with the direct shipment of methanol to POIC Lahad Datu Port, with all required safety measures being put in place.

With POIC Lahad Datu Port being recently gazetted as a public port and an approved port under Asian Pacific Exchange, both the Group's biodiesel and refinery operations are expected to benefit in terms of potentially reaching a wider customer base and further reduction in logistic cost.

ACGT Laboratories at TPM, Bukit Jalil

Biotechnology

In 2019, our Group's Biotechnology Division continued to forge ahead in creating value through its two-pronged strategy by intensifying research and development ("R&D") efforts in advancing its marker-driven high yielding planting materials and microbial solutions for improved plant health and productivity.

In tandem with the Group's sustainability commitment for increased crop productivity and efficient land use, the Division's focal point is to develop intellectual property ("IP") for the production of high yielding seeds. The DNA markers, which represent an integral component of the IP are currently being applied in oil palm breeding programmes to enable the selection of parental palms for high yielding seeds production with significant reduction of breeding cycle.

2019 marked a significant commercialisation milestone as Genting AgTech Sdn Bhd ("GAT"), the seed production unit of the Division, successfully obtained a seed production licence from Malaysian Palm Oil Board ("MPOB"). The deployment of genomic-based technology by GAT will pave the way to differentiate our seeds with certainty of high yields as compared to other seed producers.

(Top) Encouraging early yield observed at Group's estates planted with GAT's planting material

(Bottom) GAT's planting material

(Left) Controlled pollination of inflorescence of dura mother palms
(Right) Bagging of oil palm inflorescence

To date, about 500 hectares of the Group estates have been planted with the high yielding planting materials produced by GAT that exhibits encouraging yield increment as compared to conventional DxP seeds. Efforts are being intensified to step up GAT's seed production to gradually fulfil our Group's replanting programme requirement.

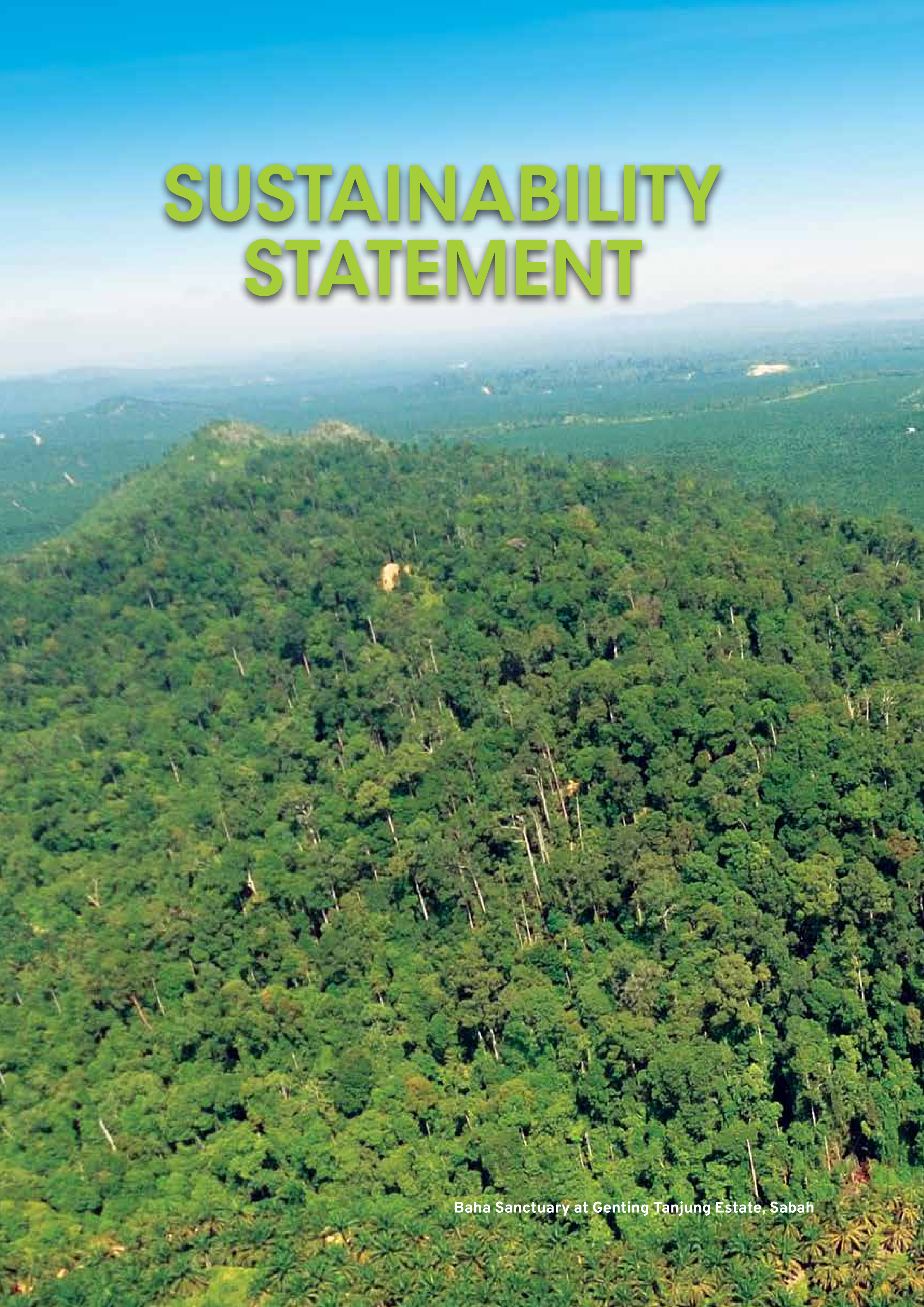
Aside from the development of superior planting materials, the improvement of plant health is another aspect of R&D work that is vigorously pursued by the Division as the efficacy in nutrient uptake and disease control are integral to high yielding crop production. The determination to elevate the quality of the Division's flagship biofertiliser product, Yield Booster™, is demonstrated by the implementation of a quality control programme to ensure that its quality is not compromised. The efficacy of Yield Booster™ has been observed with positive field results displaying the increase in yield despite a 25% reduction in the application of inorganic fertiliser. With this encouraging result, additional replanting and mature fields have been applied with Yield Booster™, bringing it to a total of 900 hectares to date.

GAT continues to undertake research collaborations with the Department of Agriculture Sabah ("DoA Sabah") and IJM Plantations Berhad for field validation of its marker-assisted screening technology. Leveraging on the wider germplasm materials available, the Division is able to initiate big data analytics to address the long breeding cycle in oil palm with better prospect and precision.

Going forward, the Division has set in motion its plans to upscale the production capacity of both the high yielding seeds and Yield Booster™ to fulfil the internal requirement of the Group. Furthermore, in propelling the commercialisation efforts of Yield Booster™, plans are underway to attain certification of product quality assurance.

With the positive results recorded to date for the various field trials and collaborative works, our Group's Biotechnology Division continues to make strides in advancing its objective to improve the sustainability, productivity and returns from oil palm through genomics research and applications.

SUSTAINABILITY STATEMENT



Baha Sanctuary at Genting Tanjung Estate, Sabah

SUSTAINABILITY STATEMENT

We aspire to achieve a balanced integration of ethical, social, environmental and economic considerations in the way we conduct our business to create sustainable long-term value for our stakeholders.

Our Group is fully cognizant that it is imperative for businesses to forge mutually-desirable outcomes founded on shared values for our stakeholders, and seeks to pay as much heed to continuously raising our sustainability performance as we do to meeting our commercial goals.

Hence, we are always guided by the core commitments of our four-pillared sustainability agenda, encompassing Environment, Community, Workplace and Marketplace.

Environment

- To practise responsible stewardship of the environment given that our business is closely related to nature
- To strive to adhere to the principles of sustainable development for the benefit of current and future generations

Community

- To build mutually beneficial relationship with the communities where we operate and with society at large through active engagement
- To enrich the communities where we operate

Workplace

As our people is our most important asset, we strive

- To create a conducive and balanced working environment encircling good practices, safety and well-being of employees
- To attract and retain talent, and nurture our employees to enable them to realise their full potential
- To remunerate employees commensurating to their academic and work achievements
- To provide continuous development through training and further academic learning

Employees form an integral part of our Group and we remain committed to human resource development. Our global workforce was about 24,184 as at 31 December 2019 with 7.6% Malaysians comprising Malay (5.5%), Chinese (1.1%), Indian (1.0%) and Others (0.0%) and the remaining 92.4% from other countries including but not limited to Korea, Mauritius, India, Australia, Singapore, Bangladesh, Philippines, Nepal, Sri Lanka, Pakistan, Thailand and Indonesia.

The male to female employee ratios is 3:1; with ages below 30 (35%), between 30 to 55 (60%) and above 55 (5%).

Marketplace

- To conduct our business with honesty, integrity and a commitment to excellence
- To personify exemplary corporate governance and transparent business conduct

This Sustainability Statement is made in accordance with a resolution of the Board of Directors dated 26 February 2020. Our Sustainability Report is available for download from www.gentingplantations.com/sustainability

HIGHLIGHTS OF GROUP'S KEY SUSTAINABILITY PERFORMANCE

Marketplace

Net Profit
- RM 130.4 million

Total Market Capitalisation
- RM 9.49 billion

Fresh Fruit Bunch
- 2.19 million mt
  Up 5% compared to 2018

Crude Palm Oil
- 0.53 million mt
  Up 6% compared to 2018

Refined Products
- 0.73 million mt
  Up 117% compared to 2018

Biodiesel & Crude Glycerin
- 0.19 million mt
  Up 85% compared to 2018

RSPO Certification
- 19 out of 32 estates
- 7 out of 11 mills
- 1 refinery
- 1 biodiesel plant

ISCC Certification
- All Malaysian estates
- 7 out of 7 mills
- 1 refinery
- 2 biodiesel plants

MSPO Certification
- All Malaysian estates
- 7 out of 7 mills
- 1 refinery
- 2 biodiesel plants

ISPO Certification
- 2 out of 12 estates
- 1 out of 4 mills

Workplace

Workforce
- 24,184

Women employed
- 20%

Women in Board of Directors
- 11%

Women in Management
- 18%

Hiring rate
- 12.7%

Turnover rate
- 14.2%

Recordable Work Related Injury Rate
- 5.3 injuries per one million man-hours worked

Fatalities
- 3 fatalities in Indonesian Operations

Community

Plasma Scheme
- 15,854 ha allocated to date

Community Investment
- RM 2.9 million

- **10 Humana Schools**
- **4 Sekolah Jenis Kebangsaan (Tamil)**

6 Continuous Learning Centres

Scholarships
- 11 Scholars of Tan Sri Dr Lim Goh Tong Endowment Fund

Internships
- 35 internships offered

Environment

Biomass Recycling
- 1.2 million mt (equivalent to ~55% FFB Produced)

GHG Emissions
- ~13% reduction compared to 2016

High Conservation Value ("HCV") Areas
- 19,281 hectares

Water Intensity
- 1.13 MegaLitres per 1,000 mt FFB
- 5.36 MegaLitres per 1,000 mt CPO
- 0.25 MegaLitres per 1,000 mt downstream products

Energy Intensity
- 242 MJ per mt FFB
- 508 MJ per mt CPO
- 335 MJ per mt downstream products

CORPORATE GOVERNANCE OVERVIEW STATEMENT

It is the policy of the Company to manage the affairs of the Group, in particular the Company and its subsidiaries in accordance with the appropriate standards for good corporate governance.

The new Malaysian Code on Corporate Governance ("MCCG") issued in April 2017 supersedes the Malaysian Code on Corporate Governance 2012.

The MCCG covers three broad principles namely Board Leadership and Effectiveness, Effective Audit & Risk Management and Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

Pursuant to the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Company has completed the prescribed Corporate Governance Report for financial year 2019 which is made available at the Company's website at www.gentingplantations.com.

This statement gave a general overview of the application of the Corporate Governance and shareholders are advised to read the Corporate Governance Report for the full details.

Overall, the Company has applied 26 and adopted 2 out of the 36 Practices/Practice Step Up with 6 departures and 2 non-adoption under the MCCG. This reflects the Board's strong support of the overall corporate governance objectives as encapsulated in the MCCG for:

- improving the Company's corporate governance practices by creating a healthy and dynamic corporate culture that is driven by the Board together with management;
- increasing the effectiveness of the board oversight function through the establishment of objective audit functions and committees charged with the oversight of internal controls, risk and reporting; and
- enhancing the Company's communication with shareholders and other stakeholders through transparent and timely communication.

Notwithstanding the Company's departures from Practices such as seeking annual approval of the shareholders to retain an independent directors beyond 9 and 12 years (Practice 4.2) and policy for the Board to have at least 30% women directors (Practice 4.5), the Board will continue to evaluate and assess the Practices and at the appropriate time, take the appropriate steps to narrow the gap, especially for women directors where initial steps had been taken to appoint a first female Director to its Board. On Practice 4.6 where the Board is recommended to utilise independent sources to identify suitable qualified candidates, the Board is open to use such facilities where necessary. On Practice 7.2 for the disclosure on named basis of the top five senior management, the alternative information provided should meet the intended objective.

Apart from the above, the key areas of focus and priorities in the future include preparing the Company for the adoption of integrated reporting based on globally recognised framework (Practice 11.2) as well as facilitating voting in absentia and remote shareholders' participation at general meetings (Practice 12.3).

The stewardship of the Company under the leadership of the present Board ensures that the decisions are made objectively in the best interest of the Company, taking into account diverse perspectives and insights.

Set out below is a summary of the extent to which the Company has applied/adopted the practices encapsulated in the Principles of the MCCG, save for certain departure/ non-adoption of the Principles of the MCCG.

Principle A – Board Leadership and Effectiveness

I. Board Responsibilities

The Board has the overall responsibility for the proper conduct of the Company's business in achieving the objectives and long term goals of the Company. The Company's values and standards and the Board's responsibilities are set out in the Board's Charter.

Corporate strategies as well as the annual plan are presented to the Board as part of the ongoing plans in achieving the objectives and long term goals of the Company, taking into consideration its core values and standards through the vision and mission of the Company, as set out in the Board Charter disclosed in Practice 2.1 of the Corporate Governance Report.

Principle A – Board Leadership and Effectiveness (cont'd)

I. Board Responsibilities (cont'd)

The details of Directors' attendances during the financial year 2019 are set out below:

Name of Directors	Number of Meetings Attended
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	4 out of 4
Tan Sri Lim Kok Thay	4 out of 4
Mr Tan Kong Han (Appointed on 1 January 2019)	4 out of 4
Mr Lim Keong Hui	4 out of 4
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	4 out of 4
Mr Quah Chek Tin	4 out of 4
Mr Ching Yew Chye	4 out of 4
Mr Yong Chee Kong	4 out of 4
Tan Sri Dato' Sri Zaleha binti Zahari	4 out of 4

The Chairman of the Board is Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R) who is responsible for instilling good corporate governance practices, leadership and effectiveness of the Board.

The key responsibilities of the Chairman are provided in the Corporate Governance Report.

The position of the Chairman of the Board is held by Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R), an Independent Non-Executive Director of the Company.

The Company Secretary, who is an Associate member of The Malaysian Institute of Chartered Secretaries and Administrators, satisfies the qualification as prescribed under Section 235(2) of the Companies Act 2016 and has the requisite experience and competency in company secretarial services.

Notice of meetings setting out the agenda and accompanied by the relevant Board papers are given to the Directors with sufficient time for the Directors to review, seek additional information and/or clarification on the matters to be deliberated at Board meetings.

The minutes of meetings are prepared and circulated to all the Directors for their review and approval.

The Board Charter adopted by the Board clearly sets out the respective roles and responsibilities of the Board and the management to ensure accountability. The Board Charter is made available on the Company's website at www.gentingplantations.com.

The Company has a Code of Conduct and Ethics which applies to all employees and Directors of the Group and its subsidiaries. The Code, together with other related policies, procedures and guidelines which are disseminated to employees at the Company's intranet portal, sets out the principles to guide standards of behaviour and business conduct when employees and Directors deal with third party and these are integrated into company-wide management practices.

The Directors observe the Company Directors' Code of Ethics established by the Companies Commission of Malaysia.

Both of the aforesaid Codes can be viewed from the Company's website at www.gentingplantations.com.

The Company recognises that any genuine commitment to detecting and preventing actual or suspected unethical, unlawful, illegal, wrongful or other improper conduct must include a mechanism whereby employees and other stakeholders can report their concerns freely without fear of reprisal or intimidation. To this end, the Company has adopted a Whistleblower Policy which is disseminated to employees.

II. Board Composition

The Board has nine members, comprising three Executive Directors and six Independent Non-Executive Directors which fulfils the requirement of the Board to comprise a majority of independent directors. Mr Yong Chee Kong who was previously a Non-Independent Non-Executive Director was redesignated as an Independent Non-Executive Director of the Company on 1 December 2019.

The Board noted that the tenure of an independent director should not exceed a cumulative term of nine years. The Board is of the view that the ability of long serving independent directors to remain independent and to discharge their duties with integrity and competency should not be measured solely by tenure of service.

Principle A – Board Leadership and Effectiveness (cont'd)

II. Board Composition (cont'd)

Their long service should not affect their independence as they are independent-minded and they continue to provide the necessary checks and balances in the best interest of the Company. The Independent Directors have each provided an undertaking to Bursa Securities since their appointment confirming and declaring that they are "independent directors" as defined under paragraph 1.01 of the MMLR of Bursa Securities. The Board agreed that ultimately the Independent Directors themselves are the best persons to determine whether they can continue to bring independent and objective judgement to Board deliberations.

In relation to the criteria to assess independence of directors, the Board had adopted the same criteria used in the definition of "independent directors" prescribed by the MMLR.

Accordingly, Gen. Dato' Seri DiRaja Tan Sri (Dr). Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) and Mr Quah Chek Tin who have been Independent Non-Executive Directors of the Company since 1 July 2005, 21 May 2007 and 8 October 2008 respectively, will continue to be Independent Directors of the Company, notwithstanding having served as Independent Directors on the Board for more than nine years. Gen. Dato' Seri DiRaja Tan Sri (Dr). Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R) and Mr Quah Chek Tin are distinguished and well known figures in their field of expertise and being conversant with the Group's businesses, they bring valuable insights and contributions to the Board.

For the financial year ended 31 December 2019, each of the Independent Non-Executive Directors had provided their annual confirmations of independence to the Board based on the Company's criteria of assessing independence in line with the definition of "independent directors" prescribed by the MMLR. The Board had assessed and concluded that the six Independent Non-Executive Directors of the Company, namely, Gen. Dato' Seri DiRaja Tan Sri (Dr). Mohd Zahidi bin Hj. Zainuddin (R), Lt. Gen. Dato' Abdul Ghani bin Abdullah (R), Mr Quah Chek Tin, Mr Ching Yew Chye, Mr Yong Chee Kong and Tan Sri Dato' Sri Zaleha Binti Zahari, continue to demonstrate conduct and behaviour that are essential indicators of independence, and that each of them is independent of the Company's management and free from any business or other relationship which could interfere with the exercise of independent judgement or the ability to act in the best interest of the Company.

Each Independent Director has undertaken to notify the Board of any changes in their circumstances or of any new interest or relationship that would affect their independence as an independent director of the Company. The Board will promptly consider that new information in reassessing the Director's independence in the interests of the Company and its shareholders as a whole.

In addition to the annual confirmation mentioned above from the Independent Non-Executive Directors, all the Directors are required to confirm on an annual basis if they have any family relationship with any other Director and/or major shareholders of the Company, if there are any conflict of interests with the Company and if they have been convicted of any offence within the past five years other than traffic offences, and any public sanction or penalty imposed by the relevant regulatory bodies during the financial year. These information, together with the annual evaluation and assessment of each Director during the financial year, form the basis and justification for recommending whether the retiring Director should be nominated for re-election at the Annual General Meeting.

The Independent Non-Executive Directors serving more than nine years are persons with high caliber and their vast knowledge and experience contribute positively to the growth of the Group.

If the Board, including Independent Non-Executive Directors serving more than nine years, is able to continuously give their best efforts by using their expertise and skills to contribute positively towards the stewardship of the Company to attain greater heights, they should remain as Independent Non-Executive Directors of the Company as the intended outcome is achieved as they are able to make objective decision, in the best interest of the Group taking into account diverse perspectives and insights.

The Group practises non-discrimination in any form, whether based on age, gender, ethnicity or religion, throughout the organisation. This includes the selection of Board members and senior management.

The Board is mindful of the target of at least 30% women directors and has taken the initial step of appointing Tan Sri Dato' Sri Zaleha Binti Zahari as a female Director on the Board on 26 February 2018.

The Board currently comprises 8 male Directors and 1 female Director. The racial composition of the Board is 33.3% Malay and 66.7% Chinese. 22.2% of the Directors are between the ages of 30 and 55 and the remaining 77.8% are above 55 years old.

Principle A – Board Leadership and Effectiveness (cont'd)

II. Board Composition (cont'd)

Amongst others, the measure taken by the Board when sourcing suitable candidates for any vacant Board position in the future, would take into consideration suitably qualified women candidates, in line with the recommendation of the MCCG.

The Board did not utilise independent sources to identify suitably qualified candidates as the management understands the specialised industry it operates in. Through its own network and bearing in mind the highly regulated industry in which the Company operates in, the management would be in the best position to look for potential candidates with background which fits the criteria requirements.

The Board is open to utilising independent sources to identify suitably qualified candidates, where necessary.

The Chairman of the Nomination Committee, Mr Quah Chek Tin (chektin.quah@genting.com) has been designated as the Senior Independent Non-Executive Director, as identified by the Board pursuant to Practice 4.7 of the Malaysian Code on Corporate Governance.

The Nomination Committee carries out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.gentingplantations.com. The Nomination Committee met twice during the financial year ended 31 December 2019 with all the members in attendance.

The main activities carried out by the Nomination Committee during the financial year ended 31 December 2019 are set out below:

(a) considered and reviewed the Board's succession plans, the present size, structure and composition of the Board and Board Committees as well as the required mix of skills, experience and competency required;
(b) considered and reviewed the Senior Management's succession plans;
(c) considered and reviewed the trainings attended by the Directors, discussed the training programmes required to aid the Directors in the discharge of their duties as Directors and to keep abreast with industry developments and trends;
(d) reviewed and recommended to the Board, the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference;
(e) assessed and recommended to the Board, the effectiveness of the Board, Board Committees and individual Directors, including the Chief Executive; and
(f) considered and recommended to the Board, the appointment of Mr Ching Yew Chye as an additional member of the Remuneration Committee.

The process of assessing the Directors is an on-going responsibility of the Nomination Committee and the entire Board. The Board has put in place a formal evaluation process to annually assess the effectiveness of the Board as a whole and the Board Committees, as well as the contribution and performance of each individual Director (including the Independent Non-Executive Directors) and the Chief Executive.

In respect of the assessment for the financial year ended 31 December 2019 which was internally facilitated, the Nomination Committee and the Board were satisfied that the Board and Board Committees have discharged their duties and responsibilities effectively and the contribution and performance of each individual Director, including the Chief Executive are satisfactory. The Board was also satisfied that the Board composition in terms of size, the balance between Executive, Non-Executive and Independent Directors and mix of skills was adequate. The Board is mindful of the gender diversity relating to women directors and has taken the initial step as disclosed in Practice 4.5 of the Corporate Governance Report.

The Board is cognisant to Practice 5.1 of MCCG and at the appropriate time, engages independent experts to facilitate the annual assessment.

III. Remuneration

The Company has established a formal remuneration policy for the Executive Directors and senior management to align with the business strategy and long term objectives of the Company and its unlisted subsidiaries.

The Board, as a whole, determines the level of fees of Non-Executive Directors and Executive Directors.

Principle A – Board Leadership and Effectiveness (cont'd)

III. Remuneration (cont'd)

The policies and procedures are made available on the Company's website at www.gentingplantations.com.

The Remuneration Committee is responsible for implementing the policies and procedures on the remuneration of Executive Directors and making recommendations to the Board on the remuneration packages of Executive Directors and members of the Board Committees whilst the Board is responsible for approving the policies and procedures which govern the remuneration of the employees including Executive Directors and senior management of the Company.

The Remuneration Committee carries out its duties in accordance with its Terms of Reference which can be obtained from the Company's website at www.gentingplantations.com.

The details of the Directors' remuneration received in 2019 on a named basis are set out in Appendix A of this Corporate Governance Overview Statement.

The top 5 senior management (excluding executive directors) of the Group are Mr Tan Wee Kok, Mr Lee Ser Wor, Mr Tan Cheng Huat, Mr Choo Huan Boon and Mr Lee Weng Wah, their designations are disclosed in the Annual Report 2019. The aggregate remuneration of these executives received in 2019 was RM8.37 million representing 2.11% of the total employees' remuneration of the Group.

The remuneration of the aforesaid top five senior management was a combination of annual salary, bonus, benefits in-kind and other emoluments which are determined in a similar manner as other management employees of the Group. This is based on their individual performance, the overall performance of the Group, inflation and benchmarked against other companies operating in similar industries in the region. The basis of determination has been applied consistently from previous years.

Principle B – Effective Audit and Risk Management

I. Audit Committee

The Chairman of the Audit Committee is Mr Quah Chek Tin, an Independent Non-Executive Director of the Company.

The Terms of Reference of the Audit Committee has included a cooling-off period of at least two years before a former key audit partner could be appointed as a member of the Audit Committee to safeguard the independence of the audit of the financial statements.

The Audit Committee ensures that the independence and objectivity of the external auditors are not compromised in accordance with the assessment criteria set out in the "Group Policy on External Auditors' Independence".

The external auditors are also required to provide confirmation to the Audit Committee that they are and have been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements.

The Audit Committee was satisfied with the suitability and independence of the external auditors based on the quality and competency of services delivered, sufficiency of the firm and professional staff assigned to the annual audit as well as the non-audit services performed for the financial year ended 31 December 2019 and has recommended their re-appointment for the financial year ending 31 December 2020.

The Audit Committee of the Company consists of four members, who are all Independent Non-Executive Directors.

The members of the Audit Committee of the Company comprised at least one member with the requisite accounting qualification based on the requirement of the MMLR of Bursa Securities. Members of the Audit Committee are financially literate as they continuously keep themselves abreast with the latest developments in the new accounting and auditing standards and the impact it may have on the Group through briefings by the management and the external auditors. During the financial year ended 31 December 2019, the Directors received regular briefings and updates on the Group's businesses, operations, risk management, internal controls, corporate governance, finance, sustainability reporting and any new or changes to the relevant legislation, rules and regulations.

Principle B – Effective Audit and Risk Management (cont'd)

I. Audit Committee (cont'd)

The Company maintains a policy for Directors to receive training at the Company's expense, in areas relevant to them in the discharge of their duties as Directors or Board Committee members, including Mandatory Accreditation Programme for new Directors.

The courses and training programmes attended by the Directors in 2019 are disclosed in Appendix B of this Corporate Governance Overview Statement.

The Directors are also required by the Companies Act 2016 to prepare financial statements for each financial year which have been made out in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 in Malaysia which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and financial performance of the Group and of the Company for the financial year.

A statement by the Board of its responsibilities for preparing the financial statements is set out in the Audited Financial Statements for the financial year ended 31 December 2019 of the Company.

II. Risk Management and Internal Control Framework

The Board is responsible for the Group's risk management framework and system of internal control and for reviewing their adequacy and integrity.

The Board affirms its overall responsibility for establishing an effective risk management and internal control framework which is in place and has been enhanced over the years.

The risk management and internal control framework of the Company are designed to manage rather than eliminate risks, and to provide reasonable but not absolute assurance against any material misstatement or loss.

Features of the risk management and internal control framework of the Company are set out in the Statement on Risk Management and Internal Control.

The Audit and Risk Management Committee of the Company assists the Board in carrying out, among others, the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies.

On 31 December 2019, the Board approved the separation of the Audit and Risk Management Committee into two committees, namely Audit Committee and Risk Management Committee with the same composition of members.

The Risk Management Committee now serves as a committee of the Board to assist the Board in carrying out the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies. The Terms of Reference of the Risk Management Committee can be obtained from the Company's website at www.gentingplantations.com.

To assist the Board in maintaining a sound system of internal control for the purposes of safeguarding shareholders' investment and the Group's assets, the Group has in place, an adequately resourced internal audit department.

The Internal Audit has an Audit Charter approved by the Audit Committee which defines the mission & objectives, roles & responsibilities, independence, authority, audit standards & code of ethics, audit scope & methodology and audit reporting.

The Internal Audit function is headed by Mr Koh Chung Shen ("Head of Internal Audit" or "Mr Koh"). He reports functionally to the Audit Committee and administratively to the senior management of the Company. The competency and working experience of Mr Koh and the internal audit team are disclosed in Practice 10.2 of the Corporate Governance Report.

The details of the scope of work, performance evaluation and budget of the internal audit function are set out in the Corporate Governance Report.

The Head of Internal Audit and other internal audit personnel are independent from the operational activities of the Company and they do not hold management authority and responsibility over the operations that internal audit covers in its scope of works.

Principle B – Effective Audit and Risk Management (cont'd)

II. Risk Management and Internal Control Framework (cont'd)

For year 2019, the average number of internal audit personnel was 24 comprising degree holders and professionals from related disciplines with an average of 8.5 years of working experience per personnel.

Mr Koh joined the Company in November 2000 as Manager of Internal Audit and subsequently took over as Head of Internal Audit in November 2008. Mr Koh started his career as an internal auditor in one of the financial institutions. Mr Koh has in total 26 years of internal audit experience.

The internal audit team carries out its work according to the standards set by professional bodies, primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations.

Principle C – Integrity in Corporate Reporting and meaningful relationship with stakeholders.

I. Communication with Stakeholders

The Group acknowledges the importance of timely and equal dissemination of material information to the shareholders, investors and public at large. The Company holds briefings for fund managers, institutional investors and investment analysts after each quarter's financial results announcement.

The Group maintains a corporate website at www.gentingplantations.com which provides the relevant information to its stakeholders.

The Group also participates in investor forums held locally and abroad and periodically organises briefings and meetings with analysts and fund managers to give them a better understanding of the businesses of the Group.

The Company would review the need to adopt the integrated reporting based on a globally recognised framework at the appropriate time.

II. Conduct of General Meetings

The Company serves the Notice of Annual General Meeting to the shareholders of the Company at least 28 days prior to the meeting for the financial year 2019.

The date of the Annual General Meeting of the Company is scheduled at the beginning of the calendar year to ensure that all the Directors are present to provide meaningful response to questions addressed to them. All the Directors attended the Annual General Meeting held on 18 June 2019.

Practice 12.3 which recommends leveraging on technology is a new concept introduced and the Company would need time to study the availability of such software and hardware as well as its cost effectiveness to facilitate such mode of voting.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board of Directors dated 26 February 2020.

Appendix A

GROUP/COMPANY

DETAILS OF DIRECTORS' REMUNERATION RECEIVED IN 2019

Amount in RM million	SALARIES & BONUS	DEFINED CONTRIBUTION PLAN	FEES	MEETING ALLLOWANCE FOR BOARD COMMITTEE'S ATTENDANCE	OTHER SHORT TERM EMPLOYEE BENEFITS	ESTIMATED MONETARY VALUE OF BENEFITS IN-KIND	TOTAL
EXECUTIVE							
TAN SRI LIM KOK THAY	0.529	0.101	0.095	-	-	-	0.725
MR LIM KEONG HUI	1.558	0.234	0.095	-	-	-	1.887
MR TAN KONG HAN (APPOINTED ON 1 JAN 2019)	2.190	0.259	-	-	0.003	0.017	2.469
NON-EXECUTIVE							
GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)	-	-	0.143	0.037	-	0.004	0.184
LT. GEN DATO' ABDUL GHANI BIN ABDULLAH (R)	-	-	0.095	0.029	-	0.004	0.128
MR QUAH CHEK TIN	-	-	0.095	0.048	-	-	0.143
MR CHING YEW CHYE	-	-	0.095	0.029	-	0.004	0.128
MR YONG CHEE KONG	-	-	0.095	-	-	0.004	0.099
TAN SRI DATO' SRI ZALEHA BINTI ZAHARI	-	-	0.080	-	-	-	0.080

Appendix B

THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2019

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Tan Kong Han	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye	Mr Yong Chee Kong	Tan Sri Dato' Sri Zaleha binti Zahari
Special Voluntary Disclosure Programme Seminar by Deloitte Malaysia.									•	
Islamic Finance for Board of Directors by International Shar'iah Research Academy (ISRA) Consultancy.								•		
Briefing on IFRS 17 & IFRS 10 by speaker Ms Shirley Goh of PwC Malaysia organised by AIA Berhad.								•		
Anti Money Laundering/Counter Financing of Terrorism by speaker Ms Yap Lai Kuen of The Iclif Leadership and Governance Centre organised by AIA Berhad.								•		
Culture: Identifying with the culture & values of the company Accountability: Understanding responsibilities, goals, metrics & shared goals by Zouk Singapore.					•					
Lembaga Tabung Angkatan Tentera Re-treat: Theme – LTAT 2.0: Let's Transform, Aspire & Triumph by Lembaga Tabung Angkatan Tentera.		•								
Related Party Transactions (RPTs) & Conflict of Interest, Including The "Arms-Length Issue" On Transactions – Implications to the Board, Audit Committee & Management" by Malaysian Institute of Corporate Governance.						•	•			
Inaugural Eminent Speakers Conference Series "Navigating Towards Healthy Ageing", co-organised by Genting Group and University of Malaya, Faculty of Medicine in conjunction with the Genting Founder's Day.			•	•	•				•	
Governance Symposium 2019 - Building a Governance Eco-System by Malaysian Institute of Accountants.						•				
The "Belt & Road" EMBA Program for Southeast Asia by PBC School of Finance (PBCSF), Tsinghua University on the following modules:- - Business for Business Marketing and Asset Management-Fix Income - Fin-Tech and The New Landscape of China's Exchange Reform - Behavioral Finance, Ambicultural Strategy and Leadership - Understanding the Policy Environment for Successful BRI-Connected International Growth, National Culture and Business Management					•					

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THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2019 (cont'd)

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Tan Kong Han	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye	Mr Yong Chee Kong	Tan Sri Dato' Sri Zaleha binti Zahari
Cryptocurrency & Blockchain for Board of Directors: The Impact of Crypto on Capital Markets by EquitiesTracker Holdings Berhad organised by Affin Bank Berhad.		•								
"Succession Planning - Ensuring a smooth transfer of your wealth to the next generation" by Deloitte Malaysia.									•	
Insight-sharing by Ernst & Young on the Inland Revenue Board's Special Voluntary Disclosure Programme organised by Genting Group.				•		•	•		•	
Mandatory Accreditation Programme for Directors of Public Listed Companies by The Iclif Leadership and Governance Centre.				•						
2-Day ISO 37001: 2016 & Malaysian Anti-Corruption Commission Act - Section 17A Foundation Course by Aram Global Sdn Bhd.							•			
LEAP: How to Thrive in a World Where Everything Can Be Copied by Professor Howard Yu of management and innovation at IMD Business School in Switzerland.								•		
Integrated Reporting: Communicating Value Creation by Bursa Malaysia and Malaysian Institute of Accountants.						•				
Corporate Governance and Observations in the CG Monitor by Securities Commission Malaysia and Affin Bank Berhad.		•								
Briefing on MFRS 16: Leases by speaker Ms Siew Kar Wai, Partner, PricewaterhouseCoopers Risk Services Sdn Bhd organised by Genting Group.				•		•	•	•	•	•
Director E-Training on the Environmental, Social and Governance (ESG) and Reporting by The Stock Exchange of Hong Kong Limited.			•							
Corporate Liability - Impact on the Commercial Organisation and Guidelines on Adequate Procedures (Section 17A of the Malaysian Anti-Corruption Commission Act 2009) by Bintulu Port Holdings Berhad and Shearn Delamore & Co.		•								

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THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2019 (cont'd)

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Tan Kong Han	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye	Mr Yong Chee Kong	Tan Sri Dato' Sri Zaleha binti Zahari
Demystifying The Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia Berhad.						•				
Directors Briefing on IFRS by AIA Berhad and AIA General Berhad.								•		
38th Management Conference (Plantation Division) of Genting Plantations Berhad. Theme: "Digital Transformative Technologies & A.I." - Innovating Inside-Out by Dr Thun Thamrongnawasawat - Iclif Leadership & Governance Centre. - GENP Adoption of Digitalisation and A.I Technologies by Mr Yap Yau Koong, Vice President - Plantation Advisory. - Artificial Intelligence for Plantation Management by Mr Drew Perez of Adatos A.I. - Agricultural A.I. Robot for Precision Farming by Ir. Prof. Dr. Koo Voon Chet - iRadar.		•		•		•	•	•	•	•
Thematic Sustainability Workshop "Recommendation of the Task Force on Climate-related Financial Disclosures" by Bursa Malaysia Berhad.									•	
Cyber Threat Awareness: What Board Need to Know by The Iclif Leadership and Governance Centre organised by AIA Berhad and AIA General Berhad.								•		
Affin Hwang Asset Management Investment Forum 2019: Wealth & Beyond by Affin Hwang Asset Management.									•	
Malaysia-China Belt & Road Economic Cooperation Forum 2019 by Silk Road Business Council Malaysia Committee & Ministry of International Trade and Industry Malaysia.									•	
Demystifying The Diversity Conundrum: The Road to Business Excellence by Bursa Malaysia Berhad.							•			

Appendix B

THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2019 (cont'd)

COURSES	NAME OF DIRECTORS	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Tan Kong Han	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye	Mr Yong Chee Kong	Tan Sri Dato' Sri Zaleha binti Zahari
Workshop on Digital Disruption and Innovation by speakers Mr Jan Metzger, Managing Director, Head, Asia Pacific, Banking, Capital Markets and Advisory, Citigroup Global Markets Asia Ltd, Mr Willard Mclane, Managing Director, Vice Chairman of Global Financial Institutions Group, Citi and Mr Aayush Jhunjhunwala Director, Asia-Pacific Technology, Media and Telecom Investment Banking, Citigroup Investment Banking organised by Genting Group. A. Themes of Technology Disruption - An overview of disruption that technology is causing globally - Impact of technology disruption to various sectors B. Attack from Technology and Incumbent's response - Disruption to financial services and how incumbents are responding - Specific examples of Citi's strategic initiatives - Threats and Opportunities in other sectors C. Rise of Digital Ecosystems - Rise of ecosystems around the world - Rise of technology in SEA - Case Study: GOJEK: Largest transactional platform in SEA with diversified business model D. Bold Predictions (They do come true)				•		•	•	•	•	•
"Growing your wealth" by Affin Hwang Capital.									•	
The Cooler Earth: Sustainability Summit by CIMB Bank Berhad.									•	
Corporate Liability: S17A of Malaysian Anti-Corruption Commission Act 2009 by Bintang Capital Partners Berhad.		•								
30th Annual Senior Managers Conference 2019 of Genting Malaysia Berhad. - Theme: Leading Through Challenging Times lead by Professor Roderick & Stefan – INSEAD - Session 1: Leadership Effectiveness - Session 2: Managing Team Effectiveness - Session 3: Effective Influence - Session 4: Collaboration and Value Creation		•				•				

Appendix B

THE FOLLOWING ARE THE COURSES AND TRAINING PROGRAMMES ATTENDED BY THE DIRECTORS IN 2019 (cont'd)

COURSES	**NAME OF DIRECTORS**	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Tan Sri Lim Kok Thay	Mr Tan Kong Han	Mr Lim Keong Hui	Mr Quah Chek Tin	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Mr Ching Yew Chye	Mr Yong Chee Kong	Tan Sri Dato' Sri Zaleha binti Zahari
"Ethics and Business Climate in Malaysia" by The Business Ethics Institute of Malaysia.									•	
Seminar Corporate Liability on Corruption In Construction - Enforcement of Section 17A, MACC Amendment Act 2018 by Construction Industry Development Board Malaysia.							•			
FIDE Elective Programme: Emerging Risks, the Future Board and Return on Compliance by The ICLIF Leadership and Governance Centre (ICLIF) and Financial Institutions Directors Education Programme.										•
Group-Wide Training Program on Corporate Governance by Lembaga Tabung Angkatan Tentera.		•								
Session on Corporate Governance and Anti-Corruption by Bursa Malaysia & Securities Commission Malaysia.										•
Barclays Asia Forum 2019 by Barclays Investment Bank Singapore.				•						
The 33rd Sultan Azlan Shah Law Lecture entitled "International Commerce: Mapping the Law in a Borderless World" by The Right Honorable The Lord Briggs of Westbourne, Justice of the Supreme Court of the United Kingdom co-organised by The Sultan Azlan Shah Foundation and the University of Malaya.		•								
21st Mizuho Global Seminar by Mizuho Bank, Ltd.				•						
Audit Oversight Board Conversation with Audit Committees by speaker Mr. Alex Ooi Thiam Poh, Executive Officer, Audit Oversight Board, Securities Commission Malaysia.		•				•	•			
MPOB International Palm Oil Congress and Exhibition (PIPOC) 2019 by Malaysian Palm Oil Board.									•	
Tax Seminar - The 2020 Budget by Deloitte Tax Services Sdn Bhd organised by Genting Group.						•	•		•	

AUDIT COMMITTEE

The Audit Committee was established on 26 July 1994 to serve as a Committee of the Board. In line with the recommendation of the Malaysian Code on Corporate Governance, the Audit Committee of the Company which has been assisting the Board in carrying out, among others, the responsibility of overseeing the Company and its subsidiaries' risk management framework and policies, was renamed as the Audit and Risk Management Committee ("ARMC") on 29 December 2017.

On 31 December 2019, the Board approved the separation of ARMC into two separate committees, namely Audit Committee ("AC") and Risk Management Committee ("RMC").

MEMBERSHIP

The present members of the AC comprise:

Mr Quah Chek Tin	Chairman/Independent Non-Executive Director
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	Member/Independent Non-Executive Director
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	Member/Independent Non-Executive Director
Mr Ching Yew Chye	Member/Independent Non-Executive Director

TERMS OF REFERENCE

The Terms of Reference of the AC were revised in December 2019 and are made available on the Company's website at www.gentingplantations.com.

ATTENDANCE AT MEETINGS DURING THE FINANCIAL YEAR 2019

The AC held a total of six (6) meetings. Details of attendance of the AC members are as follows

Name of Member	Number of Meetings Attended*
Mr Quah Chek Tin	6 out of 6
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	6 out of 6
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)	6 out of 6
Mr Ching Yew Chye	6 out of 6

* *The total number of meetings include the special meetings held between members of the AC who are non-executive Directors of the Company and representatives of the external auditors, PricewaterhouseCoopers PLT without the presence of any Executive Director or management.*

SUMMARY OF WORK DURING THE FINANCIAL YEAR 2019

The AC carried out its duties in accordance with its Terms of Reference.

During the financial year ended 31 December 2019, this entailed, inter-alia, the following:

i) reviewed and deliberated the internal audit plan for the Company and the Group with the Head of Internal Audit and authorised deployment of the necessary resources to address risk areas identified;

ii) reviewed and deliberated the internal audit reports of the Company and of the Group which were prepared on completion of each internal audit assignment;

iii) engaged with the external auditors on the external audit plan for the Company and the Group;

iv) reviewed and deliberated the external audit reports of the Company and of the Group prepared by the external auditors, including any key audit matters raised;

v) reviewed with management and the external auditors and deliberated the quarterly results and reports of the Company and of the Group and recommended for their approval by the Board;

vi) reviewed and deliberated related party and recurrent related party transactions of the Company and of the Group;

vii) analysed and reviewed the proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and of the Group;

viii) assessed the suitability, objectivity and independence of the external auditors and recommended their re-appointment;

ix) reviewed with management and the external auditors the annual financial statements of the Company and of the Group for the financial year ended 31 December 2018 and recommended for their approval by the Board;

x) reviewed and deliberated the half-yearly reports submitted by the Risk and Business Continuity Management Committee of the Company;

xi) deliberated on initiatives for the implementation of policy for anti-bribery and corruption; and

xii) reviewed the 2018 Annual Report of the Company, including the ARMC's Report, Sustainability Report and Statement of Risk Management and Internal Control.

HOW THE AC DISCHARGED AND MET ITS RESPONSIBILITIES DURING THE FINANCIAL YEAR 2019

1. Financial Reporting

The AC reviewed with management and the external auditors and deliberated on the quarterly consolidated financial statements and the annual financial statements of the Company and of the Group prior to the approval by the Board, focusing particularly on:

a. changes in or implementation of major accounting policies;

b. significant matters highlighted by management or the external auditors, including financial reporting issues, significant judgements made by management, significant and unusual events or transactions, and how these matters were addressed; and

c. compliance with accounting standards and other legal or regulatory requirements.

to ensure that the financial statements give a true and fair view of the financial position and financial performance of the Group and of the Company and are in compliance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia as well as the Listing Requirements of Bursa Malaysia Securities Berhad. New financial reporting standards and amendments that are effective for the current financial year were discussed. Other than the impact arising from the adoption of MFRS 16 "Leases" as disclosed in the quarterly financial statements, the adoption of these new standards and amendments did not have any significant impact on the current or prior year and are not likely to materially affect future periods.

The AC also reviewed and where applicable, commented on the representation letters issued by the management to the external auditors in relation to the financial statements every quarter.

2. External Audit

In the course of each review of the quarterly financial statements and each audit of the annual financial statements, the external auditors identified discrepancies or matters involving estimates or the exercise of judgement which could have material impact on the financial statements. These matters were discussed with management and resolved.

Significant matters requiring follow-up were highlighted in the reports by the external auditors to the AC. In accordance with International Standards on Auditing, key audit matters which in the opinion of the external auditors were of most significance in their audit of the annual financial statements were brought to the attention of the AC and highlighted and addressed by the external auditors in their audit report.

The AC also reviewed and discussed the external auditors' annual audit plan setting out the proposed scope of work before their commencement of the audit of the financial statements of the Company and of the Group.

The proposed audit fees for the external auditors in respect of their audit of the financial statements of the Company and its subsidiaries were analysed and reviewed by the AC for recommendation to the Board for approval. Non-audit fees and non-audit related costs payable to the external auditors in respect of non-audit services rendered by the external auditors during the financial year were also reviewed and considered in ascertaining the suitability and independence of the external auditors.

The AC conducted its annual assessment based on the Group's policy on external auditors' independence for recommending the reappointment of the external auditors to the shareholders for approval.

Two AC meetings were held on 25 February 2019 and 27 August 2019 without the presence of any Executive Director or management of the Company to ensure that the external auditors can freely discuss and express their opinions on any matter to the AC, and the AC can be sufficiently assured that management has fully provided all relevant information and responded to all queries from the external auditors.

The external auditors shared their observations on significant operational matters and key audit findings, including internal controls.

3. Internal Audit

The Group has an adequately resourced internal audit function to assist the Board in maintaining a sound system of internal control. The internal audit department of the Company reports to the AC and the primary role of the department is to undertake regular and systematic review of the risk management and internal control processes to provide sufficient assurance that the Company and the Group have sound systems of internal control and that established policies and procedures are adhered to and continue to be effective in addressing the risks identified.

Internal audit functions independently of the activities it audits and carries out its work objectively according to the standards set by professional bodies, primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by the international accounting and auditing organisations. For each audit, a systematic methodology is adopted, which primarily includes performing risk assessment, developing audit planning memorandum, conducting audit, convening exit meeting and finalising audit report. The audit reports detail out the objectives, scope of audit work, findings, management responses and conclusion in an objective manner and are distributed to the responsible parties.

The AC reviewed and approved the 2020 Internal Audit Plan for the Company and the Group and authorised the deployment of necessary resources to address risk areas identified.

The following were considered in the AC's review:

- The Internal Audit plan was prepared based on a risk based approach with the consideration of four (4) factors, namely materiality of transactions and balances, management concerns (including company risk profiles), regulatory requirements and audit evaluation.

- The internal audit scope extends to cover major operating areas of the Company and its subsidiaries which include financial, accounting, information systems, operational and support services and administrative activities.

- The internal audit resources comprise degree holders and professionals from related disciplines. Senior personnel possess vast experience in the audit profession as well as in the industries that the Company and its subsidiaries are involved in.

The AC reviewed and deliberated the internal audit reports issued in respect of the Group's entities or operations each quarter. The audits covered various operations, systems, processes and functions across the Company and the Group. Some weaknesses in internal control were identified for the year under review but these are not deemed significant and have not materially impacted the business or operations of the Group. Nevertheless, measures have been or are being taken to address these weaknesses. The internal audit reports also included follow-up on corrective measures to ensure and to report to the AC that management has dealt with the weaknesses identified satisfactorily.

The total cost incurred for the internal audit function of the Group for the financial year ended 31 December 2019 amounted to RM4.43 million.

4. **Related Party Transactions**

   Related party transactions of the Company and its subsidiaries which exceeded pre-determined thresholds were reviewed by the AC to ensure the transactions were fair, reasonable, on normal commercial terms, not detrimental to the interests of the minority shareholders and in the best interest of the Company before recommending to the Board or shareholders for approval.

   The AC reviewed the recurrent related party transactions of a revenue or trading nature which were necessary for the day to day operations of the Company or its subsidiaries that arose within the Group to ensure that the transactions were in the ordinary course of business and on terms not more favourable to the related parties than those generally available to the public.

5. **Risk Management**

   During the year, the ARMC reviewed the risk management processes and deliberated on the reports submitted by the Risk and Business Continuity Management Committee of the Company and the annual Statement on Risk Management and Internal Control to ensure that all necessary risk mitigation measures to address the critical risk areas have been or were being put in place.

   The ARMC also reviewed the adequacy and effectiveness of the internal control system to ensure compliance with internal controls and procedures set up within the Group.

RISK MANAGEMENT PROCESS

As proper risk management is a significant component of a sound system of internal control, the Group has also put in place a risk management process to help the Board in identifying, evaluating and managing risks. The implementation and maintenance of risk management process is carried out by the Risk and Business Continuity Management Committee of the Company.

The review of the risk management processes and reports is delegated by the Board to the ARMC (going forward, the RMC). In this regard, half-yearly risk management reports and the annual Statement on Risk Management and Internal Control are reviewed and deliberated by the ARMC (going forward, the RMC) prior to recommending for endorsement by the Board.

The RMC of the Company reviewed the Statement on Risk Management and Internal Control which provides an overview of the state of internal controls within the Group as set out on pages 60 to 63 of the Annual Report.

This Audit Committee Report is made in accordance with a resolution of the Board of Directors dated 26 February 2020.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

BOARD RESPONSIBILITY

The Board of Directors ("the Board") affirms its overall responsibility for establishing an effective risk management and internal control framework for Genting Plantations Berhad ("the Company") and its subsidiaries (collectively referred to as the "Group") and for reviewing its adequacy and effectiveness. The Board recognises that business decisions involve the taking of appropriate risks and hence, necessary actions need to be taken to understand the principal risks and monitor that risks are being managed within risk tolerance levels.

Through the years, the risk management framework has been reviewed and enhanced to ensure that the ongoing risk management processes effectively identify, analyse, evaluate, and manage significant risks that may impede the achievement of business and corporate objectives. The Group's risk management framework is reviewed by the Board annually. Amongst others, the risk management framework sets out the risk tolerance and risk appetite levels, and provide guidance for the identification and management of key risks.

A key component of the Group's risk management framework is the internal control system, which is designed to manage rather than eliminate risks, and provides reasonable but not absolute assurance against any material misstatement or loss.

During the year, the review of the risk management and internal control reports and processes was delegated by the Board to the Audit and Risk Management Committee ("ARMC"). With effect from 31 December 2019, the ARMC has been separated into two separate committees namely, Audit Committee ("AC") and Risk Management Committee ("RMC").

MANAGEMENT RESPONSIBILITIES

Management is accountable to the Board for the risk management and internal control system and for the implementation of processes to identify, evaluate, monitor and report risks and controls. In this regard, Risk and Business Continuity Management Committee ("RBCMC") has been established by the Company to:

- Institutionalise the risk management practices in the respective business units.
- Ensure the effectiveness of the risk management policies and processes.
- Ensure that relevant risks that may impede the achievement of objectives are identified and appropriate mitigating actions have been implemented.
- Review significant changes in the risk profiles and emerging risks, taking into consideration the changing business and regulatory environment; ensuring that appropriate actions are taken; and communicating them to the ARMC (going forward, the RMC) and the Board.

The RBCMC comprises senior management of the Group and is chaired by the Chief Financial Officer. The RBCMC met on a quarterly basis in 2019 to ensure the continual effectiveness, adequacy and integrity of the risk management system and key matters were escalated to the ARMC and the Board for deliberation and approval.

KEY INTERNAL CONTROL PROCESSES

Key elements of the Group's internal control framework are as follows:

- The Board and the ARMC (going forward, the AC) meet every quarter to discuss business and operational matters raised by Management, Internal Audit and the external auditors including potential risks and control issues.

- The external auditors independently test certain internal controls as part of their audit of the financial statements, and provide recommendations on significant findings detected. Management takes appropriate action on these internal control recommendations.

- The Board has delegated the responsibilities to various committees established by the Board and Management of the Company to implement and monitor the Board's policies on controls.

- Delegation of authority including authorisation limits at various levels of Management and those requiring the Board's approval are documented and designed to ensure accountability and responsibility.

- Internal procedures and policies are documented in manuals, which are reviewed and revised periodically to meet changing business and operational requirements as well as statutory reporting needs.

- Performance and cash flow reports are provided to the Management and Executive Committee ("EXCO") to facilitate review and monitoring of financial performance and cash flow position.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

- Business/ Operating Units present their annual budget, which includes financial and operating targets, capital expenditure proposals and performance indicators for approval by the EXCO.

- Quarterly results are compared with the budget to identify and where appropriate, to address significant variances from the budget.

- A whistleblower policy is in place and anyone who has a genuine concern on detrimental actions or improper conduct may raise it using the confidential channels laid out in the policy.

INTERNAL AUDIT FUNCTION

The Internal Audit Department ("Internal Audit") is responsible for undertaking regular and systematic reviews of the risk management and internal control processes to provide the ARMC (going forward, the AC) and the Board with sufficient assurance that the systems of internal control is effective in addressing the risks identified.

Internal Audit functions independently of the operational activities it audits and carries out its duties according to the standards and best practices set out by professional bodies, primarily consistent with the International Professional Practices Framework issued by the Institute of Internal Auditors and where applicable, reference is made to the standards and statements issued by international accounting bodies.

On a quarterly basis during the year under review, Internal Audit submitted audit reports and audit plan status for review and approval by the ARMC. Included in the reports are recommended corrective measures on risks identified, if any, for implementation by Management. Internal Audit also conducts subsequent follow-up work to check that Management has dealt with the recommendations satisfactorily.

The internal audit reviews during the financial year had identified some weaknesses in internal control. These weaknesses have not materially impacted the business or operations of the Group and are not deemed significant. Management has either taken the necessary measures to address these weaknesses or is in the process of addressing them.

RISK MANAGEMENT FUNCTION

The Risk Management Department facilitates the implementation of the risk management framework and processes with the respective Business/Operating Units and reviews that risks that may impede the achievement of objectives are adequately identified, evaluated, managed and controlled. The Risk Management Framework approved by the Board, which is based on ISO31000:2018 Risk Management – Guidelines, articulates the risk policy, risk tolerance levels, standardised classifications and categories of risks and the risk review process.

On a quarterly basis during the year under review, the Risk Management Department presented a report detailing the significant risks, the status of risk reviews and the status of implementation of action plans for review by the RBCMC and EXCO.

Additionally, the Business Continuity Management Framework, which is a core component of good corporate governance and an integral part of risk management which provides business resilience in the face of crisis and ensures continuity of operations, is aligned with ISO22301:2012 Societal Security – Business Continuity Management Systems.

Key aspects of the risk management process during the year under review were:

- Risks were identified by each key business function or activity along with assessments of the probability and impact of their occurrence. The level of residual risk was determined after identifying and evaluating the effectiveness of existing controls and mitigating measures.

- The risk profiles were re-examined on a half yearly basis and Business/Operations Heads provided a confirmation that the review was carried out and that action plans were being monitored.

- The Risk Management Department facilitated discussions with Business/Operations Heads to assess the reasonableness of the risks identified and the appropriateness of the proposed mitigating actions.

- On a quarterly basis the RBCMC and EXCO met to review the status of risk reviews, the significant risks identified and the progress of implementation of action plans. Consequently, a risk management report summarising the significant risks and/or status of action plans of the respective Business/Operating Units is presented to the ARMC (going forward, the RMC) on a half yearly basis for review, deliberation and recommendation for endorsement by the Board.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

KEY RISKS FOR 2019

a. Financial Risk

The Group was exposed to foreign currency exchange, interest rate, credit, price and liquidity risks. With the objective of optimising the value creation for shareholders, the strategies adopted to manage these risks were mostly to minimise potential adverse impacts to the financial performance of the Group. These included entering into forward foreign currency exchange contracts, entering into floating-to-fixed interest rate swaps, a comprehensive insurance program and adherence to financial risk management policies.

b. Security Risk

The Group was exposed to external threats to its assets, employees and resources, which may interrupt business operations, threaten the safety of employees, impair the Group's reputation and/or result in financial loss. In light of this, vigilant security screening and monitoring was employed by the Group at all its key properties and assets.

c. Business Continuity Risk

The daily business activities of the Group may be disrupted by failure of IT systems, cyber-attacks, a major health pandemic or even inaccessibility to the workplace. Appropriate systems with adequate capacity, security arrangements, facilities and resources to mitigate risks that may cause interruption to critical business functions have been put in place. Respective departments have established their Disaster Recovery and Business Continuity Management Plans. These plans were reviewed and updated and tests were also conducted, including on the core IT systems to ascertain the preparedness in response to prolonged business disruption situations. Findings and feedbacks were gathered post exercise and analysed for continual improvement.

d. Cybersecurity Risk

The Group was exposed to the risk of malware, ransomware, unauthorised access, corruption and/or loss of its information assets. To manage these risks, processes have been put in place to manage and protect the confidentiality, integrity, and availability of data and critical infrastructure. Amongst others, network gateway protection systems limit, manage and monitor network traffic and accessibility to the Group's systems, anti-malware software installed in major systems and endpoints, and encryption used to protect critical and confidential data. Any notifications and alerts received for suspicious network traffic were investigated. Regular maintenance of the Group's systems were carried out and action taken to close any identified gaps.

e. Commodity Risk

As globally traded commodities, palm products are subject to fluctuations in selling prices stemming from the volatility and cyclicality of world markets. Aside from the global demand and supply dynamics of palm oil and other substitute oils and fats, a number of other factors may also affect the movement and direction of domestic and international palm product prices. These factors, some of which are interrelated and unforeseeable, include, but are not limited to, (i) import and export tariff barriers; (ii) agricultural policies and regulations imposed by importing and exporting countries; (iii) renewable fuel policies and regulations; (iv) food safety and quality standards; and (v) weather and other agricultural influences.

As GENP's profitability is correlated to the selling prices of palm products achieved, there is no assurance that adverse movements in the prices of CPO, PK and FFB will not have an adverse effect on the performance of GENP Group.

Some of the avenues available for industry participants to hedge against fluctuations in prices of palm products include commodity sales contracts and derivative instruments, including physical forwards, non-deliverable forwards, futures and options. However, there is no assurance that, in the event GENP Group chooses to enter such contracts or trade in such instrument, its financial results would not be adversely affected by fluctuations in the prices of the underlying commodity products.

f. Regulatory Risk

The Group's businesses are regulated by various laws, regulations and standards in the various jurisdictions where it operates. Therefore, the Group constantly assesses the impact of new or changes to such laws, regulations and standards ("Regulatory Requirements") affecting its businesses to ensure compliance.

Non compliance with these Regulatory Requirements may give rise to corporate liability including inter alia penalties, fines and/ or other forms of punishments.

In managing and mitigating the risk of non compliance to these Regulatory Requirements, various measures were established, which amongst others include developing an in-depth understanding of the respective regulatory framework which governs the Group's operations in the various jurisdictions, leveraging the services of experienced internal and external lawyers, maintaining regular communications with the regulatory authorities, trade and industry associations, accounting and tax experts and implementing appropriate code of practice, policies, procedures, guidelines and internal controls that govern its employees and directors and where relevant and practicable, extends to its supply chain and other business associates.

CONCLUSION

The process as outlined in this statement for identifying, evaluating and managing risks has been in place for the year under review and up to the date of approval of this statement. The risk management processes and internal control system of the Group have been reviewed and found to be operating adequately and effectively in all material respects and the Board has accordingly received a statement of assurance from the relevant key executive officers including the Chief Executive and Executive Director, President and Chief Operating Officer and Chief Financial Officer of the Company.

The representations made by the Business/Operations Heads of the Group in respect of their risk management and internal control systems have been taken into consideration by the Board in issuing this statement.

The disclosures in this statement do not include the risk management and internal control practices of the Company's associated companies. The Company's interests in these entities are safeguarded through the appointment of members of the Company's senior management to the boards of directors of the investee companies. Additionally, where necessary, key financial and other appropriate information on the performance of these entities are obtained and reviewed periodically.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement on Risk Management and Internal Control. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide ("AAPG") 3 issued by the Malaysian Institute of Accountants.

AAPG 3 does not require the external auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control systems of the Group.

This Statement on Risk Management and Internal Control is made in accordance with a resolution of the Board dated 26 February 2020.

DIRECTORS' REPORT

The Directors of **GENTING PLANTATIONS BERHAD** have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activities of the Company are plantation and provision of management services to its subsidiaries.

The principal activities of the subsidiaries include plantation, property development, property investment, genomics research and development and downstream manufacturing activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 46 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	**Company RM'000**
Profit before taxation	185,465	99,147
Taxation	(55,046)	1,212
Profit for the financial year	130,419	100,359

TREASURY SHARES

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting of the Company held on 18 June 2019.

As at 31 December 2019, the total number of shares purchased was 160,000 and held as treasury shares in accordance with the provision of Section 127(4) of the Companies Act 2016.

DIVIDENDS

Dividends paid by the Company since the end of the previous financial year were:

(i) a final single-tier dividend of 8.25 sen per ordinary share amounting to RM74,018,854 in respect of the financial year ended 31 December 2018 which was paid on 19 July 2019; and

(ii) an interim single-tier dividend of 3.5 sen per ordinary share amounting to RM31,401,939 in respect of the financial year ended 31 December 2019 which was paid on 9 October 2019.

The Directors recommend payment of a final single-tier dividend of 9.5 sen per ordinary share in respect of the financial year ended 31 December 2019 to be paid to shareholders registered in the Register of Members on a date to be determined by the Directors. Based on the total number of issued ordinary shares (excluding treasury shares) of the Company as at 31 December 2019, the final dividend would amount to RM85,233,832.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in Note 36 to the financial statements.

ISSUE OF SHARES AND DEBENTURES

During the financial year, 91,625,106 new ordinary shares were issued by virtue of the exercise of 91,625,106 warrants to subscribe for 91,625,106 ordinary shares in the capital of the Company at an exercise price of RM7.75 per ordinary share pursuant to the non-renounceable restricted issue of 139,199,464 new warrants in the Company ("Warrants 2013/2019").

All the above mentioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

SHARE OPTIONS

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up the unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

WARRANTS 2013/2019

The Warrants 2013/2019 are constituted by a Deed Poll dated 8 November 2013. The Warrants 2013/2019 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 20 December 2013.

Each Warrant carries the right to subscribe for 1 new ordinary share in the Company at any time from 20 December 2013 up to the expiry date on 17 June 2019, at an exercise price of RM7.75 for each new share. Any Warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes.

The ordinary shares issued from the exercise of Warrants 2013/2019 shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants 2013/2019.

The Warrants 2013/2019 had expired on 17 June 2019 and was subsequently delisted from Bursa Securities on 18 June 2019. Consequently, the warrant reserve of RM1.13 million relating to unexercised and expired warrants was transferred to retained earnings.

DIRECTORATE

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)
Tan Sri Lim Kok Thay
Mr Tan Kong Han
Mr Lim Keong Hui
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)
Mr Quah Chek Tin
Mr Ching Yew Chye
Mr Yong Chee Kong
Tan Sri Dato' Sri Zaleha Binti Zahari

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares and/or warrants and/or performance shares of the Company; Genting Berhad, a company which owns 55.39% equity interest in the Company as at 31 December 2019; Genting Malaysia Berhad, a company which is 49.45% owned by Genting Berhad and Genting Singapore Limited, a subsidiary of Genting Berhad, as set out below:

	1.1.2019	Acquired/ Exercise of warrants#	Disposed	31.12.2019
Interest in the Company		***(Number of ordinary shares)***		
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	369,000	73,800#	-	442,800
Mr Yong Chee Kong	1,000	-	-	1,000
Mr Tan Kong Han	20,000	4,000#	-	24,000

DIRECTORS' REPORT (cont'd)

Interest in the Company (cont'd)	1.1.2019	Acquired/ Exercise of warrants#	Disposed	31.12.2019
		(Number of ordinary shares)		
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	407,005,000(1)	81,401,000(1)#	-	488,406,000(1)
Mr Lim Keong Hui	407,005,000(1)	81,401,000(1)#	-	488,406,000(1)
Interest of Spouse/Child of a Director				
Mr Yong Chee Kong	40,000	20,000#	-	60,000

	1.1.2019	Acquired	Exercised/ (Disposed)	31.12.2019
		(Number of warrants 2013/2019)@		
Warrantholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	73,800	-	73,800	-
Mr Tan Kong Han	4,000	-	4,000	-
Mr Yong Chee Kong	200	-	(200)	-

	1.1.2019	Acquired	Exercised/ (Disposed)	31.12.2019
		(Number of warrants 2013/2019)@		
Warrantholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	81,401,000(1)	-	81,401,000(1)	-
Mr Lim Keong Hui	81,401,000(1)	-	81,401,000(1)	-
Interest of Spouse/Child of a Director				
Mr Yong Chee Kong	70,000	-	20,000/(50,000)	-

Interest in Genting Berhad	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Shareholdings in which the Directors have direct interests				
Tan Sri Lim Kok Thay	68,119,980	-	-	68,119,980
Mr Tan Kong Han	650,000	-	-	650,000
Mr Quah Chek Tin	6,250	-	-	6,250
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	1,630,711,110(2)	165,347,650(2a)	152,651,250(2)	1,643,407,510(2a)
Mr Tan Kong Han	100,000(7)	-	-	100,000(7)
Mr Lim Keong Hui	1,630,711,110(2)	165,347,650(2a)	152,651,250(2)	1,643,407,510(2a)

Interest in Genting Berhad (cont'd)	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Interest of Spouse/Child of the Directors				
Mr Quah Chek Tin	1,250,000	-	-	1,250,000
Mr Yong Chee Kong	1,000	-	-	1,000

Interest in Genting Malaysia Berhad	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Shareholdings in which the Directors have direct interests				
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	-	-	10,000
Tan Sri Lim Kok Thay	14,140,100	5,863,548	-	20,003,648
Mr Tan Kong Han	240,000	70,000	-	310,000
Mr Lim Keong Hui	422,300	226,638	-	648,938
Mr Quah Chek Tin	5,000	-	-	5,000

	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	2,796,992,189(3)	-	-	2,796,992,189(3)
Mr Tan Kong Han	-	53,500(7)		53,500(7)
Mr Lim Keong Hui	2,796,992,189(3)	-	-	2,796,992,189(3)
Interest of Spouse/Children of the Directors				
Tan Sri Lim Kok Thay	2,900	2,886	-	5,786
Mr Yong Chee Kong	9,000	-	-	9,000
Mr Ching Yew Chye	100,000	-	-	100,000

	1.1.2019	Granted	Vested	Lapsed	31.12.2019
		(Number of ordinary shares)			
Long Term Incentive Plan shares in the names of Directors					
Restricted Share Plan					
Tan Sri Lim Kok Thay	3,921,725(4)	2,309,869(4)	1,866,500	-	4,365,094(4)
Mr Lim Keong Hui	172,200(4)	574,700(4)	61,100	-	685,800(4)
Performance Share Plan					
Tan Sri Lim Kok Thay	8,499,894(4)	7,341,258(4)	3,997,048	837,036	11,007,068(4)
Mr Lim Keong Hui	347,543(4)	1,826,550(4)	165,538	27,391	1,981,164(4)
Interest of Spouse/Child of a Director					
Restricted Share Plan					
Tan Sri Lim Kok Thay	2,200(4)	-	1,100	-	1,100(4)
Performance Share Plan					
Tan Sri Lim Kok Thay	2,336(4)	-	1,786	-	550(4)

Interest in Genting Singapore Limited	1.1.2019	Acquired	Disposed	31.12.2019
		(Number of ordinary shares)		
Shareholdings in which the Directors have direct interests				
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	988,292	-	-	988,292
Tan Sri Lim Kok Thay	13,445,063	750,000	-	14,195,063
Mr Tan Kong Han	450,000	-	-	450,000
Mr Quah Chek Tin	1,190,438	-	-	1,190,438
Shareholdings in which the Directors have deemed interests				
Tan Sri Lim Kok Thay	6,353,828,069(5)	-	-	6,353,828,069(5)
Mr Tan Kong Han	100,000(7)	-	-	100,000(7)
Mr Lim Keong Hui	6,353,828,069(5)	-	-	6,353,828,069(5)

	1.1.2019	Awarded	Vested	31.12.2019
		(Number of performance shares)		
Performance Shares in the name of a Director				
Tan Sri Lim Kok Thay	750,000(6)	750,000(6)	750,000	750,000(6)

Legend:

@ *The Warrants 2013/2019 of the Company expired on 17 June 2019.*

(1) *Deemed interests by virtue of Tan Sri Lim Kok Thay ("TSLKT") and Mr Lim Keong Hui ("LKH") being beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHI") which in turn owns 100% of the voting shares in Kien Huat Realty Sdn Berhad ("KHR"). KHR owns more than 20% of the voting shares of Genting Berhad ("GENT") which owns these Genting Plantations Berhad ("GENP") ordinary shares and warrants. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENP ordinary shares and warrants held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.*

(2) *Deemed interests by virtue of TSLKT and LKH being:*
   (i) *beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENT ordinary shares held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly-owned subsidiary of KHR, by virtue of its controlling interest in KHR and Inverway; and*

   (ii) *beneficiaries of a discretionary trust of which Summerhill Trust Company (Isle of Man) Limited [formerly known as First Names Trust Company (Isle of Man) Limited] ("STC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by STC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENT.*

   Arising from the above, TSLKT and LKH have deemed interests in the shares of certain subsidiaries of GENT.

(2a) *Deemed interests by virtue of TSLKT and LKH being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENT held by KHR and Inverway by virtue of its controlling interest in KHR and Inverway.*

   Arising from the above, TSLKT and LKH have deemed interests in the shares of certain subsidiaries of GENT.

(3) *Deemed interests by virtue of TSLKT and LKH being:*

   (i) *beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which in turn owns these Genting Malaysia Berhad ("GENM") shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and* *(ii) beneficiaries of a discretionary trust of which STC is the trustee. GHL acts as trustee of GHUT, a private unit trust whose voting units are ultimately owned by STC as trustee of the discretionary trust. GHL as trustee of GHUT owns ordinary shares in GENM.*

(4) Represents the right of the participant to receive ordinary shares subject to the performance conditions as determined by the Remuneration Committee of GENM.

(5) Deemed interests by virtue of TSLKT and LKH being beneficiaries of a discretionary trust of which PMSB is the trustee.

PMSB as trustee of the discretionary trust is deemed interested in Genting Singapore Limited ("GENS")'s shares held by KHR and Genting Overseas Holdings Limited, a wholly-owned subsidiary of GENT. KHR controls more than 20% of the voting capital of GENT.

(6) Represents the right of the participant to receive fully-paid ordinary shares of GENS free of charge, upon the participant satisfying the criteria set out in the Performance Share Scheme of GENS and upon satisfying such criteria as may be imposed.

(7) Deemed interest of Mr Tan Kong Han ("TKH") by virtue of him being the sole director and shareholder of Chan Fun Chee Holdings Inc ("CFC") which currently holds the assets of his late grandmother's estate. TKH is the Executor of his late grandmother's estate and holding the CFC assets as trustee for himself and certain of his family members in accordance with the will of his late grandmother.

Apart from the above disclosures:

(a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and

(b) neither during nor at the end of the financial year was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remunerations received or due and receivable by the Directors and the provision for Directors' retirement gratuities or the fixed salary of a full-time employee of the Company and/or its related corporations as shown in the respective financial statements of the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he/she is a member or with a company in which he/she has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

A corporation in which Tan Sri Lim Kok Thay is a director and has substantial financial interest, has:

(a) leased an office premise on the 10th Floor, Genting Centre, Singapore from Resorts World Properties Pte. Ltd., a wholly owned subsidiary of Genting Singapore Limited ("GENS") which in turn is an indirect 52.7% owned subsidiary of Genting Berhad ("GENT");

(b) been appointed by Genting Malaysia Berhad ("GENM"), a company which is 49.45% owned by GENT as the consultant for theme park and resort development and operations of the Resorts World Genting at Genting Highlands; and

(c) been appointed by Resorts World at Sentosa Pte. Ltd., an indirect wholly-owned subsidiary of GENS, as the consultant for theme park and resort development and operations of the Resorts World Sentosa.

Mr Lim Keong Hui, Mr Quah Chek Tin and Mr Yong Chee Kong are due to retire by rotation at the forthcoming Annual General Meeting in accordance with Paragraph 99 of the Company's Constitution and they, being eligible, have offered themselves for re-election.

DIRECTORS' REMUNERATION

Details of the remuneration of the Directors of the Company are set out in Note 11 to the financial statements.

The names of the directors of subsidiaries where the shares are held by the Company are listed below (excluding directors who are also directors of the Company):

Mr Tan Wee Kok
Mr Lee Ser Wor
Mr Tan Cheng Huat
Mr Choo Huan Boon
Datuk Abidin bin Madingkir
Dato' Justin Leong Ming Loong
Mr Narayanan Ramanathan
Datuk Chin Chee Kee
Datuk Mohd Hasnol bin Datuk Ayub
Datuk Yap Yiw Sin (Alternate director to Datuk Chin Chee Kee)
Mr Ngai Hon Leong
Mr Lee Weng Wah
Mr Ung Chiew Hwa
Mr John Craig Brown
Mr Christopher James Tushingham (Alternate director to Mr John Craig Brown)
Mr Robin Joseph Weitkamp (Resigned on 5 March 2019)
Mr Karl Adam Schoene (Appointed on 5 March 2019 and resigned on 18 February 2020)
Mr John Lim Yeu Siang (Resigned on 18 February 2020)

Total remuneration paid to the above Directors by these subsidiaries during the financial year was RM0.11 million.

INDEMNITY AND INSURANCE COSTS

The Directors and officers of the Group and the Company are covered by Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The insurance is taken by Genting Berhad, the holding company of the Company, on a Genting Berhad Group basis. The premium borne by the Company for the D&O coverage during the financial year amounted to RM0.1 million.

OTHER STATUTORY INFORMATION

Before the financial statements 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 allowance for doubtful debts, and satisfied themselves that all known bad debts had been written off and adequate allowance had been made for doubtful debts; and

(ii) to ensure that any current assets other than debts which were unlikely to realise in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company, were written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(i) which would render the amounts written off for bad debts or the amounts of the allowance for doubtful debts of the Group and of the Company inadequate to any substantial extent; or

(ii) which would render the values attributed to the current assets in the financial statements of the Group or of the Company misleading; or

(iii) which have arisen which render adherence to the existing methods of valuation of assets or liabilities in the financial statements of the Group and of the Company misleading or inappropriate; or

(iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the respective financial statements misleading.

At the date of this report, there does not exist:

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

(ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors:

(i) the results of the operations of the Group and of the Company for the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; 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 and of the Company for the financial year in which this report is made.

SUBSIDIARIES

Details of subsidiaries of the Company are set out in Note 46 to the financial statements.

ULTIMATE HOLDING COMPANY

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

AUDITORS

Details of auditors' remuneration are set out in Note 9 to the financial statements.

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to accept re-appointment as auditors.

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

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Director

26 February 2020

STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

In the opinion of the Directors, the financial statements set out on pages 74 to 157, are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the provisions of the Companies Act 2016 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 2019 and of the financial performance of the Group and of the Company for the financial year then ended.

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

GEN. DATO' SERI DIRAJA TAN SRI (DR.) MOHD ZAHIDI BIN HJ ZAINUDDIN (R)
Chairman

LT. GEN. DATO' ABDUL GHANI BIN ABDULLAH (R)
Director

26 February 2020

FINANCIAL STATEMENTS

STATEMENTS OF PROFIT OR LOSS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2019	2018	**2019**	2018
Revenue	5 & 6	**2,266,402**	1,902,899	**237,311**	344,235
Cost of sales	7	**(1,847,586)**	(1,494,608)	**(53,352)**	(92,243)
Gross profit		**418,816**	408,291	**183,959**	251,992
Other income		**63,471**	75,634	**66,739**	68,462
Selling and distribution costs		**(72,180)**	(55,923)	**(7,196)**	(7,128)
Administration expenses		**(135,368)**	(119,255)	**(69,944)**	(66,974)
Other expenses		**(30,667)**	(30,333)	**(25,242)**	(139,584)
Other (losses)/gains	8	**(4,373)**	(4,137)	**(1,085)**	12,089
Operating profit		**239,699**	274,277	**147,231**	118,857
Finance cost		**(104,120)**	(109,568)	**(48,084)**	(52,744)
Share of results in joint ventures		**47,644**	40,713	**-**	-
Share of results in associates		**2,242**	2,314	**-**	-
Profit before taxation	5 & 9	**185,465**	207,736	**99,147**	66,113
Taxation	12	**(55,046)**	(60,783)	**1,212**	(3,621)
Profit for the financial year		**130,419**	146,953	**100,359**	62,492
Attributable to:					
Equity holders of the Company		**142,074**	164,898	**100,359**	62,492
Non-controlling interests		**(11,655)**	(17,945)	**-**	-
		130,419	146,953	**100,359**	62,492
Earnings per share for profit attributable to the equity holders of the Company:					
- basic (sen)	13	**16.62**	20.50		
- diluted (sen)	13	**16.62**	20.03		

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2019	2018	**2019**	2018
Profit for the financial year	**130,419**	146,953	**100,359**	62,492
Other comprehensive income/(loss), net of tax				
Items that will not be reclassified subsequently to profit or loss:				
Fair value loss on financial assets at fair value through other comprehensive income	**-**	(94,159)	**-**	-
Actuarial gain on retirement benefit liability	**570**	2,224	**-**	-
	570	(91,935)	**-**	-
Items that will be reclassified subsequently to profit or loss:				
Cash flow hedge				
- Fair value loss	**(31,718)**	(5,448)	**-**	-
- Reclassifications	**(3,481)**	755	**-**	-
	(35,199)	(4,693)	**-**	-
Foreign currency translation differences	**48,807**	(123,986)	**-**	-
	13,608	(128,679)	**-**	-
Other comprehensive income/(loss) for the financial year, net of tax	**14,178**	(220,614)	**-**	-
Total comprehensive income/(loss) for the financial year	**144,597**	(73,661)	**100,359**	62,492
Total comprehensive income/(loss) attributable to:				
Equity holders of the Company	**148,144**	(36,136)		
Non-controlling interests	**(3,547)**	(37,525)		
	144,597	(73,661)		

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2019	2018	**2019**	2018
ASSETS					
Non-current assets					
Property, plant and equipment	15	**4,365,549**	4,419,409	**152,441**	305,428
Land held for property development	16	**243,580**	246,594	**-**	-
Investment properties	17	**23,052**	24,484	**-**	-
Leasehold land use rights	18	**-**	664,644	**-**	-
Right-of-use assets	19	**963,141**	-	**153,977**	-
Intangible assets	20	**32,558**	32,832	**-**	-
Subsidiaries	21	**-**	-	**4,403,698**	4,019,800
Joint ventures	22	**196,453**	148,809	**-**	-
Associates	23	**10,136**	9,644	**1,872**	1,872
Financial assets at fair value through profit or loss	24	**3,263**	3,073	**-**	-
Financial assets at fair value through other comprehensive income	25	**-**	-	**-**	-
Other non-current assets	26	**50,312**	38,000	**593,388**	676,954
Deferred tax assets	27	**78,965**	110,850	**-**	-
		5,967,009	5,698,339	**5,305,376**	5,004,054
Current assets					
Property development costs	16	**45,681**	44,833	**-**	-
Inventories	28	**253,844**	291,026	**3,609**	3,560
Produce growing on bearer plants	29	**6,901**	3,828	**429**	382
Tax recoverable		**11,156**	14,876	**4,403**	3,279
Trade and other receivables	30	**613,150**	473,882	**55,581**	5,636
Amounts due from subsidiaries	21	**-**	-	**245,379**	145,125
Amounts due from other related companies	31	**-**	-	**1,770**	946
Amounts due from joint ventures	22	**4,192**	3,193	**-**	-
Amounts due from associates	23	**244**	2,223	**244**	2,223
Derivative financial assets	39	**1,141**	2,217	**-**	-
Financial assets at fair value through profit or loss	24	**600,000**	350,016	**600,000**	350,016
Cash and cash equivalents	32	**955,093**	949,885	**648,131**	553,365
		2,491,402	2,135,979	**1,559,546**	1,064,532
Assets classified as held for sale	33	**1,789**	-	**-**	-
		2,493,191	2,135,979	**1,559,546**	1,064,532
Total assets		**8,460,200**	7,834,318	**6,864,922**	6,068,586

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Note	Group		Company	
		2019	2018	**2019**	2018
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	34	**1,724,016**	863,267	**1,724,016**	863,267
Reserves	35 & 36	**3,149,103**	3,257,303	**3,820,870**	3,976,746
		4,873,119	4,120,570	**5,544,886**	4,840,013
Non-controlling interests		**186,474**	191,873	**-**	-
Total equity		**5,059,593**	4,312,443	**5,544,886**	4,840,013
Non-current liabilities					
Borrowings	40	**2,103,487**	2,279,367	**-**	-
Lease liabilities	19	**5,847**	-	**4,613**	-
Amount due to a subsidiary	21	**-**	-	**1,000,000**	1,000,000
Provisions	38	**31,151**	24,230	**17,701**	12,112
Derivative financial liabilities	39	**4,184**	3,605	**-**	-
Deferred tax liabilities	27	**334,447**	317,704	**23,437**	26,535
Deferred income	41	**13,693**	13,642	**-**	-
		2,492,809	2,638,548	**1,045,751**	1,038,647
Current liabilities					
Trade and other payables	37	**379,101**	370,402	**17,764**	22,688
Amount due to ultimate holding company	31	**2,007**	627	**2,007**	627
Amounts due to subsidiaries	21	**-**	-	**169,222**	166,338
Amounts due to other related companies	31	**224**	435	**224**	273
Borrowings	40	**485,479**	507,011	**82,913**	-
Lease liabilities	19	**2,405**	-	**2,155**	-
Derivative financial liabilities	39	**33,544**	-	**-**	-
Taxation		**5,038**	4,852	**-**	-
		907,798	883,327	**274,285**	189,926
Total liabilities		**3,400,607**	3,521,875	**1,320,036**	1,228,573
Total equity and liabilities		**8,460,200**	7,834,318	**6,864,922**	6,068,586

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Attributable to equity holders of the Company									
Group	Share Capital	Warrants Reserve	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total	Non-controlling Interests	Total Equity
At 1 January 2019, as previously reported	863,267	151,785	(84,586)	(236,955)	(442)	(1,372)	3,428,873	4,120,570	191,873	4,312,443
Effects of adoption of MFRS 16 *(see Note 42)*	-	-	-	-	-	-	(184)	(184)	-	(184)
At 1 January 2019, as restated	863,267	151,785	(84,586)	(236,955)	(442)	(1,372)	3,428,689	4,120,386	191,873	4,312,259
Profit for the financial year	-	-	-	-	-	-	142,074	142,074	(11,655)	130,419
Other comprehensive income/(loss)	-	-	-	35,975	(30,417)	-	512	6,070	8,108	14,178
Total comprehensive income/(loss) for the financial year	-	-	-	35,975	(30,417)	-	142,586	148,144	(3,547)	144,597
Transactions with owners:										
Effects arising from changes in composition of the Group	-	-	-	-	-	-	(84)	(84)	84	-
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	(84)	(84)	84	-
Issue of shares upon exercise of warrants *(see Note 34)*	860,749	(150,655)	-	-	-	-	-	710,094	-	710,094
Transfer of warrants reserve upon expiry of warrants to retained earnings	-	(1,130)	-	-	-	-	1,130	-	-	-
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,936)	(1,936)
Appropriation:										
- Final single-tier dividend paid for the financial year ended 31 December 2018 *(8.25 sen)* *(see Note 14)*	-	-	-	-	-	-	(74,019)	(74,019)	-	(74,019)
- Interim single-tier dividend paid for the financial year ended 31 December 2019 *(3.5 sen)* *(see Note 14)*	-	-	-	-	-	-	(31,402)	(31,402)	-	(31,402)
Total contributions by and distribution to owners	860,749	(151,785)	-	-	-	-	(104,291)	604,673	(1,936)	602,737
Total transactions with owners	860,749	(151,785)	-	-	-	-	(104,375)	604,589	(1,852)	602,737
At 31 December 2019	1,724,016	-	(84,586)	(200,980)	(30,859)	(1,372)	3,466,900	4,873,119	186,474	5,059,593

STATEMENTS OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

Group	Attributable to equity holders of the Company								Non-controlling Interests	Total Equity
	Share Capital	Warrants Reserve	Fair Value Reserve	Reserve on Exchange Differences	Cash Flow Hedge Reserve	Treasury Shares	Retained Earnings	Total		
At 1 January 2018	841,340	155,624	9,573	(132,388)	3,733	(1,372)	3,465,165	4,341,675	231,334	4,573,009
Profit for the financial year	-	-	-	-	-	-	164,898	164,898	(17,945)	146,953
Other comprehensive income/(loss)	-	-	(94,159)	(104,567)	(4,175)	-	1,867	(201,034)	(19,580)	(220,614)
Total comprehensive income/(loss) for the financial year	-	-	(94,159)	(104,567)	(4,175)	-	166,765	(36,136)	(37,525)	(73,661)
Transactions with owners:										
Issue of shares upon exercise of warrants *(see Note 34)*	21,927	(3,839)	-	-	-	-	-	18,088	-	18,088
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	(1,936)	(1,936)
Appropriation:										
- Special single-tier dividend paid for the financial year ended 31 December 2017 *(11 sen)* *(see Note 14)*	-	-	-	-	-	-	(88,367)	(88,367)	-	(88,367)
- Final single-tier dividend paid for the financial year ended 31 December 2017 *(9.5 sen)* *(see Note 14)*	-	-	-	-	-	-	(76,459)	(76,459)	-	(76,459)
- Interim single-tier dividend paid for the financial year ended 31 December 2018 *(4.75 sen)* *(see Note 14)*	-	-	-	-	-	-	(38,231)	(38,231)	-	(38,231)
Total transactions with owners	21,927	(3,839)	-	-	-	-	(203,057)	(184,969)	(1,936)	(186,905)
At 31 December 2018	863,267	151,785	(84,586)	(236,955)	(442)	(1,372)	3,428,873	4,120,570	191,873	4,312,443

Amounts in RM'000 unless otherwise stated

	Non-Distributable			Distributable		
Company	**Share Capital**	**Warrants Reserve**	**Fair Value Reserve**	**Retained Earnings**	**Treasury Shares**	**Total**
At 1 January 2019, as previously reported	**863,267**	**151,785**	**5**	**3,826,328**	**(1,372)**	**4,840,013**
Effects of adoption of MFRS 16 *(see Note 42)*	-	-	-	(159)	-	(159)
At 1 January 2019, as restated	**863,267**	**151,785**	**5**	**3,826,169**	**(1,372)**	**4,839,854**
Profit/Total comprehensive income for the financial year	-	-	-	100,359	-	100,359
Transactions with owners:						
Issue of shares upon exercise of warrants *(see Note 34)*	860,749	(150,655)	-	-	-	710,094
Transfer of warrants reserve upon expiry of warrants to retained earnings	-	(1,130)	-	1,130	-	-
Appropriation:						
- Final single-tier dividend paid for the financial year ended 31 December 2018 *(8.25 sen) (see Note 14)*	-	-	-	(74,019)	-	(74,019)
- Interim single-tier dividend paid for the financial year ended 31 December 2019 *(3.50 sen) (see Note 14)*	-	-	-	(31,402)	-	(31,402)
Total transactions with owners	860,749	(151,785)	-	(104,291)	-	604,673
At 31 December 2019	1,724,016	-	5	3,822,237	(1,372)	5,544,886

Amounts in RM'000 unless otherwise stated

Company	Non-Distributable Share Capital	Non-Distributable Warrants Reserve	Non-Distributable Fair Value Reserve	Distributable Retained Earnings	Distributable Treasury Shares	Total
At 1 January 2018	841,340	155,624	5	3,966,893	(1,372)	4,962,490
Profit/Total comprehensive income for the financial year	-	-	-	62,492	-	62,492
Transactions with owners:						
Issue of shares upon exercise of warrants *(see Note 34)*	21,927	(3,839)	-	-	-	18,088
Appropriation:						
- Special single-tier dividend paid for the financial year ended 31 December 2017 *(11 sen) (see Note 14)*	-	-	-	(88,367)	-	(88,367)
- Final single-tier dividend paid for the financial year ended 31 December 2017 *(9.5 sen) (see Note 14)*	-	-	-	(76,459)	-	(76,459)
- Interim single-tier dividend paid for the financial year ended 31 December 2018 *(4.75 sen) (see Note 14)*	-	-	-	(38,231)	-	(38,231)
Total transactions with owners	21,927	(3,839)	-	(203,057)	-	(184,969)
At 31 December 2018	863,267	151,785	5	3,826,328	(1,372)	4,840,013

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Group		Company	
	2019	2018	**2019**	2018
Cash flows from operating activities				
Profit before taxation	**185,465**	207,736	**99,147**	66,113
Adjustments for:				
Depreciation of property, plant and equipment	**220,060**	205,517	**22,348**	25,320
Depreciation of investment properties	**630**	631	**-**	-
Depreciation of right-of-use assets	**9,889**	-	**3,266**	-
Amortisation of leasehold land use rights	**-**	4,291	**-**	-
Property, plant and equipment written off	**1,241**	1,253	**762**	80
Impairment loss on investment in subsidiaries	**-**	-	**18,870**	133,426
Impairment loss on amounts due from subsidiaries	**-**	-	**190**	816
Write (back)/down of inventories	**(45)**	1,283	**-**	28
Write off of receivables	**195**	70	**161**	19
Reversal of impairment loss on land held for property development	**(266)**	-	**-**	-
Provision for/(write-back of) retirement gratuities/benefits	**10,150**	1,503	**5,589**	(399)
(Reversal of impairment loss)/impairment loss on receivables	**(28)**	296	**-**	-
(Gain)/Loss on disposal of property, plant and equipment	**(33)**	(19)	**(8)**	31
Loss/(Gain) on disposal of investment in an associate	**-**	377	**-**	(1,000)
Fair value changes arising from produce growing on bearer plants	**(3,076)**	2,248	**(47)**	361
Share of results in joint ventures	**(47,644)**	(40,713)	**-**	-
Share of results in associates	**(2,242)**	(2,314)	**-**	-
Investment income	**(15,599)**	(16,305)	**(15,599)**	(16,305)
Interest income	**(32,161)**	(33,646)	**(50,378)**	(50,402)
Finance cost	**104,120**	109,568	**48,084**	52,744
Net unrealised exchange differences	**1,993**	(5,015)	**(735)**	(2,684)
Net surplus arising from compensation in respect of land acquired by the Government	**(6,245)**	(17,500)	**-**	-
Dividend income	**-**	-	**(125,090)**	(185,054)
Other items	**(1,809)**	(938)	**-**	-
	239,130	210,587	**(92,587)**	(43,019)
Operating profit before changes in working capital	**424,595**	418,323	**6,560**	23,094
Property development costs	**(6,451)**	(30,216)	**-**	-
Inventories	**37,227**	(60,038)	**(49)**	(1,749)
Receivables	**(122,443)**	(104,209)	**(42,106)**	134
Amounts due from joint ventures	**(999)**	2,378	**-**	-
Amounts due from associates	**1,979**	47	**1,979**	(1,867)
Payables	**11,897**	113,001	**(4,924)**	(6,817)
Amount due to ultimate holding company	**1,380**	(491)	**1,380**	(491)
Amounts due from/to other related companies	**(211)**	(707)	**(873)**	44
Amounts due from/to subsidiaries	**-**	-	**(34,007)**	(37,447)
	(77,621)	(80,235)	**(78,600)**	(48,193)

STATEMENTS OF CASH FLOWS (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

Amounts in RM'000 unless otherwise stated

	Note	Group 2019	Group 2018	Company 2019	Company 2018
Cash generated from/(used in) operations		**346,974**	338,088	**(72,040)**	(25,099)
Tax paid (net of tax refund)		**(49,349)**	(81,060)	**(2,960)**	(5,003)
Retirement gratuities/benefits paid		**(2,587)**	(1,070)	**-**	-
Net cash flows generated from/(used in) operating activities		**295,038**	255,958	**(75,000)**	(30,102)
Cash flows from investing activities					
Proceeds received from Government in respect of acquisition of land		**1,631**	17,960	**-**	-
Interest received		**32,161**	33,646	**23,033**	23,044
Dividends received from associates		**1,750**	3,914	**1,750**	3,914
Investment income		**15,599**	16,305	**15,599**	16,305
Proceeds from disposal of property, plant and equipment		**307**	135	**38**	117
Land held for property development		**(2,147)**	(5,699)	**-**	-
Purchase of property, plant and equipment		**(357,126)**	(296,838)	**(18,891)**	(18,322)
Purchase of leasehold land use rights		**-**	(37,515)	**-**	-
Purchase of right-of-use assets		**(20,495)**	-	**(20)**	-
Investment in subsidiaries		**-**	-	**(14,418)**	-
Proceeds received from disposal of investment in associate		**-**	1,250	**-**	1,250
Financial assets at FVTPL		**(249,984)**	149,985	**(249,984)**	149,985
Advances to subsidiaries		**-**	-	**(301,084)**	(56,982)
Repayment of advances from subsidiaries		**-**	-	**75,565**	100,535
Net cash flows (used in)/generated from investing activities		**(578,304)**	(116,857)	**(468,412)**	219,846
Cash flows from financing activities					
Proceeds from bank borrowings		**530,620**	373,116	**373,617**	-
Proceeds from issue of shares upon exercise of warrants		**710,094**	18,088	**710,094**	18,088
Repayment of bank borrowings and transaction costs		**(709,855)**	(817,687)	**(291,420)**	(547,330)
Repayment of lease liabilities		**(2,833)**	-	**(2,468)**	-
Finance cost paid		**(134,016)**	(128,098)	**(47,377)**	(54,857)
Dividends paid		**(105,421)**	(203,057)	**(105,421)**	(203,057)
Dividends paid to non-controlling interests		**(1,936)**	(1,936)	**-**	-
Movement in restricted cash		**-**	357,300	**-**	357,300
Net cash flows generated from/(used in) financing activities		**286,653**	(402,274)	**637,025**	(429,856)
Net change in cash and cash equivalents		**3,387**	(263,173)	**93,613**	(240,112)
Cash and cash equivalents at beginning of the financial year		**949,885**	1,221,674	**553,365**	790,793
Effects of currency translation		**1,821**	(8,616)	**1,153**	2,684
Cash and cash equivalents at end of the financial year	32	**955,093**	949,885	**648,131**	553,365

Amounts in RM'000 unless otherwise stated

Note:

The following principal non-cash transactions during the financial year have been set-off against amounts due from subsidiaries:

	Company	
	2019	2018
(i) Capitalisation of intercompany balances as redeemable convertible non-cumulative preference shares	**388,350**	774,500
(ii) Dividend income from subsidiaries	**123,340**	181,140

Note

Reconciliation of liabilities arising from financing activities

Group	**Lease liabilities**	**Borrowings**	**Total**
2019			
As at 1 January 2019, as previously reported	**-**	**2,786,378**	**2,786,378**
Effect of adoption of MFRS 16 *(see Note 42)*	**9,569**	**-**	**9,569**
As at 1 January 2019, as restated	**9,569**	**2,786,378**	**2,795,947**
Cash flows	**(2,833)**	**(313,251)**	**(316,084)**
Non-cash changes			
Finance cost charged to profit or loss	**454**	**103,666**	**104,120**
Finance cost capitalised	**-**	**25,860**	**25,860**
Acquisitions - leases	**1,062**	**-**	**1,062**
Foreign exchange differences	**-**	**(13,687)**	**(13,687)**
End of financial year	**8,252**	**2,588,966**	**2,597,218**
2018			
Beginning of the financial year	-	3,199,007	3,199,007
Cash flows	-	(572,669)	(572,669)
Non-cash changes			
Finance cost charged to profit or loss	-	109,568	109,568
Finance cost capitalised	-	26,703	26,703
Foreign exchange differences	-	23,769	23,769
End of financial year	-	2,786,378	2,786,378

Amounts in RM'000 unless otherwise stated

Note

Reconciliation of liabilities arising from financing activities (cont'd)

Company	Lease liabilities	Borrowings	Amount due to a subsidiary	Total
2019				
As at 1 January 2019, as previously reported	**-**	**-**	**1,000,000**	**1,000,000**
Effect of adoption of MFRS 16 *(see Note 42)*	**8,828**	**-**	**-**	**8,828**
As at 1 January 2019, as restated	**8,828**	**-**	**1,000,000**	**1,008,828**
Cash flows	**(2,468)**	**81,020**	**(46,200)**	**32,352**
Non-cash changes				
Finance cost charged to profit or loss	**408**	**1,476**	**46,200**	**48,084**
Foreign exchange differences	**-**	**417**	**-**	**417**
End of financial year	**6,768**	**82,913**	**1,000,000**	**1,089,681**
2018				
Beginning of the financial year	-	558,858	1,000,000	1,558,858
Cash flows	-	(555,987)	(46,200)	(602,187)
Non-cash changes				
Finance cost charged to profit or loss	-	6,544	46,200	52,744
Foreign exchange differences	-	(9,415)	-	(9,415)
End of financial year	-	-	1,000,000	1,000,000

Amounts in RM'000 unless otherwise stated

1. CORPORATE INFORMATION

Genting Plantations Berhad ("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 24th Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The principal activities of the Company are plantation and provision of management services to its subsidiaries.

The principal activities of the subsidiaries include plantation, property development, property investment, genomics research and development and downstream manufacturing activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 46 to the financial statements.

There have been no significant changes in the nature of the activities of the Group and of the Company during the financial year.

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 26 February 2020.

2. BASIS OF PREPARATION

The financial statements of the Group and of the Company have been prepared in accordance with and comply with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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

The preparation of financial statements in conformity with MFRS requires the Directors to make judgements, estimations and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the financial year. It also requires Directors to exercise their judgements in the process of applying the Group and the Company's accounting policies. Although these judgements and estimations are based on Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimations.

(a) Judgements and estimations

In the process of applying the Group's accounting policies, Management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include:

i) Income taxes

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group also recognised certain tax recoverable for which the Group believes that there is reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions and tax recoverable balance in the financial year in which such determination is made.

ii) Deferred tax assets

Deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. This involves judgement regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. *(See Note 27)*

2. BASIS OF PREPARATION (cont'd)

(a) Judgements and estimations (cont'd)

iii) Property development activities

The Group recognises property development revenue over time using the input method, which is based on the contract costs incurred to-date to the estimated total costs for the contract. Significant judgement is required in determining the extent of the costs incurred and the estimated total contract revenue and costs, as well as the recoverability of the contracts. In making the judgement, the Group relies on past experience and work of specialists. The carrying amount of the Group's property development activities is shown in Note 16 to the financial statements.

iv) Valuation of unquoted financial assets at fair value through profit or loss ("FVTPL") and financial assets at fair value through other comprehensive income ("FVOCI")

The Group measures its unquoted financial assets at FVTPL and FVOCI at fair value. The fair values of unquoted equity and debts instruments are determined based on valuation techniques which involve the use of estimates as disclosed in Notes 24 and 25 respectively. In addition, the measurements of these financial assets that are within Level 3 of the fair value hierarchy are disclosed in Note 4(c) to the financial statements.

v) Goodwill with indefinite useful life

The Group tests goodwill with indefinite useful life for impairment annually or wherever events indicate that the carrying amount may not be recoverable. The calculation requires the use of estimates as set out in Note 20 to the financial statements.

vi) Produce growing on bearer plants

The produce growing on bearer plants of the Group comprises fresh fruit bunches ("FFB") prior to harvest.

Management has deliberated on the oil content of such unharvested FFB which is unripe and concluded that since the oil content of unharvested FFB accrues exponentially up to 15 days prior to harvest, such unharvested FFB more than 15 days are excluded from the valuation as their fair values are considered negligible. The fair value of unharvested FFB is computed based on market approach which takes into consideration the market prices of harvested FFB, adjusted to the estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell.

vii) Leases

The measurement of the "right-of-use" asset and lease liability for leases where the Group is a lessee requires the use of judgements and assumptions, such as lease term and incremental borrowing rate. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. In determining the incremental borrowing rate, the Group first determine the closest borrowing rate before using judgement to determine the adjustments required to reflect the term, security, value of economic environment of the respective leases.

(b) Standards, amendments to published standards and interpretation that are effective

The Group has applied the following standards and amendments for the first time for the financial year beginning on 1 January 2019:

- MFRS 16 "Leases"
- Amendments to MFRS 9 "Prepayment Features with Negative Compensation"
- Amendments to MFRS 119 "Plan Amendment, Curtailment or Settlement"
- Amendments to MFRS 128 "Long-term Interests in Associates and Joint Ventures"
- IC Interpretation 23 "Uncertainty over Income Tax Treatments"
- Annual Improvements to MFRSs 2015 - 2017 Cycle

The Group has adopted MFRS 16 for the first time in the 2019 financial statements, which resulted in changes in accounting policies, as described in Note 3. The impact of adoption of MFRS 16 is set out in Note 42. Other than that, the adoption of other amendments and IC interpretations did not have any impact on the current period or any prior period and is not likely to affect future periods.

(c) IFRIC agenda decisions issued during the financial year

In view that MFRS is fully converged with IFRS, the Group considers all agenda decisions published by the IFRS Interpretation Committee ("IFRIC"). Where relevant, the Group may change its accounting policy to be aligned with the agenda decision.

2. BASIS OF PREPARATION (cont'd)

(c) IFRIC agenda decisions issued during the financial year (cont'd)

During the year, the Group has assessed the implication of the IFRIC agenda decision on over time transfer of constructed development properties. The IFRIC agenda decision explained that receivables and contract assets are not qualifying assets for the purpose of capitalisation of borrowing costs. The agenda decision also clarified that work-in-progress inventories are not qualifying assets because such inventories are ready for its intended sale under its current condition, as the inventories will be transferred to the customer as soon as the Group finds a buyer and signs the contract with the customer.

This IFRIC agenda decision did not have any significant impact to the Group during the financial year as the Group does not incur any borrowing cost for its property development activities.

(d) Standards and amendments that have been issued but not yet effective

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on or after 1 January 2020 as set out below. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following:

- Amendments to References to the Conceptual Framework in MFRS Standards (effective from 1 January 2020) comprise a comprehensive set of concepts for financial reporting, to update references and quotations to fourteen Standards (MFRS 2, 3, 6, 14, 101, 108, 134, 137, 138 and IC Interpretations 12, 19, 20, 22 and 132). It is built on the previous version of the Conceptual Framework for Financial Reporting issued in 2011. The changes to the chapters on the objective of financial reporting and qualitative characteristics of useful financial information are limited, but with improved wording to give more prominence to the importance of providing information needed to assess management's stewardship of the entity's economic resources. Other improvements of the revised Conceptual Framework include a new chapter on measurement, guidance on reporting financial performance, improved definitions and guidance in particular on the definition of a liability and clarifications in important areas, such as the role of prudence and measurement of uncertainty in financial reporting. The amendments should be applied retrospectively in accordance with MFRS 108 unless retrospective application would be impracticable or involve undue cost or effort. The adoption of the revised Conceptual Framework will not have any significant impact on the Group's financial statements.

- Amendments to MFRS 3 'Definition of a Business' (effective 1 January 2020) revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

  The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be an organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

  In addition, the revised definition of the term 'outputs' is narrower, focusses on goods or services provided to customers, generating investment returns and other income but excludes returns in the form of cost savings.

  The amendments introduce an optional simplified assessment known as 'concentration test' that, if met, eliminates the need for further assessment. Under this concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

  The amendments shall be applied prospectively.

- Amendments to MFRS 101 "Presentation of Financial Statements" and MFRS 108 "Accounting Policies, Changes in Accounting Estimates and Errors" (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

  The definition of "material" has been revised as "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

2. BASIS OF PREPARATION (cont'd)

(d) Standards and amendments that have been issued but not yet effective (cont'd)

The amendments also:

- clarify that an entity assess materiality in the context of the financial statements as a whole.
- explain the concept of obscuring information in the new definition. Information is obscured if it has the effect similar as omitting or misstating that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.
- clarify the meaning of "primary users of general purpose financial statements" to whom those financial statements are directed, by defining them as "existing and potential investors, lenders and other creditors" that must rely on general purpose financial statements for much of the financial information they need.

The amendments shall be applied prospectively.

The Group is currently assessing the impact of Amendments to MFRS 3 and MFRS 101 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of Consolidation

a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, and the amount of any non-controlling interest and the fair value of any previous equity interest in the acquiree at the acquisition date over the fair value of the net identifiable assets acquired and liabilities assumed. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in profit or loss as a gain on bargain purchase.

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the transferred asset. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of financial position respectively.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income ("OCI") in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to profit or loss. Gain or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement.

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

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. The Group's interests in joint ventures are accounted for in the consolidated financial statements by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in profit or loss the Group's share of post acquisition results of joint ventures in the profit or loss and its share of post acquisition movements within reserves in OCI. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in a joint venture (including any long term interests that, in substance, form part of the Group's net investment in joint venture) reaches zero, unless the Group has incurred obligation or made payment on behalf of the joint venture.

The Group's investment in joint ventures includes goodwill (net of any accumulated impairment loss) identified on acquisition. See impairment policy note on impairment of non-financial assets.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interests in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amounts previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate. Dilution gains and losses arising from investments in joint venture are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Basis of Consolidation (cont'd)

e) Associates

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

The Group's interest in associates are accounted for in the consolidated financial statements by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising the Group's share of post acquisition results of the associate in the profit or loss and its share of post acquisition movements within reserves in OCI. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any long term interests that, in substance, form part of the Group's net investment in associate) reaches zero, unless the Group has incurred obligation or made payment on behalf of the associate.

The Group's investments in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. See accounting policy note on impairment of non-financial assets.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred. Where necessary, in applying the equity method, adjustments have been made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate. Dilution gains and losses in investments in associates are recognised in profit or loss.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, the cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on re-measurement of the previously held stake is taken to profit or loss and any OCI recognised in prior periods in relation to the previously held stake in the acquired associate is also recognised in profit or loss. Any acquisition related costs are expensed in the periods in which the costs are incurred.

The cost of acquiring additional stake in an associate is added to the carrying amount of the associate. This is the deemed cost of the Group's investment in the associate for applying equity accounting. Goodwill arising on the purchase of additional stake is computed using the fair value information at the date the additional interest is purchased. The previously held interest is not re-measured.

When the Group ceases to equity account its associate because of a loss of significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a financial asset. In addition, any amount previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to profit or loss.

Investments in Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets.

Property, Plant and Equipment

Property, plant and equipment are tangible items that:

i) are held for use in the production or supply of goods or services, or for administrative purposes; and

ii) are expected to be used during more than one period.

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

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property, Plant and Equipment (cont'd)

A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include plantation expenditures incurred from the stage of land clearing up to the stage of maturity.

Cost of other property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Cost of property, plant and equipment also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. (See accounting policy on borrowings).

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 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 year that they are incurred.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost to disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

Freehold land is stated at cost and is not depreciated. Immature bearer plants and other property, plant and equipment which are under construction are not depreciated. Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use.

Depreciation on other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Land improvements	15
Bearer plants	22
Buildings and improvements	20 - 50
Plant and machinery	4 - 15
Motor vehicles	5
Furniture, fittings and equipment	3 - 10

The assets' residual values and useful lives are reviewed annually and revised, if appropriate.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in profit or loss.

<u>Accounting policies applied from 1 January 2019</u>

From 1 January 2019, leased assets (including leasehold lands) are presented as a separate line item in the statements of financial position. See accounting policy and Note 19 on right-of-use ("ROU") assets for these assets.

<u>Accounting policies applied until 31 December 2018</u>

Until 31 December 2018, leased assets (including leasehold lands) under lease arrangement classified as finance lease (refer to accounting policy on leases applied until 31 December 2018) are amortised in equal instalments over the asset's useful life or over the shorter of the asset's useful life and the lease term.

Investment Properties

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group. It is initially measured at cost, including direct transaction costs and borrowing costs if the investment properties meet the definition of a qualifying asset.

Investment in freehold land is stated at cost. Other investment properties are stated at cost less accumulated depreciation and impairment losses. Investment properties under construction are not depreciated. Depreciation for other investment properties is calculated using the straight-line method to allocate their costs over their estimated useful lives, as follows:

	Years
Buildings and improvements	10 - 50

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Investment Properties (cont'd)

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its retirement from use.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in profit or loss.

Leases

a) Accounting for Lessee

i) Accounting policies applied from 1 January 2019

From 1 January 2019, leases are recognised as ROU asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease Term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassesses the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

The Group recognises ROU assets at the commencement date of the lease (i.e. the date the underlying asset is available for use) at cost initially. ROU assets are initially measured at cost, less any accumulated depreciation and accumulated impairment losses (if any). The cost of ROU assets includes the amount of the initial measurement of lease liability, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and decommissioning or restoration costs. The ROU assets are depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

The depreciation of leasehold lands is capitalised as part of the cost of bearer plant from the stage of land clearing up to the stage of maturity.

If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities. ROU assets are presented as a separate line item in the statements of financial position.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension option if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

a) Accounting for Lessee (cont'd)

i) Accounting policies applied from 1 January 2019 (cont'd)

Lease liabilities (cont'd)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used. This represents the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

The carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments or change in the assessment of an option to purchase the underlying asset.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statements of profit or loss.

Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low value assets comprise office equipment and small items of office furniture. Payments associated with short-term leases and all leases of low value assets are recognised on a straight-line basis as an expense in profit or loss.

(ii) Accounting policies applied until 31 December 2018

Finance leases

Leases of plant and equipment and leasehold land use rights where the Group, as lessee, has substantially all the benefits and risks of ownership were classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. The property, plant and equipment and leasehold land use rights acquired under finance leases are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to profit or loss on a straight-line basis over the period of the lease.

b) Accounting for Lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

i) Operating Lease

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Leases (cont'd)

b) Accounting for Lessor (cont'd)

i) *Operating Lease (cont'd)*

Lease incentives are recognised as other receivables where such incentives are provided by the Group and recognised net of lease income in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

ii) *Sublease classification*

Until the financial year ended 31 December 2018, when the Company was an intermediate lessor, the subleases were classified as finance or operating leases by reference to the underlying assets.

From 1 January 2019, when the Company is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Company applies the exemption described above, then it classifies the sublease as an operating lease.

Financial Assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's and on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

(b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ("SPPI").

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost:

  Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/(expenses).

- FVTPL:

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Fair value changes are recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial Assets (cont'd)

(c) Measurement (cont'd)

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the statements of profit or loss as applicable.

Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(d) Impairment

The Group assesses on a forward looking basis the expected credit loss associated with its debts instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. See Note 4(a)(iii) for further details.

Impairment losses on trade receivables are presented within "Cost of sales" in profit or loss. Impairment losses on other debt instruments at amortised cost are presented within "Other expenses" in profit or loss.

Intangible Assets

a) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. If the aggregate of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in profit or loss. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

b) Licencing Fees

The licencing fee is initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight line method over its estimated useful life, and amortisation commences when the assets are ready for their intended use (i.e upon the commissioning of the metathesis plant which will utilise the licence to produce specialty chemicals, olefins and oleochemicals). The amortisation period is reviewed at each reporting date and the effects of any revision are recognised in profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licences is assessed and written down immediately to its recoverable amount.

See accounting policy note on impairment of non-financial assets for intangible assets.

Property Development Activities

a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle. Such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Costs comprise cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within the normal operating cycle.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Property Development Activities (cont'd)

b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities. Property development costs are stated at the lower of cost and net realisable value, and are subsequently recognised as an expense in profit or loss as and when the control of the development unit is transferred to the customer.

Contract Assets and Contract Liabilities

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time. In the case of property development, contract asset is the excess of cumulative revenue earned over the billings to-date, for which the billings to customers are based on progress milestones set out in Sale and Purchase Agreement ("SPA") with the customers. Contract asset is stated at cost less accumulated impairment losses. The amount of impairment losses is determined by comparing the contract asset's carrying amount and the present value of estimated future cash flows to be generated by the contract asset. See Note 4(a)(iii) for impairment of contract assets.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration or has billed the customer. In the case of property development, contract liability is the excess of the billings to-date over the cumulative revenue earned.

Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

a) Completed development properties

The cost of unsold completed properties comprise cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

b) Plantation products and produce, stores, spares, raw materials and consumables

Cost of plantation products and produce, stores, spares, raw materials and consumables includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis.

Produce Growing on Bearer Plants

The produce growing on bearer plants of the Group comprises fresh fruit bunches ("FFB") prior to harvest. The produce growing on bearer plants are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised within cost of sales in profit or loss. The fair value of unharvested FFB is determined by using the market approach, which takes into consideration the market prices of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell.

Non-Current Assets Held for Sale

Non-current assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less cost to sell. A gain is recognised for any subsequent increases in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities classified as held for sale are presented separately from other liabilities in the statement of financial position.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment losses. Impairment assessment will be based on the expected credit loss model where the changes in credit quality of receivables since initial recognition will determine the measurement of impairment losses at each reporting date. Impairment will be reversed if the credit quality improves. A credit loss is the difference between the present value ("PV") of cash flows that are due to the Group in accordance with the contract and the PV of cash flows that the Group expects to receive.

Advances for plasma schemes represent the accumulated plantation development costs, including borrowing costs and indirect overheads, which are recoverable either through bank loans obtained by the plasma cooperatives or direct repayments from the cooperatives when these plasma areas come to maturity. Impairment losses are made when the estimated recoverable amounts are less than the outstanding advances.

Cash and Cash Equivalents

Cash and cash equivalents include cash and bank balances, money market instruments, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value (*with original maturities of 3 months or less).*

Financial Liabilities

Financial liabilities comprise payables, borrowings, lease liabilities and intercompany balances. Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are classified as current liabilities for those having maturity dates of less than twelve months after the reporting date, otherwise, the balance is classified as non-current.

Share Capital

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, warrants, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received net of any directly attributable transaction costs are credited to share capital when new shares are issued.

Treasury Shares

A purchase by the Company of its own equity shares is accounted for under the treasury stock method. Under this method, the shares purchased and held as treasury shares is measured and carried at the cost of purchase (including any directly attributable incremental external costs, net of tax). On presentation in the statements of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable reserves. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

Warrants Reserve

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve. Warrants reserve is transferred to the share capital upon the exercise of the warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

Borrowings

Borrowings are recognised initially at fair value net of transaction cost incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are capitalised and amortised over the period of the facility to which it relates.

All other borrowings costs are charged to profit or loss.

Borrowings are derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that have been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred and liabilities assumed, is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Borrowings (cont'd)

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned from specific borrowings which are invested temporarily pending the utilisation of such borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate of borrowings measured at amortised cost and modified without resulting in derecognition shall be recognised immediately in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Financial Guarantee Contracts

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due. Financial guarantee contracts are recognised initially at fair value.

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the expected credit loss model under MFRS 9 "Financial Instruments" and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 "Revenue from Contracts with Customers", where appropriate.

Impairment of Non-Financial Assets

The carrying amounts of non-financial assets other than inventories, assets arising from property development activities, deferred tax assets and non-current assets classified as held for sale are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also tests goodwill acquired in a business combination and intangible assets with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount.

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use, which is measured by reference to discounted future cash flows. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units).

An impairment loss is charged to profit or loss.

Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. An impairment loss recognised for goodwill shall not be reversed.

Contingent Liabilities and Contingent Assets

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed, unless the possibility of an outflow of resource embodying economic benefit is remote. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses its existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contingent Liabilities and Contingent Assets (cont'd)

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with the provision of MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 "Revenue from Contracts with Customers".

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management's best estimate of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance cost.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Income Taxes

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the reporting date.

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Employee Benefits

a) Short-term employee benefits

   Short-term employee benefits include wages, salaries, bonuses, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

b) Post-employment benefits

   Post-employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Employee Benefits (cont'd)

c) Long-term employee benefits

(i) Long-term employee benefits include retirement gratuities payable to Executive Directors and a retirement gratuity scheme for Executives of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to the services rendered and it does not take into account the employee's services to be rendered in later years up to retirement. The gratuity, which is calculated based either on length of service and basic salary or on the emoluments earned in the immediate past three years, is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. Past service costs are recognised immediately in profit or loss.

Such retirement gratuities payable are classified as current liabilities when it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

(ii) The Group provides employee benefits in respect of its Indonesia subsidiaries as required under the Indonesian Labor Law No. 13/2003. The Group is required to recognise a provision for employee service entitlements, which represents a defined benefit plan and the entitlement usually depends on several factors such as age, years of service and compensation.

The liability recognised in the statements of financial position in respect of the defined benefit plan is the present value of the defined benefit obligation as at the reporting date, which is calculated annually by an independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates at the reporting date of government bonds that are denominated in Indonesian Rupiah, in which the benefits will be paid and that have terms to maturity approximating to the terms of the related defined benefit obligation.

Remeasurement arising from experience adjustments and changes in actuarial assumptions are recognised in OCI in the period in which they arise. Current and past service costs are recognised immediately in profit or loss.

d) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than twelve months after the end of the reporting period are discounted to their present value.

Revenue/Income Recognition

(a) Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers controls of the goods or services promised in a contract and the customer obtains control of the goods and services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of indirect taxes, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue/Income Recognition (cont'd)

(a) Revenue from contracts with customers (cont'd)

(i) Plantations and Downstream Manufacturing

The Group's revenue is derived mainly from its upstream and downstream operations.

In the upstream operations, the Group sells plantation products and produce such as crude palm oil, palm kernel and FFB (collectively known as "plantation products and produce"). In the downstream operations, revenue is essentially derived from sales of palm oil derivative products.

Revenue from sales of plantation products and produce, and palm oil derivative products are recognised (net of discount and taxes collected on behalf) at the point when the control of goods has been transferred to the customer. Based on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and the acceptance of the goods by the customer.

There is no element of financing present as the Group's sales of goods are either on cash terms (including cash on delivery ("COD") for export) or on credit terms ranging from 7 to 45 days. The Group's obligation to provide quality claims against off-spec goods under the Group's contractual terms is recognised as a provision.

Revenue from provision of tolling services is recognised in the period in which the manufacturing activities are performed. There is no element of financing present as sales are normally on COD basis.

(ii) Property

Contracts with customers may include multiple promises to customers and are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each separate performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the SPA. When the Group determines that it is not probable that the Group will collect the consideration to which the Group is entitled to in exchange for the properties, the Group will defer the recognition of revenue from such sales of properties and consideration received from the customer is recognised as a contract liability. For such properties, the Group recognises revenue when it becomes probable that the Group will collect consideration to which it will be entitled to in exchange for the properties sold.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for work performance completed to-date.

The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) as attached in its layout plan in the SPA. The purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and therefore the promised properties sold to the purchasers do not have an alternative use to the Group. The Group has the right to payment for performance completed to-date, is entitled to continue to transfer to the customer the development units promised, and has the right to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the contract costs incurred to-date to the estimated total costs for the contract.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Revenue/Income Recognition (cont'd)

(a) Revenue from contracts with customers (cont'd)

(ii) Property (cont'd)

For sale of completed properties, the Group recognises revenue when the control of the properties has been transferred to the purchasers.

(iii) Fee from management services

Fee from management services is recognised as revenue over time during the period in which the services are rendered.

(b) Revenue from other sources

Revenue recognition criteria for other revenue earned by the Group are as follows:

(i) Lease income

Lease income from operating leases is recognised in profit or loss on a straight-line basis over the lease term.

Lease income that are not generated as part of the Group's and the Company's principal activities are classified as other income.

(ii) Dividend income

Dividend income from subsidiaries, joint ventures and associates are recognised when the right to receive payment is established.

(c) Other income

(i) Investment and interest income

Investment and interest income are recognised using the effective interest method.

Investment and interest income from financial assets at FVTPL are recognised as part of net gains or losses on these financial instruments.

Interest income from financial assets at amortised cost and financial assets at FVOCI is recognised as part of other income in the profit or loss, by using the effective interest method.

Investment and interest income are calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount (after deduction of the loss allowance).

Dividends

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

Government Grant

Government grant related to assets is recognised initially as deferred income at fair value when there is reasonable assurance that it will be received and the Group will comply with the conditions associated with the grant and is then recognised in profit or loss as other income on a systematic basis over the useful life of the assets when the assets are commissioned.

Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities held at FVOCI are included in reserve on exchange differences as OCI.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign Currency Translation (cont'd)

(c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a functional currency different from that of the Group's presentation currency are translated into the Group's presentation currency as follows:

(i) assets and liabilities are translated at the closing rate at the reporting date;
(ii) income and expenses in profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognised as a separate component of OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are taken to OCI. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in profit or loss as part of the gain or loss on disposal.

Intercompany loans where the settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment in these subsidiaries and translation differences arising therefrom are recognised in OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising from the translation are recognised in OCI.

Derivative Financial Instruments and Hedging Activities

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivative that are not designated or do not qualify for hedge accounting are recognised in profit or loss within other gains/(losses).

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The effective portion of fair value changes of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve. The ineffective portion is recognised immediately in the profit or loss within other gains/(losses).

The gains or losses in equity are reclassified to the profit or loss in the periods when the hedged item affects profit or loss. In the case of interest rate swaps, the fair value changes in equity are reclassified to profit or loss when the interest expense on the hedged borrowings is recognised in the profit or loss unless the amount transferred can be capitalised as part of the cost of a self-constructed asset, in which case, both the reclassification and interest expense are capitalised.

When a hedging instrument expires or is sold or is terminated, or when the cash flow hedge is discontinued or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is only transferred to profit or loss when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in cash flow hedge reserve is immediately transferred to profit or loss within other gains/(losses).

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than twelve months, otherwise it will be classified as a current asset or liability.

Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments have been identified as the Chief Executive, Deputy Chief Executive, and the President and Chief Operating Officer of the Company.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Financial risk factors

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors. Financial risk management is carried out through risk reviews conducted at all significant operating units. This process is further enhanced by effective internal controls, a comprehensive insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

(i) Foreign currency exchange risk

The Group is exposed to foreign currency exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts within the constraints of market and government regulations.

The Group's principal foreign currency exposure relates mainly to United States Dollar ("USD") in the current financial year *(2018: USD)*.

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities as at the reporting date is as follows:

	USD	Others	Total
Group			
At 31 December 2019			
Financial assets			
Trade and other receivables	13,279	-	13,279
Cash and cash equivalents	48,487	1,468	49,955
	61,766	1,468	63,234
Financial liabilities			
Trade and other payables	(350)	-	(350)
Borrowings	(89,696)	-	(89,696)
	(90,046)	-	(90,046)
Net currency exposure	(28,280)	1,468	(26,812)
Company			
At 31 December 2019			
Financial asset			
Cash and cash equivalents	34,608	-	34,608
Financial liability			
Borrowings	(82,913)	-	(82,913)
Net currency exposure	(48,305)	-	(48,305)

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(i) Foreign currency exchange risk (cont'd)

	USD	Others	Total
Group			
At 31 December 2018			
Financial assets			
Trade and other receivables	4,312	-	4,312
Cash and cash equivalents	173,953	1,452	175,405
	178,265	1,452	179,717
Financial liability			
Trade and other payables	(6)	(2)	(8)
Net currency exposure	178,259	1,450	179,709
Company			
At 31 December 2018			
Financial asset			
Cash and cash equivalents	152,000	-	152,000
Net currency exposure	152,000	-	152,000

The following table demonstrates the sensitivity of the Group's profit after tax and equity to 1% *(2018: 3%)* strengthening of USD against the functional currency, with all other variables held constant.

	2019		2018	
	←Increase/(Decrease)→		← Increase/(Decrease) →	
	Profit after tax	**Equity**	Profit after tax	Equity
Group				
USD against the functional currency	**(283)**	**(283)**	5,348	5,348
Company				
USD against the functional currency	**(483)**	**(483)**	4,560	4,560

A 1% *(2018: 3%)* weakening of the above currencies against the functional currency would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

(ii) Interest rate risk

Interest rate risks arise mainly from the Group's borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using the floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting the borrowings from floating rates to fixed rates. Under the interest rate swap, the Group agrees with a financial institution to exchange, at specific intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts.

The Group's outstanding borrowings as at the year end at variable rates for which hedges have not been entered into amount to RM1,331.3 million *(2018: RM1,310.4 million)*. At the reporting date, if annual interest rates had been 1% *(2018: 1%)* higher/lower respectively, with all other variables in particular foreign exchange rates and tax rate being held constant, the Group's profit after tax will be lower/higher by RM8.2 million *(2018: RM9.5 million)* as a result of increase/(decrease) in finance cost on those borrowings.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk

Risk Management

The Group's and the Company's exposure to credit risk arises mainly from sales made on deferred credit terms, cash and cash equivalents, deposits with financial institutions, money market instruments, income funds and debts instruments carried at amortised cost. In addition, the Company is also exposed to credit risks arising from amounts due from subsidiaries, joint ventures and associates. Risks arising therefrom are minimised through:

- Effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms.
- Setting credit limits and reviewing credit history to minimise potential losses.
- Ensuring that the Group remains as the registered owner of the development properties (in respect of the Group's sale of development properties) until full settlement by the purchaser of the self-financed portion of the purchase consideration and upon obtaining the undertaking from the purchaser's end-financier.
- Investing cash assets safely and profitably, which involves placement of cash and cash equivalents and short-term deposits with creditworthy financial institutions. In addition, the Group and the Company set exposure limits as well as limit placement tenures to less than one year for each of the financial institutions.
- Assessment of counterparty's credit risks and setting of limits to minimise any potential losses. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy financial institutions.
- Purchasing insurance to protect the Group and the Company against insurable risks.
- Performing regular reviews of the aging profiles of amounts due from subsidiaries, joint ventures and associates.

Impairment

The Group has three types of financial assets that are subject to the expected credit loss ("ECL") model:

- Trade receivables for sales of goods and services;
- Contract assets; and
- Debt instruments carried at amortised cost.

While cash and cash equivalents are also subject to the impairment requirements as set out in MFRS 9, there is no impairment loss identified given the financial strength of the financial institutions in which the Group and the Company have a relationship with.

The Group assesses on a forward looking basis the ECL associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group considers the probability of default upon initial recognition of an asset and whether there has been significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information, such as:

- internal credit rating;
- external credit rating (as far as available);
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; or
- significant changes in the expected performance or behaviour of the debtor, including changes in the payment status of the debtor.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk (cont'd)

Impairment (cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed when a debt is past due unless there are specific reasons for delays in making payment within the credit period by certain debtors, which will be determined based on the past experience and credit risk profiles of these debtors.

The Group considers a trade receivable or other receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

Trade and other receivables are written off when there is no expectation of recovery, with a case-by-case assessment performed based on indicators such as insolvency or demise. Where the receivables are written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

The Group and the Company use three categories for those receivables which reflect their credit risk and how the loss provision is determined for those categories.

(a) Trade receivables and contract assets using the simplified approach

The Group and the Company apply the simplified approach under MFRS 9 to measure ECL, which uses a lifetime ECL allowance for all trade receivables and contract assets. To measure the expected losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced during these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as palm products prices and crude oil price) affecting the ability of the customers to settle the receivables. The historical loss rates will be adjusted based on the expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

In determining the expected loss rates, the Group also takes into consideration of the collateral or payments received in advance, as set out below:

Plantation

Receivables are generally collected within the credit term and therefore, there is minimal exposure to doubtful debts. Upfront payments are also collected for certain sales made by the Group's subsidiaries in Indonesia.

Property

Purchasers are generally financed by loan facilities from banks.

Manufacturing

Sales made are generally accompanied by letters of credit, documentary collection or advance payments. Outstanding receivables are generally collected within the credit term.

The Group's maximum exposure to credit risk and loss allowance recognised as at 31 December 2019 and as at 31 December 2018 is disclosed in Note 30. The remaining amount in which no ECL allowance was recognised is deemed to be recoverable, with low probability of default.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk (cont'd)

Impairment (cont'd)

(b) Debt instruments at amortised costs other than trade receivables and contract assets using the 3-stage approach

The Group and the Company use four categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions underpinning the Group's and the Company's ECL model is as follows:

Category	**Definition of category**	**Basis for recognition of ECL provision**
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected losses. Where the expected lifetime on an asset is less than 12 months, expected losses are measured at its expected lifetime.
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation.	Lifetime expected losses
Non-performing	There is evidence indicating the assets are credit-impaired.	Lifetime expected losses
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written off

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk.

For intercompany balances that are repayable on demand, the Company's ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial.

- If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower.

- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

All of the Group's and of the Company's debt instruments at amortised costs other than trade receivables and contract assets are considered to have low credit risks, as these were considered to be performing, have low risks of default and historically there were minimal instances where contractual cash flow obligations have not been met.

The maximum exposure to credit risks for debt instruments at amortised cost other than trade receivables and contract assets are represented by the carrying amounts recognised in the statements of financial position.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(iii) Credit risk (cont'd)

Impairment (cont'd)

(c) Financial guarantee contracts

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except the following financial guarantee contracts which have not been reflected in the statements of financial position of the Group and of the Company:

	Group	
	2019	2018
Corporate guarantee provided by certain subsidiaries in Indonesia to banks on plasma farmers' loan facilities	**139,914**	127,343

	Company	
	2019	2018
Corporate guarantee provided to banks on Sukuk Murabahah	**1,000,000**	1,000,000

Information regarding other non-current assets and trade and other receivables that are neither past due nor impaired is disclosed in Notes 26 and 30 respectively. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

(iv) Price risk

The Group are largely exposed to commodity price risk due to fluctuations in palm products prices. The Group enters into commodity future contracts to minimise exposure to adverse movements in palm products prices and manages its risk through established guidelines and policies.

If the prices of the palm products increase by 5% *(2018: 5%)* respectively with all other variables including tax rate being held constant, the impact to the Group's profit after tax and equity will be as follows:

	2019		2018	
	←Increase/(Decrease)→		← Increase/(Decrease) →	
	Profit after tax	**Equity**	Profit after tax	Equity
Group				
Effect of change in palm products prices				
- Increase by 5%	**40,726**	**40,726**	38,707	38,707

A 5% decrease in the prices of palm products would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(v) Liquidity risk

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

The Group manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Group. Liquidity requirements are further enhanced with its undrawn committed borrowing facilities at all times and are sufficient and available to the Group to meet its obligations.

Generally, surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company. The Company invests surplus cash in interest bearing accounts and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned cash flows of the Group.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2019				
Group				
Trade and other payables	358,682	-	-	-
Borrowings (principal and finance costs)	579,464	383,551	800,590	1,257,212
Lease liabilities	2,965	2,965	3,076	-
Derivative financial liabilities	33,544	4,184	-	-
Amount due to ultimate holding company	2,007	-	-	-
Amounts due to other related companies	224	-	-	-
	976,886	390,700	803,666	1,257,212
Financial guarantee contracts	139,914	-	-	-
Company				
Trade and other payables	10,454	-	-	-
Borrowings (principal and finance costs)	82,985	-	-	-
Amounts due to subsidiaries (principal and finance costs)	212,384	46,073	138,600	1,023,037
Amount due to ultimate holding company	2,007	-	-	-
Amounts due to other related companies	224	-	-	-
Lease liabilities	2,468	2,468	2,468	-
	310,522	48,541	141,068	1,023,037
Financial guarantee contracts	1,000,000	-	-	-

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Financial risk factors (cont'd)

(v) Liquidity risk (cont'd)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
At 31 December 2018				
Group				
Trade and other payables	358,398	-	-	-
Borrowings (principal and finance costs)	675,847	384,969	878,441	1,419,025
Derivative financial liabilities	-	1,658	1,947	-
Amount due to ultimate holding company	627	-	-	-
Amounts due to other related companies	435	-	-	-
	1,035,307	386,627	880,388	1,419,025
Financial guarantee contracts	127,343	-	-	-
Company				
Trade and other payables	17,423	-	-	-
Amounts due to subsidiaries (principal and finance costs)	270,628	46,580	138,347	1,069,363
Amount due to ultimate holding company	627	-	-	-
Amounts due to other related companies	273	-	-	-
	288,951	46,580	138,347	1,069,363
Financial guarantee contracts	1,000,000	-	-	-

(b) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's various businesses, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and warrants, buy back issued shares, take on new debts or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital utilisation on the basis of the gearing ratio. This ratio is calculated as total debts divided by total capital. Total debts is calculated as total borrowings (including "current and non-current borrowings") and lease liabilities as shown in the statements of financial position. Total capital is calculated as the sum of total equity and total debts.

The gearing ratio are as follows:

Group	**2019**	2018
Total debts	**2,597,218**	2,786,378
Total equity	**5,059,593**	4,312,443
Total capital	**7,656,811**	7,098,821
Gearing ratio	**33.9%**	39.3%

The gearing ratio increased by 0.1% to 33.9% following the adoption of MFRS 16 "Leases" for the financial year ended 31 December 2019. Both total debts and gross assets increased following the recognition of rights of use assets and lease liabilities on 1 January 2019. See Note 42 for further information.

The Group is not subject to any externally imposed capital requirements for the financial years ended 31 December 2019 and 2018.

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Fair value hierarchy

The assets and liabilities carried at fair value are categorised into different levels of fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date.
- The fair value of the commodity future contracts is determined using forward prices of palm oil commodities.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The carrying values of current financial assets and current financial liabilities of the Group at the end of the reporting period approximated their fair values.

The following table presents the Group's financial instruments that are measured at fair value.

	Level 1	Level 2	Level 3	Total
2019				
Group				
Assets				
Financial assets at fair value through profit or loss	**-**	**600,000**	**3,263**	**603,263**
Derivative financial instruments:				
- Foreign exchange contracts	**-**	**1,141**	**-**	**1,141**
	-	**601,141**	**3,263**	**604,404**
Liabilities				
Derivative financial instruments:				
- Interest rate swap	**-**	**7,739**	**-**	**7,739**
- Commodity future contracts	**-**	**29,989**	**-**	**29,989**
	-	**37,728**	**-**	**37,728**
Company				
Assets				
Financial assets at fair value through profit or loss	**-**	**600,000**	**-**	**600,000**
2018				
Group				
Assets				
Financial assets at fair value through profit or loss	-	350,016	3,073	353,089
Derivative financial instruments:				
- Interest rate swap	-	782	-	782
- Foreign exchange contracts	-	1,068	-	1,068
- Commodity future contracts	-	367	-	367
	-	352,233	3,073	355,306
Liabilities				
Derivative financial instruments:				
- Interest rate swap	-	3,605	-	3,605

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Fair value hierarchy(cont'd)

	Level 1	Level 2	Level 3	Total
2018 (cont'd)				
Company				
Assets				
Financial assets at fair value through profit or loss	-	350,016	-	350,016

There were no transfers between Level 1 and Level 2 during the current financial year.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The assessment of the fair value of unquoted securities is performed based on discounted cash flow analysis with key inputs such as growth rates and discount rates.

The following table presents the changes in Level 3 instruments for the financial year ended 31 December:

	Group	
	2019	2018
As at 1 January	**3,073**	94,548
Interest income	**222**	262
Fair value loss – recognised in other comprehensive income	**-**	(94,159)
Foreign exchange differences	**(32)**	2,422
As at 31 December	**3,263**	3,073

Although the Group believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value. For fair value measurement in Level 3, if the growth rate or discount rate changes by 1%, the impact to profit or loss or equity would not be significant.

5. SEGMENT ANALYSIS

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions, resource allocation and performance assessment.

The chief operating decision-makers consider the Group's principal activities based on the nature of the products and services, specific expertise and technology requirements of individual reportable segments. The reportable segments are as follows:

(i) Plantation - upstream activities relating to oil palm plantations in Malaysia and Indonesia.

(ii) Property - activities relating to property development and property investment.

(iii) Biotechnology - activities relating to genomics research and development.

(iv) Downstream manufacturing - activities relating to manufacturing and sale of palm oil derivative products.

(v) Others - other insignificant business which are not reported separately.

The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (adjusted "EBITDA"). This measurement basis excludes the effects of non-recurring items from the operating segments such as fair value gain and losses on financial assets, gain or loss on disposal of assets, net surplus arising from Government acquisition, assets written off, gain or loss on changes in shareholdings in joint venture and associates, impairment losses and reversal of previously recognised impairment losses.

Segments assets consist primarily of property, plant and equipment, land held for property development, investment properties, right-of-use assets *(2018: leasehold land use rights)*, intangible assets, financial assets at FVOCI and FVTPL, property development costs, inventories, trade and other receivables and cash and cash equivalents. Segment assets exclude interest bearing instruments, joint ventures, associates, deferred tax assets, tax recoverable and assets classified as held for sale as these assets are managed on a group basis.

Segment liabilities comprises operating liabilities. Segment liabilities exclude interest bearing instruments, tax payables, deferred tax liabilities and liabilities classified as held for sale as these liabilities are managed on a group basis.

5. SEGMENT ANALYSIS (cont'd)

	Plantation	Property	Bio-technology	Downstream Manufacturing	Others	Elimination	Total
2019							
Group							
Revenue							
- External	757,227	129,392	87	1,379,696	-	-	2,266,402
- Inter segment	511,332	-	248	-	-	(511,580)	-
Total Revenue	1,268,559	129,392	335	1,379,696	-	(511,580)	2,266,402
Adjusted EBITDA	336,884	37,887	(14,185)	58,428	14,022	-	433,036
Gain on disposal of assets	18	7	-	8	-	-	33
Net surplus arising from Government acquisition	4,825	1,420	-	-	-	-	6,245
Assets written off and others	(1,146)	(1)	40	(90)	-	-	(1,197)
	340,581	39,313	(14,145)	58,346	14,022	-	438,117
Depreciation and amortisation	(216,278)	(877)	(2,338)	(11,086)	-	-	(230,579)
Share of results in joint ventures	-	47,644	-	-	-	-	47,644
Share of results in associates	2,305	(43)	-	-	(20)	-	2,242
	126,608	86,037	(16,483)	47,260	14,002	-	257,424
Interest income							32,161
Finance cost							(104,120)
Profit before taxation							185,465
Taxation							(55,046)
Profit for the financial year							130,419
Other information:							
Assets							
Segment assets	5,701,590	451,904	28,633	529,695	600,244	-	7,312,066
Joint ventures	-	196,453	-	-	-	-	196,453
Associates	10,165	147	-	-	(176)	-	10,136
	5,711,755	648,504	28,633	529,695	600,068	-	7,518,655
Interest bearing instruments							849,635
Deferred tax assets							78,965
Tax recoverable							11,156
Assets classified as held for sale							1,789
Total assets							8,460,200
Liabilities							
Segment liabilities	290,812	123,805	3,175	52,116	2,248	-	472,156
Interest bearing instruments							2,588,966
Deferred tax liabilities							334,447
Taxation							5,038
Total liabilities							3,400,607

5. SEGMENT ANALYSIS (cont'd)

	Plantation	Property	Bio-technology	Downstream Manufacturing	Others	Elimination	Total
2018							
Group							
Revenue							
- External	808,740	130,133	-	964,026	-	-	1,902,899
- Inter segment	414,351	-	-	13,723	-	(428,074)	-
Total Revenue	1,223,091	130,133	-	977,749	-	(428,074)	1,902,899
Adjusted EBITDA	389,927	36,188	(13,039)	11,204	12,478	-	436,758
Gain on disposal of assets	15	4	-	-	-	-	19
Net surplus arising from Government acquisition	12,882	4,618	-	-	-	-	17,500
Loss on disposal of investment in associate	(377)	-	-	-	-	-	(377)
Assets written off and others	(1,033)	(484)	(1,257)	(56)	-	-	(2,830)
	401,414	40,326	(14,296)	11,148	12,478	-	451,070
Depreciation and amortisation	(196,485)	(887)	(2,093)	(10,974)	-	-	(210,439)
Share of results in joint ventures	-	40,713	-	-	-	-	40,713
Share of results in associates	2,362	(34)	-	-	(14)	-	2,314
	207,291	80,118	(16,389)	174	12,464	-	283,658
Interest income							33,646
Finance cost							(109,568)
Profit before taxation							207,736
Taxation							(60,783)
Profit for the financial year							146,953
Other information:							
Assets							
Segment assets	5,441,086	457,783	28,521	514,009	350,631	-	6,792,030
Joint ventures	-	148,809	-	-	-	-	148,809
Associates	9,609	190	-	-	(155)	-	9,644
	5,450,695	606,782	28,521	514,009	350,476	-	6,950,483
Interest bearing instruments							758,109
Deferred tax assets							110,850
Tax recoverable							14,876
Total assets							7,834,318
Liabilities							
Segment liabilities	228,078	146,798	3,053	33,908	1,104	-	412,941
Interest bearing instruments							2,786,378
Deferred tax liabilities							317,704
Taxation							4,852
Total liabilities							3,521,875

5. SEGMENT ANALYSIS (cont'd)

Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-Current Assets	
	2019	2018	**2019**	2018
Malaysia	**1,768,544**	1,393,505	**1,661,516**	1,636,804
Indonesia	**497,858**	509,394	**3,966,364**	3,751,159
	2,266,402	1,902,899	**5,627,880**	5,387,963

Non-current assets information presented above exclude investments in joint ventures and associates, financial instruments and deferred tax assets as presented in the consolidated statement of financial position.

6. REVENUE

Revenue of the Group and of the Company comprise the following:

	Group		Company	
	2019	2018	**2019**	2018
Revenue from contracts with customers:				
Sale of plantation products and produce	**1,266,691**	1,221,188	**78,214**	121,733
Sale of development properties	**125,755**	126,748	**-**	-
Sale of palm oil derivative products	**1,379,696**	977,749	**-**	-
Fee from management services	**3,603**	3,013	**34,007**	37,448
	2,775,745	2,328,698	**112,221**	159,181
Inter segment *(see Note 5)*	**(511,580)**	(428,074)	**-**	-
	2,264,165	1,900,624	**112,221**	159,181
Revenue from other sources:				
Lease income	**2,237**	2,275	**-**	-
Dividend income	**-**	-	**125,090**	185,054
	2,237	2,275	**125,090**	185,054
Total revenue	**2,266,402**	1,902,899	**237,311**	344,235
Timing of revenue from contracts with customers:				
- at a point in time	**2,196,031**	1,798,223	**78,214**	121,733
- over time	**68,134**	102,401	**34,007**	37,448
	2,264,165	1,900,624	**112,221**	159,181

7. COST OF SALES

	Group		Company	
	2019	2018	**2019**	2018
Cost of inventories sold for plantation products and produce	**1,005,014**	914,866	**53,352**	92,243
Cost of development properties sold	**72,702**	75,644	**-**	-
Cost of inventories sold for palm oil derivative products	**1,281,202**	932,172	**-**	-
	2,358,918	1,922,682	**53,352**	92,243
Inter segment	**(511,332)**	(428,074)	**-**	-
	1,847,586	1,494,608	**53,352**	92,243

8. OTHER (LOSSES)/GAINS

	Group 2019	Group 2018	Company 2019	Company 2018
Net foreign exchange (losses)/gains				
- realised	**(2,380)**	(9,152)	**(1,820)**	9,405
- unrealised	**(1,993)**	5,015	**735**	2,684
	(4,373)	(4,137)	**(1,085)**	12,089

9. PROFIT BEFORE TAXATION

Profit before taxation has been determined after inclusion of the following charges and credits. The expenses by nature of the Group and of the Company are also disclosed in the charges below:

	Group 2019	Group 2018	Company 2019	Company 2018
Charges:				
Depreciation of property, plant and equipment	**220,060**	205,517	**22,348**	25,320
Depreciation of investment properties	**630**	631	**-**	-
Depreciation of ROU assets	**9,889**	-	**3,266**	-
Amortisation of leasehold land use rights	**-**	4,291	**-**	-
Total Directors' remuneration *(see Note 11)*	**9,148**	1,482	**8,683**	1,482
Charges payable to related companies:				
- Information technology consultancy, development, implementation, support and maintenance service	**2,307**	3,492	**1,909**	2,985
Property, plant and equipment written off	**1,241**	1,253	**762**	80
Impairment loss on investment in subsidiaries	**-**	-	**18,870**	133,426
Impairment loss on amounts due from subsidiaries	**-**	-	**190**	816
Loss/(Gain) on disposal of investment in an associate	**-**	377	**-**	(1,000)
Shared services fee payable to ultimate holding company	**1,830**	2,180	**955**	842
Write off of receivables	**195**	70	**161**	19
Statutory audit fees:				
- Payable to auditors	**931**	975	**195**	252
- Payable to member firms of an organisation which are separate and independent legal entitles from the auditors	**1,506**	1,431	**-**	-
Audit related fees:				
- Payable to auditors	**199**	199	**199**	199
Non-audit fees and non-audit related costs*:				
- Payable to auditors	**76**	56	**10**	10
- Payable to member firms of an organisation which are separate and independent legal entities from the auditors	**-**	175	**-**	171
Employee benefits expense *(see Note 10)*	**407,614**	363,779	**75,649**	71,085
Research and development expenditure	**16,232**	12,871	**-**	-
Repairs and maintenance:				
- property, plant and equipment	**33,495**	32,085	**3,615**	2,440
- investment properties	**48**	100	**-**	-
Transportation costs	**149,663**	127,346	**8,432**	8,311
Utilities	**30,152**	21,612	**82**	93
Raw materials and consumables	**881,290**	673,645	**-**	-
Oil palm cess and levy	**3,115**	2,863	**-**	-
Short term and low value lease expense	**700**	-	**-**	-

9. PROFIT BEFORE TAXATION (cont'd)

	Group 2019	Group 2018	Company 2019	Company 2018
Charges (cont'd):				
Finance costs:				
- bank borrowings	**62,047**	66,611	**1,476**	6,544
- Sukuk Murabahah	**39,708**	38,472	**-**	-
- loan from a subsidiary	**-**	-	**46,200**	46,200
- lease liabilities	**454**	-	**408**	-
- others	**1,911**	4,485	**-**	-
	104,120	109,568	**48,084**	52,744

** Non-audit fees and non-audit related costs are in respect of: (i) tax related services of RM Nil (2018: RM0.2 million) and financial advisory services of RM0.1 million (2018: RM Nil) for the Group (ii) financial advisory services of RM0.1 million (2018: tax related services of RM0.2 million) for the Company.*

	Group 2019	Group 2018	Company 2019	Company 2018
Credits:				
Net surplus arising from compensation in respect of land acquired by the Government	**6,245**	17,500	**-**	-
Interest income	**32,161**	33,646	**50,378**	50,402
Investment income	**15,599**	16,305	**15,599**	16,305
Dividend income from associates	**-**	-	**1,750**	3,914
Lease income from external parties	**2,724**	2,870	**69**	189
Lease income from related companies	**401**	403	**40**	16
Gain/(Loss) on disposal of property, plant and equipment	**33**	19	**8**	(31)
Bad debts recoverred	**1,776**	-	**-**	-
Reversal of impairment loss/(Impairment loss) on receivables	**28**	(296)	**-**	-
Write back/(down) of inventories	**45**	(1,283)	**-**	(28)
Reversal of Impairment loss on land held for property development	**266**	-	**-**	-
Income from subsidiaries:				
- Single-tier dividend	**-**	-	**123,340**	181,140
- Management fee	**-**	-	**34,007**	37,448

10. EMPLOYEE BENEFITS EXPENSE

	Group 2019	Group 2018	Company 2019	Company 2018
Wages, salaries and bonuses	**294,262**	270,090	**52,170**	55,673
Defined contribution plans	**23,145**	18,909	**5,782**	5,561
Provision for retirement gratuities/benefits *(see Note 38)*	**10,150**	1,503	**5,589**	(399)
Other short term employee benefits	**80,057**	73,277	**12,108**	10,250
	407,614	363,779	**75,649**	71,085

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

11. DIRECTORS' REMUNERATION

	Group		Company	
	2019	2018	**2019**	2018
Non-Executive Directors				
Fees	**784**	851	**784**	851
Benefits-in-kind	**15**	16	**15**	16
	799	867	**799**	867
Executive Directors				
Fees	**285**	95	**285**	95
Salaries and bonuses	**4,031**	437	**3,566**	437
Defined contribution plans	**553**	83	**553**	83
Provision for retirement gratuities	**3,461**	-	**3,461**	-
Other short term employee benefits	**2**	-	**2**	-
Benefits-in-kind	**17**	-	**17**	-
	8,349	615	**7,884**	615
Total Directors' remuneration *(see Note 9)*	**9,148**	1,482	**8,683**	1,482

12. TAXATION

	Group		Company	
	2019	2018	**2019**	2018
Current taxation charge:				
Malaysian income tax charge	**50,636**	64,108	**1,739**	5,041
Foreign income tax charge	**712**	305	**-**	-
Deferred tax charge/(reversal) *(see Note 27)*	**1,796**	(2,909)	**(3,048)**	(1,888)
	53,144	61,504	**(1,309)**	3,153
Prior years' taxation:				
Income tax under/(over) provided	**1,902**	(721)	**97**	468
	55,046	60,783	**(1,212)**	3,621

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	Group		Company	
	2019	2018	**2019**	2018
	%	%	**%**	%
Malaysian tax rate	**24.0**	24.0	**24.0**	24.0
Tax effects of:				
- expenses not deductible for tax purposes	**8.1**	8.8	**6.5**	52.6
- income not subject to tax	**(1.8)**	(1.8)	**(32.4)**	(71.8)
- recognition of previously unrecognised tax losses and capital allowances	**(3.7)**	(4.4)	**-**	-
- unrecognised tax losses and capital allowances	**9.8**	7.9	**-**	-
- different tax regime	**(1.4)**	(0.5)	**-**	-
- under/(over) provision in prior years	**1.0**	(0.3)	**0.1**	0.7
- share of results in joint ventures and associates	**(6.5)**	(5.0)	**-**	-
- others	**0.2**	0.6	**0.6**	-
Average effective tax rate	**29.7**	29.3	**(1.2)**	5.5

The tax effect of the other comprehensive income/(loss) item is RM47.8 million *(2018: RM0.3 million)* in the current financial year.

13. EARNINGS PER SHARE

Earnings per share of the Group is calculated by dividing the profit for the financial year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue.

	Group	
	2019	2018
(a) Basic earnings per share		
Profit for the financial year attributable to equity holders of the Company *(RM'000)*	**142,074**	164,898
Weighted average number of ordinary shares in issue *('000)*	**854,840**	804,425
Basic earnings per share *(sen)*	**16.62**	20.50
(b) Diluted earnings per share		
Profit for the financial year attributable to equity holders of the Company *(RM'000)*	**142,074**	164,898
Adjusted weighted average number of ordinary shares in issue		
Weighted average number of ordinary shares in issue *('000)*	**854,840**	804,425
Adjustment for assumed conversion of warrants *('000)*	**-**	18,846
	854,840	823,271
Diluted earnings per share *(sen)*	**16.62**	20.03

The Group has no dilutive potential ordinary shares in 2019 following the expiration of warrants on 17 June 2019 and therefore the diluted earnings per share is the same as the basic earnings per share.

14. DIVIDENDS

	Group and Company			
	2019		2018	
	Single-tier dividend per share Sen	**Amount of single-tier dividend RM'000**	Single-tier dividend per share Sen	Amount of single-tier dividend RM'000
Special dividend paid in respect of previous year	**-**	**-**	11.00	88,367
Final dividend paid in respect of previous year	**8.25**	**74,019**	9.50	76,459
Interim dividend paid in respect of current year	**3.50**	**31,402**	4.75	38,231
	11.75	**105,421**	25.25	203,057

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2019 of 9.5 sen *(2018: 8.25 sen)* per ordinary share amounting to RM85.2 million *(2018: RM74.0 million)* will be proposed for shareholders' approval. The financial statements did not reflect this final dividend which will be accrued as a liability upon the approval by shareholders.

15. PROPERTY, PLANT AND EQUIPMENT

	Freehold lands and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2019									
Group									
Net book value:									
At 1 January, as previously reported	504,146	270,075	429,397	409,620	25,766	29,241	2,642,568	108,596	4,419,409
Effects of adoption of MFRS 16 *(see Note 42)*	-	(270,075)	-	-	-	-	-	-	(270,075)
At 1 January, as restated	504,146	-	429,397	409,620	25,766	29,241	2,642,568	108,596	4,149,334
Additions	49,992	-	7,495	31,806	4,627	4,506	173,726	96,282	368,434
Disposals	(5)	-	-	-	(267)	(2)	-	-	(274)
Written off	(8)	-	(481)	(381)	(9)	(62)	(300)	-	(1,241)
Depreciation charge for the financial year	(20,728)	-	(17,514)	(60,584)	(3,723)	(9,158)	(108,353)	-	(220,060)
Depreciation capitalised	(5,434)	-	(1,296)	(4,508)	(926)	(1,196)	13,360	-	-
Interest capitalised	-	-	-	-	-	-	25,860	-	25,860
Depreciation of ROU assets capitalised *(see Note 19)*	-	-	-	-	-	-	1,005	-	1,005
Reclassified to trade and other receivables (plasma cooperatives)	-	-	-	-	-	-	(23,412)	-	(23,412)
Reclassifications	2,375	-	16,367	14,799	94	1,785	-	(35,420)	-
Foreign exchange differences	6,123	-	6,872	4,646	411	328	46,855	668	65,903
At 31 December	536,461	-	440,840	395,398	25,973	25,442	2,771,309	170,126	4,365,549
At 31 December 2019									
Cost	756,912	-	587,083	822,518	64,165	101,423	3,479,364	170,126	5,981,591
Accumulated depreciation	(220,451)	-	(146,243)	(427,120)	(38,192)	(75,981)	(708,055)	-	(1,616,042)
Net book value	536,461	-	440,840	395,398	25,973	25,442	2,771,309	170,126	4,365,549

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold lands and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2018									
Group									
Net book value:									
At 1 January	487,522	274,375	412,338	423,188	27,292	30,607	2,634,783	135,046	4,425,151
Additions	44,759	290	1,284	31,926	3,953	4,273	141,751	37,448	265,684
Disposals	(296)	-	-	-	(111)	(4)	(23)	-	(434)
Written off	-	-	(517)	(316)	(105)	(176)	(30)	(109)	(1,253)
Depreciation charge for the financial year	(18,588)	(3,109)	(15,888)	(49,466)	(3,820)	(9,892)	(104,754)	-	(205,517)
Depreciation capitalised	(3,965)	(587)	(1,193)	(2,450)	(915)	(1,127)	10,237	-	-
Interest capitalised	-	-	-	-	-	-	26,703	-	26,703
Amortisation of leasehold land use rights capitalised *(see Note 18)*	-	-	-	-	-	-	281	-	281
Reclassifications	2,728	(894)	39,692	13,430	198	6,164	-	(61,318)	-
Foreign exchange differences	(8,014)	-	(6,319)	(6,692)	(726)	(604)	(66,380)	(2,471)	(91,206)
At 31 December	504,146	270,075	429,397	409,620	25,766	29,241	2,642,568	108,596	4,419,409
At 31 December 2018									
Cost	693,344	319,627	556,049	773,886	59,271	95,017	3,260,447	108,596	5,866,237
Accumulated depreciation	(189,198)	(49,552)	(126,652)	(364,266)	(33,505)	(65,776)	(617,879)	-	(1,446,828)
Net book value	504,146	270,075	429,397	409,620	25,766	29,241	2,642,568	108,596	4,419,409
At 1 January 2018									
Cost	659,228	320,231	525,041	747,053	57,906	89,509	3,177,313	135,046	5,711,327
Accumulated depreciation	(171,706)	(45,856)	(112,703)	(323,865)	(30,614)	(58,902)	(542,530)	-	(1,286,176)
Net book value	487,522	274,375	412,338	423,188	27,292	30,607	2,634,783	135,046	4,425,151

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold lands and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2019									
Company									
Net book value:									
At 1 January, as previously reported	25,753	148,887	26,631	5,909	4,006	11,240	82,202	800	305,428
Effects of adoption of MFRS 16 *(see Note 42)*	-	(148,887)	-	-	-	-	-	-	(148,887)
At 1 January, as restated	25,753	-	26,631	5,909	4,006	11,240	82,202	800	156,541
Additions	1,755	-	110	1,423	6	1,834	11,161	2,602	18,891
Disposals	-	-	(28)	(1)	(30)	(105)	-	-	(164)
Written off	-	-	(30)	(25)	-	(33)	(674)	-	(762)
Depreciation charge for the financial year	(1,519)	-	(1,042)	(1,619)	(670)	(3,858)	(13,640)	-	(22,348)
Depreciation capitalised	(387)	-	(203)	(396)	(31)	(40)	1,057	-	-
Depreciation of ROU assets capitalised *(see Note 19)*	-	-	-	-	-	-	283	-	283
Reclassification	20	-	1,606	46	-	373	-	(2,045)	-
At 31 December	25,622	-	27,044	5,337	3,281	9,411	80,389	1,357	152,441
At 31 December 2019									
Cost	41,135	-	36,498	22,771	6,899	40,843	280,584	1,357	430,087
Accumulated depreciation	(15,513)	-	(9,454)	(17,434)	(3,618)	(31,432)	(200,195)	-	(277,646)
Net book value	25,622	-	27,044	5,337	3,281	9,411	80,389	1,357	152,441

15. PROPERTY, PLANT AND EQUIPMENT (cont'd)

	Freehold lands and improvements	Leasehold lands	Buildings and improvements	Plant and machinery	Motor vehicles	Furniture, fittings and equipment	Bearer plants	Construction in progress	Total
2018									
Company									
Net book value:									
At 1 January	25,850	150,223	26,090	6,773	4,483	9,658	86,826	2,750	312,653
Additions	1,687	57	104	1,230	282	873	8,922	5,168	18,323
Disposals	-	-	-	-	(133)	(15)	-	-	(148)
Written off	-	-	(34)	(14)	-	(6)	(26)	-	(80)
Depreciation charge for the financial year	(1,535)	(1,191)	(1,040)	(1,929)	(603)	(4,444)	(14,578)	-	(25,320)
Depreciation capitalised	(289)	(202)	(153)	(363)	(23)	(28)	1,058	-	-
Reclassification	40	-	1,664	212	-	5,202	-	(7,118)	-
At 31 December	25,753	148,887	26,631	5,909	4,006	11,240	82,202	800	305,428
At 31 December 2018									
Cost	39,360	164,231	34,874	22,192	7,072	39,138	276,578	800	584,245
Accumulated depreciation	(13,607)	(15,344)	(8,243)	(16,283)	(3,066)	(27,898)	(194,376)	-	(278,817)
Net book value	25,753	148,887	26,631	5,909	4,006	11,240	82,202	800	305,428
At 1 January 2018									
Cost	37,633	164,174	33,186	20,982	7,323	35,837	273,454	2,750	575,339
Accumulated depreciation	(11,783)	(13,951)	(7,096)	(14,209)	(2,840)	(26,179)	(186,628)	-	(262,686)
Net book value	25,850	150,223	26,090	6,773	4,483	9,658	86,826	2,750	312,653

The carrying values of the freehold land of the Group and of the Company as at 31 December 2019 are RM142.6 million *(2018: RM142.6 million)* and RM1.6 million *(2018: RM1.6 million)* respectively.

The Group's property, plant and equipment with a carrying amount of approximately RM104.4 million *(2018: RM110.5 million)* have been pledged as collateral as at 31 December 2019.

16. PROPERTY DEVELOPMENT ACTIVITIES

	Group			
		2019		2018
(a) Land held for property development:				
Freehold land		**66,404**		67,721
Leasehold land		**72,231**		72,231
Development costs		**110,250**		112,213
Accumulated impairment		**(5,305)**		(5,571)
		243,580		246,594
At the beginning of the financial year		**246,594**		254,655
Additions:				
- leasehold land	**-**		4,142	
- development costs	**2,323**	**2,323**	4,450	8,592
Credited/(charged) to profit or loss		**266**		(52)
Transferred to property development costs : *(see Note 16(b))*				
- freehold land	**(1,317)**		(2,274)	
- development costs	**(4,286)**	**(5,603)**	(14,327)	(16,601)
At the end of the financial year		**243,580**		246,594
(b) Property development costs:				
Freehold land		**4,975**		5,202
Development costs		**85,700**		84,309
Accumulated costs charged to profit or loss		**(44,994)**		(44,678)
		45,681		44,833
At the beginning of the financial year		**44,833**		31,218
Development costs incurred during the financial year		**40,777**		68,111
Development costs charged to profit or loss		**(34,666)**		(55,264)
Transferred from land held for property development *(see Note 16(a))*		**5,603**		16,601
Transferred to inventories		**(10,866)**		(15,833)
At the end of the financial year		**45,681**		44,833

17. INVESTMENT PROPERTIES

	Group 2019	Group 2018
Net book value:		
At 1 January	**24,484**	25,115
Depreciation	**(630)**	(631)
Reclassified to assets classified as held for sale *(see Note 33)*	**(802)**	-
At 31 December	**23,052**	24,484

	Group 31.12.2019	Group 31.12.2018	Group 1.1.2018
Completed properties			
- Cost	**28,577**	32,752	32,752
- Accumulated depreciation	**(5,525)**	(8,268)	(7,637)
Net book value at end of the financial year	**23,052**	24,484	25,115
Fair value of completed properties at end of the financial year	**33,835**	38,235	38,235

The aggregate lease income and direct operating expenses arising from investment properties that generated lease income which were recognised during the financial year amounted to RM2.2 million and RM1.1 million *(2018: RM2.3 million and RM1.1 million)* respectively.

Fair values of the Group's investment properties at the end of financial year have been determined by independent professional valuers based on the market comparable approach that reflect the recent transaction prices for similar properties in size and type within the vicinity and are within Level 2 of the fair value hierarchy.

18. LEASEHOLD LAND USE RIGHTS

	Group 2019	Group 2018
Net book value		
At 1 January, as previously reported	**664,644**	641,053
Effects of adoption of MFRS 16 *(see Note 42)*	**(664,644)**	-
At 1 January, as restated	**-**	641,053
Additions	**-**	37,515
Amortisation charged to profit or loss	**-**	(4,291)
Amortisation capitalised under property, plant and equipment *(see Note 15)*	**-**	(281)
Foreign exchange differences	**-**	(9,352)
At 31 December	**-**	664,644

	Group 31.12.2019	Group 31.12.2018	Group 1.1.2018
Cost	**-**	692,711	665,248
Accumulated amortisation	**-**	(28,067)	(24,195)
Net book value	**-**	664,644	641,053

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) ROU assets

	Leasehold lands	Office space	Total
2019			
Group			
Net book value:			
At 1 January, as previously reported	-	-	-
Effects of adoption of MFRS 16 *(see Note 42)*	934,719	9,335	944,054
At 1 January, as restated	934,719	9,335	944,054
Additions	22,490	1,062	23,552
Depreciation charged to profit or loss	(7,403)	(2,486)	(9,889)
Depreciation capitalised under property, plant and equipment *(see Note 15)*	(1,005)	-	(1,005)
Disposal	(21)	-	(21)
Reclassified to assets classified as held for sale *(see Note 33)*	(987)	-	(987)
Foreign exchange differences	7,437	-	7,437
At 31 December	955,230	7,911	963,141
Company			
Net book value:			
At 1 January, as previously reported	-	-	-
Effects of adoption of MFRS 16 *(see Note 42)*	148,887	8,619	157,506
At 1 January, as restated	148,887	8,619	157,506
Additions	20	-	20
Depreciation charged to profit or loss	(1,111)	(2,155)	(3,266)
Depreciation capitalised under property, plant and equipment *(see Note 15)*	(283)	-	(283)
At 31 December	147,513	6,464	153,977

Leasehold lands of certain subsidiaries with an aggregate carrying value of RM399.3 million *(2018: RM540.6 million)* are pledged as securities for borrowings *(see Note 40)*.

The Group holds land rights in Indonesia in the form of Hak Guna Usaha ("HGU"), which give the rights to cultivate land for agricultural purposes with expiry dates between 2037 and 2054. The Group also holds other rights relating to certain plots of land in Indonesia and the Group is at various stages of the application process in converting such rights to HGU.

The Group also leases various offices where the rental contracts are typically entered into for fixed periods ranging between 3 to 6 years, but may include extension options.

Lease and terms on the rental contracts are negotiated on an individual basis and contain a wide range of different terms and conditions. These rental contracts do not impose any covenants.

19. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (cont'd)

(b) Lease liabilities

	Group	Company
2019		
Non-current		
Lease liabilities	**5,847**	**4,613**
Current		
Lease liabilities	**2,405**	**2,155**
Total lease liabilities	**8,252**	**6,768**

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the entities' incremental borrowing rate. Subsequent to the initial recognition, the Group measures the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

The maturity analysis of the lease liabilities as at the reporting date is disclosed in Note 4(a)(v).

Total cash outflow for the leases in the financial year ended 31 December 2019 for the Group and for the Company amounted to RM3.6 million and RM2.5 million respectively.

(c) Leases as lessor

The Group and the Company lease certain property, plant and equipment and ROU assets to related and non-related parties. The Group and the Company has classified these leases as operating leases, because they do not transfer substantially all of the risks and rewards incidental to the ownership of the assets. The following table sets out the maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	Company
Less than 1 year	**585**	**40**
Between 1 and 2 years	**315**	**40**
Between 2 and 3 years	**165**	**-**
Total undiscounted lease payments to be received	**1,065**	**80**

20. INTANGIBLE ASSETS

	Goodwill	Licencing fee	Total
2019			
Group			
Net book value:			
At 1 January	**25,748**	**7,084**	**32,832**
Foreign exchange differences	**(274)**	**-**	**(274)**
At 31 December	**25,474**	**7,084**	**32,558**
At 31 December 2019			
Cost/Net book value	**25,474**	**7,084**	**32,558**
2018			
Group			
Net book value:			
At 1 January	25,105	7,084	32,189
Foreign exchange differences	643	-	643
At 31 December	25,748	7,084	32,832
At 31 December 2018			
Cost/Net book value	25,748	7,084	32,832
At 1 January 2018			
Cost/Net book value	25,105	7,084	32,189

Goodwill arose due to the Group's acquisition in AsianIndo Holdings Pte Ltd. The impairment test for goodwill was based on fair value less costs to sell model, benchmarking to the most recent transacted prices of plantation lands in Indonesia and are within level 3 of the fair value hierarchy. There are no reasonably possible changes in any of the key assumptions used that would cause the recoverable amount to be materially lower than the carrying amounts of this cash generating unit.

21. SUBSIDIARIES

	Company 2019	Company 2018
Unquoted shares - at cost	**4,855,319**	4,452,551
Accumulated impairment losses	**(451,621)**	(432,751)
	4,403,698	4,019,800
Amounts due from subsidiaries		
- Current	**245,379**	145,125
- Non-current *(see Note 26)*	**593,388**	668,954
	838,767	814,079
Amounts due to subsidiaries		
- Current	**169,222**	166,338
- Non-current	**1,000,000**	1,000,000
	1,169,222	1,166,338

21. SUBSIDIARIES (cont'd)

Movements on the Company's impairment on investment in subsidiaries and amounts due from subsidiaries are as follows :

	Investment in subsidiaries		Amounts due from subsidiaries	
	2019	2018	**2019**	2018
At 1 January	**432,751**	299,325	**816**	-
Loss allowance during the financial year	**18,870**	133,426	**190**	816
At 31 December	**451,621**	432,751	**1,006**	816

The amounts due from and to subsidiaries classified as current assets and current liabilities respectively represent outstanding amounts arising from inter-company sales and purchases, advances, payments and receipts on behalf of or by subsidiaries. The outstanding amounts which are less than one year and classified as current assets and current liabilities respectively, are unsecured, repayable on demand and interest free. The amounts due from subsidiaries classified as current assets are neither past due nor impaired. Included in the amounts due from subsidiaries is a loan to a subsidiary amounting to RM489.0 million *(2018: RM592.2 million)* bearing a fixed interest rate of 4.62% *(2018: 4.62%)* per annum. This amount is classified as non-current as at 31 December 2019 and the amount is neither past due nor impaired.

The non-current amount due to a subsidiary represents the proceeds from the issuance of Sukuk Murabahah advanced to the Company by Benih Restu Berhad, a wholly owned subsidiary, and bears a fixed interest rate of 4.62% *(2018: 4.62%)* per annum.

During the financial year:

(i) the Company had subscribed for redeemable convertible non-cumulative preference shares issued by its wholly owned subsidiaries amounting to RM388.4 million *(2018: RM774.5 million)* which is settled via capitalisation of intercompany balances.

(ii) the Company had subscribed 4.97 billion ordinary shares in ACGT Sdn Bhd *(2018: Nil)* for a cash consideration of RM14.4 million. The subscription had increased the equity interest of the Company in ACGT Sdn Bhd from 95.5% to 99.7% and the accretion in shareholdings did not have any material impact to the results of the Group for the current financial year.

An impairment loss on investment in subsidiaries of RM18.9 million *(2018: RM133.4 million)* has been recognised in the current financial year as the timing and extent of the future economics benefits that can be derived from these subsidiaries remain uncertain.

The subsidiaries are listed in Note 46 and the subsidiaries with material non-controlling interests are set out below:

Indonesia Subsidiaries

1. PalmIndo Holdings Pte Ltd
2. Sri Nangatayap Pte Ltd
3. Sanggau Holdings Pte Ltd
4. Sandai Maju Pte Ltd
5. Ketapang Agri Holdings Pte Ltd
6. Ketapang Holdings Pte Ltd
7. Borneo Palma Mulia Pte Ltd
8. Palma Citra Investama Pte Ltd
9. Cahaya Agro Abadi Pte Ltd
10. Palm Capital Investment Pte Ltd
11. PT Citra Sawit Cemerlang
12. PT Sawit Mitra Abadi
13. PT Sepanjang Intisurya Mulia
14. PT Surya Agro Palma
15. PT Agro Abadi Cemerlang
16. PT Palma Agro Lestari Jaya
17. PT Kharisma Inti Usaha
18. PT Dwie Warna Karya
19. PT Kapuas Maju Jaya
20. PT Susantri Permai
21. GlobalIndo Holdings Pte Ltd
22. Global Agri Investment Pte Ltd
23. Universal Agri Investment Pte Ltd
24. PT GlobalIndo Agung Lestari
25. PT United Agro Indonesia

Malaysia Subsidiaries

1. Genting Biorefinery Sdn Bhd
2. Genting MusimMas Refinery Sdn Bhd

21. SUBSIDIARIES (cont'd)

The accumulated non-controlling interests of the above Malaysia and Indonesia subsidiaries as at 31 December 2019 are RM64.9 million *(2018: RM62.7 million)* and RM107.7 million *(2018: RM114.9 million)* respectively.

The profit or loss allocated to non-controlling interests of the above Malaysia and Indonesia subsidiaries are a profit of RM5.3 million *(2018: profit of RM0.3 million)* and a loss of RM18.4 million *(2018: loss of RM19.8 million)* respectively.

Set out below are the summarised financial information for subsidiaries with material non-controlling interests to the Group. The amounts disclosed are before inter-company eliminations:

	Indonesia Subsidiaries		Malaysia Subsidiaries	
	2019	2018	**2019**	2018
Summarised statement of financial position				
As at 31 December				
Current assets	**451,102**	553,416	**275,679**	251,827
Non-current assets	**2,642,252**	2,381,311	**292,858**	334,906
Current liabilities	**(1,230,409)**	(1,558,780)	**(201,319)**	(191,320)
Non-current liabilities	**(1,044,764)**	(1,209,386)	**(100,974)**	(101,295)
Net assets	**818,181**	166,561	**266,244**	294,118
Summarised statement of comprehensive income				
For the financial year ended 31 December				
Revenue for the financial year	**714,166**	615,864	**1,292,148**	976,311
Profit/(Loss) for the financial year	**38,898**	(243,795)	**(16,618)**	1,178
Total comprehensive income/(loss) for the financial year	**69,848**	(216,200)	**(27,874)**	2,138
Summarised cash flows				
For the financial year ended 31 December				
Cash flows (used in)/generated from operating activities	**(49,898)**	74,786	**28,117**	(10,697)
Cash flows (used in)/generated from investing activities	**(280,306)**	(187,100)	**3,340**	(2,165)
Cash flows generated from/(used in) financing activities	**213,087**	101,577	**(34,932)**	15,455
Net (decrease)/increase in cash and cash equivalents	**(117,117)**	(10,737)	**(3,475)**	2,593
Dividend paid to non-controlling interests	**-**	-	**-**	-

22. JOINT VENTURES

	Group	
	2019	2018
Unquoted – at cost:		
Shares in a foreign corporation	**12,500**	12,500
Group's share of post acquisition reserves	**183,953**	136,309
	196,453	148,809
Amounts due from joint ventures	**6,009**	6,731
Less: Balance included in current assets	**(4,192)**	(3,193)
Balance included in other non-current assets *(see Note 26)*	**1,817**	3,538
	198,270	152,347

22. JOINT VENTURES (cont'd)

The joint ventures of the Group, as detailed in Note 46, comprise Simon Genting Limited, Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd.

The joint ventures are private companies and there is no quoted market price available for their shares.

The amounts due from joint ventures included in current assets are unsecured, interest free and are receivable within the next twelve months. The amount due from a joint venture which is more than one year represents the balance of purchase price receivable arising from the sale of land to Genting Simon Sdn Bhd by Genting Property Sdn Bhd, a wholly-owned subsidiary of the Company. This amount is classified as non-current as at 31 December 2019 and the amount is neither past due nor impaired.

There are no contingent liabilities relating to the Group's interest in the joint ventures as at the reporting date *(2018: Nil)*.

Set out below are the summarised financial information for joint ventures which are accounted for using the equity method:

	Group	
	2019	2018
Summarised statement of financial position as at 31 December		
Current assets	**135,716**	102,599
Non-current assets	**435,039**	404,883
Current liabilities	**(57,273)**	(91,584)
Non-current liabilities	**(110,407)**	(108,112)
Net assets	**403,075**	307,786
Included in the statement of financial position are:		
Cash and cash equivalents	**98,208**	71,145
Current financial liabilities (excluding trade and other payables and provisions)	**-**	(29,941)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(110,407)**	(108,112)
Summarised statements of profit or loss for the financial year ended 31 December		
Profit for the financial year	**95,288**	81,426
Other comprehensive income	**-**	-
Total comprehensive income	**95,288**	81,426
Included in the statements of profit or loss are:		
Revenue	**143,385**	126,969
Depreciation and amortisation	**(9,603)**	(8,350)
Interest income	**1,373**	1,024
Interest expense	**(7,553)**	(9,805)
Income tax expense	**(326)**	(246)
Reconciliation of net assets to carrying amount:		
As at 31 December		
Group's share of net assets	**201,537**	153,893
Profit elimination on transaction with a joint venture	**(5,084)**	(5,084)
Carrying amount in the statement of financial position	**196,453**	148,809

23. ASSOCIATES

	Group 2019	Group 2018	Company 2019	Company 2018
Unquoted shares - at cost	**1,872**	1,872	**1,872**	1,872
Group's share of post-acquisition reserves	**8,264**	7,772	**-**	-
Share of net assets	**10,136**	9,644	**1,872**	1,872
Amounts due from associates:				
- current	**244**	2,223	**244**	2,223

The associates are listed in Note 46.

The amounts due from associates represent outstanding amounts arising from trade transactions and advances and payments made on behalf of associates, are unsecured, interest free and repayable on demand. The amounts due from associates classified as current assets are neither past due nor impaired

There are no contingent liabilities relating to the Group's interest in associates as at the reporting date *(2018: Nil)*.

The following table summarises, in aggregate, the financial information of all individually immaterial associates that are accounted for using the equity method:

	Group 2019	Group 2018
Share of profit for the financial year	**2,242**	2,314
Share of other comprehensive income	**-**	-
Share of total comprehensive income	**2,242**	2,314

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group 2019	Group 2018	Company 2019	Company 2018
Debts security in a foreign corporation				
- unquoted	**3,263**	3,073	**-**	-
Income funds in Malaysian corporations				
- unquoted	**600,000**	350,016	**600,000**	350,016
At 31 December	**603,263**	353,089	**600,000**	350,016
Analysed as follows:				
Current	**600,000**	350,016	**600,000**	350,016
Non-current	**3,263**	3,073	**-**	-
	603,263	353,089	**600,000**	350,016

The debts security in a foreign corporation represents 8% Convertible Promissory Notes ("Notes") in Synthetic Genomics, Inc ("SGI"), a privately held company incorporated in the United States of America, specialising in developing and commercialising genomic-driven solution to address global sustainability challenges. The Notes is repayable upon maturity or convertible to equity share in SGI.

The income funds in Malaysia corporations are redeemable at the discretion of the Group and of the Company and the fair values are based on the fund managers' statements at the reporting date.

25. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	Group	
	2019	2018
Equity investments in foreign corporations		
- unquoted	**-**	-

The equity investments in foreign corporations comprise mainly the 3.92% *(2018: 3.92%)* equity interest in SGI.

A fair value loss of RM94.2 million was recognised in the previous financial year in relation to the equity investments in foreign corporations due to uncertainty of the timing and extent of the future economic benefits that can be received from these investments, which still remain uncertain as at the reporting date.

26. OTHER NON-CURRENT ASSETS

	Group		Company	
	2019	2018	**2019**	2018
Amounts due from plasma cooperatives *(see Note 30)*	**34,682**	26,462	**-**	-
Amount due from subsidiaries *(see Note 21)*	**-**	-	**593,388**	668,954
Amount due from a joint venture *(see Note 22)*	**1,817**	3,538	**-**	-
Amount due from related parties	**12,250**	8,000	**-**	8,000
Prepayments	**1,563**	-	**-**	-
	50,312	38,000	**593,388**	676,954
The maturity profile for the other non-current assets is as follows:				
More than one year and less than two years	**33,097**	18,057	**-**	8,000
More than two years and less than five years	**17,215**	19,943	**593,388**	668,954
	50,312	38,000	**593,388**	676,954

There were no non-current receivables that were past due but not impaired in the current financial year.

The maximum exposure to credit risk at the reporting date is the carrying amounts of each class of receivables mentioned above.

27. DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2019	2018	**2019**	2018
Subject to income tax:				
- Deferred tax assets	**78,965**	110,850	**-**	-
- Deferred tax liabilities	**(334,447)**	(317,704)	**(23,437)**	(26,535)
	(255,482)	(206,854)	**(23,437)**	(26,535)
At 1 January, as previously reported	**(206,854)**	(212,420)	**(26,535)**	(28,423)
Effects of adoption of MFRS 16 *(see Note 42)*	**50**	-	**50**	-
At 1 January, as restated	**(206,804)**	(212,420)	**(26,485)**	(28,423)
(Charged)/Credited to statements of profit or loss *(see Note 12)***:**				
- Property, plant and equipment	**(18,029)**	1,272	**1,714**	1,910
- Provision for retirement gratuities/benefits	**1,915**	322	**1,341**	(96)
- Land held for property development	**579**	575	**-**	-
- Lease liabilities	**23**	-	**23**	-
- Property development costs	**(56)**	129	**-**	-
- Inventories	**(2,493)**	(3,479)	**-**	-
- Produce growing on bearer plants	**(1,081)**	751	**(11)**	86
- Receivables	**(5,343)**	(2,211)	**-**	-
- Payables	**1,575**	4,818	**(19)**	(12)
- Tax losses	**21,087**	812	**-**	-
- Other temporary differences	**27**	(80)	**-**	-
	(1,796)	2,909	**3,048**	1,888
Recognised in other comprehensive income *(see Note 12)*	**(47,844)**	(277)	**-**	-
Foreign exchange differences	**962**	2,934	**-**	-
At 31 December	**(255,482)**	(206,854)	**(23,437)**	(26,535)

Included in the other comprehensive income is the related tax effects on foreign exchange differences on monetary items that form part of the Group's net investment in foreign operations. These amounts have been included as part of balances categorised as "Other temporary differences" in the deferred tax assets and liabilities respectively.

	Group 2019	Group 2018	Company 2019	Company 2018
Subject to income tax:				
i) Deferred tax assets (before offsetting)				
- Property, plant and equipment	**10,386**	17,592	**-**	-
- Provision for retirement gratuities/benefits	**7,395**	5,509	**4,248**	2,907
- Land held for property development	**6,820**	6,241	**-**	-
- Inventories	**5,912**	8,430	**-**	-
- Payables	**25,600**	23,949	**141**	160
- Lease liabilities	**73**	-	**73**	-
- Tax losses	**116,306**	95,219	**-**	-
- Other temporary differences	**1,268**	42,966	**-**	-
	173,760	199,906	**4,462**	3,067
Offsetting	**(94,795)**	(89,056)	**(4,462)**	(3,067)
Deferred tax assets (after offsetting)	**78,965**	110,850	**-**	-

27. DEFERRED TAXATION (cont'd)

	Group 2019	Group 2018	Company 2019	Company 2018
ii) Deferred tax liabilities (before offsetting)				
- Property, plant and equipment	**(404,958)**	(395,007)	**(27,796)**	(29,510)
- Land held for property development	**(182)**	(182)	**-**	-
- Produce growing on bearer plants	**(1,804)**	(812)	**(103)**	(92)
- Property development costs	**(1,266)**	(1,210)	**-**	-
- Inventories	**(224)**	(250)	**-**	-
- Receivables	**(13,592)**	(8,249)	**-**	-
- Other temporary differences	**(7,216)**	(1,050)	**-**	-
	(429,242)	(406,760)	**(27,899)**	(29,602)
Offsetting	**94,795**	89,056	**4,462**	3,067
Deferred tax liabilities (after offsetting)	**(334,447)**	(317,704)	**(23,437)**	(26,535)

The deferred tax assets recognised on unutilised tax losses mainly relate to carried forward tax losses of subsidiaries in Indonesia, to the extent that the deferred tax assets will be recoverable based on the estimated future financial performance of the subsidiaries.

The amount of tax savings in respect of brought forward tax losses for which credit has been recognised by the Group during the financial year amounted to RM7.5 million *(2018: RM1.6 million)*.

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax asset has been recognised in the statements of financial position are as follows:

	Group 2019	Group 2018
Unutilised tax losses		
- Expiring not more than five years *(see Note (a) below)*	**192,735**	155,960
- Expiring not more than seven years *(see Note (b) below)*	**86,632**	87,141
- No expiry period *(see Note (c) below)*	**348,538**	333,085
	627,905	576,186
Unutilised capital allowances with no expiry period	**124,502**	117,569
	752,407	693,755

(a) Deferred tax assets on unutilised tax losses for Indonesia subsidiaries have not been recognised as the realisation of the tax benefits accruing to these tax losses is not probable.

(b) Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses with no expiry period amounting to RM87.1 million as at 31 December 2018 will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2019 to 2025).

(c) Included in the amount of unutilised tax losses with no expiry period are unutilised tax losses of certain subsidiaries of the Group amounting to RM348.5 million *(2018: RM333.1 million)*. These subsidiaries are accredited with tax exemption for 10 years and the tax losses arising therefrom are not subject to the expiry limit.

28. INVENTORIES

	Group 2019	Group 2018	Company 2019	Company 2018
Plantation products and produce	**152,864**	159,948	**-**	-
Stores and spares	**49,274**	58,034	**3,609**	3,560
Raw materials and consumables	**14,775**	8,997	**-**	-
Completed development properties	**36,931**	64,047	**-**	-
	253,844	291,026	**3,609**	3,560

29. PRODUCE GROWING ON BEARER PLANTS

	Group 2019	Group 2018	Company 2019	Company 2018
At 1 January	**3,828**	6,095	**382**	743
Transferred to produce stocks	**(3,828)**	(6,095)	**(382)**	(743)
Changes in fair value	**6,904**	3,847	**429**	382
Foreign exchange differences	**(3)**	(19)	**-**	-
At 31 December	**6,901**	3,828	**429**	382

The fair value measurement of the produce growing on bearer plants is determined by using the market approach, which takes into consideration the market prices of fresh fruits bunches ("FFB"), adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 3 of the fair value hierarchy. A reasonable change in the key assumptions would not result in a material impact to the financial statements.

30. TRADE AND OTHER RECEIVABLES

	Group 2019	Group 2018	Company 2019	Company 2018
Current:				
(a) Trade receivables	**161,672**	120,467	**12,577**	-
Less: Loss allowance on trade receivables	**(315)**	(343)	**-**	-
	161,357	120,124	**12,577**	-
Deposits	**45,533**	4,584	**751**	806
Prepayments	**15,046**	14,187	**1,157**	726
Other receivables*	**373,346**	303,041	**41,096**	4,104
	595,282	441,936	**55,581**	5,636
(b) Contract assets in relation to property development activities	**17,868**	31,946	**-**	-
	613,150	473,882	**55,581**	5,636

(i) Trade and other receivables

* *Included in other receivables and other non-current assets of the Group are advances for plasma schemes of RM206.5 million (2018: RM169.8 million) which are recoverable by the Group's subsidiaries in Indonesia. In accordance with the policy of the Government of the Republic of Indonesia ("Government"), nucleus companies involved in plantation developments are required to provide support to develop and cultivate palm oil lands for local communities as part of their social obligation which is known as "plasma" schemes.*

In line with this requirement, the Group's subsidiaries in Indonesia participate in several plasma cooperative programs for the development and cultivation of oil palm lands for the local communities. The Group's subsidiaries manage the plasma plantation activities and purchase the plantation produce arising therefrom at prices determined by the Government. Advances made by the Group's subsidiaries to the plasma schemes in the form of plantation development costs are recoverable either through bank loans obtained by the plasma cooperatives or direct repayments from the cooperatives when these plasma areas come to maturity. Impairment losses are made when the estimated recoverable amounts are less than the outstanding advances.

30. TRADE AND OTHER RECEIVABLES (cont'd)

(i) Trade and other receivables (cont'd)

Credit terms offered by the Group in respect of trade receivables range from 7 days to 45 days *(2018: 7 days to 45 days)* from the date of invoice.

The Group's trade receivables that are individually determined to be impaired at the reporting date relate to property debtors that have defaulted on payment.

Movements on the Group's loss allowance on trade receivables are as follows:

	Group	
	2019	2018
At 1 January	**343**	47
Loss allowance on trade receivables	**-**	324
Write back of allowance	**(28)**	(28)
At 31 December	**315**	343

Other than as disclosed above, the remaining trade and other receivables balances are neither past due nor impaired. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables and other receivables mentioned above.

(ii) Contract assets and contract liabilities

	Group	
	2019	2018
At 1 January		
- contract assets	**31,946**	8,478
- contract liabilities	**-**	(2,465)
	31,946	6,013
Property development revenue recognised	**64,531**	99,388
Less: Progress billings issued	**(78,609)**	(73,455)
At 31 December	**17,868**	31,946
Analysed as follows:		
- contract assets	**17,868**	31,946

The contract liabilities at the beginning of the respective financial years, if any, have been recognised as revenue during the respective financial years.

The amount of unfulfilled performance obligation of RM36.0 million *(2018: RM29.5 million)* as at the reporting date will be recognised in the financial statements within next three years.

31. HOLDING COMPANY AND OTHER RELATED COMPANIES

The Company's immediate and ultimate holding company is Genting Berhad, a company incorporated in Malaysia.

	Group		Company	
	2019	2018	**2019**	2018
Current:				
Amount due to ultimate holding company	**(2,007)**	(627)	**(2,007)**	(627)
Amounts due to other related companies	**(224)**	(435)	**(224)**	(273)
	(2,231)	(1,062)	**(2,231)**	(900)
Amounts due from other related companies	**-**	-	**1,770**	946
	(2,231)	(1,062)	**(461)**	46

The amounts due to ultimate holding company and other related companies and the amounts due from other related companies are unsecured, interest free and repayable on demand.

32. CASH AND CASH EQUIVALENTS

	Group		Company	
	2019	2018	**2019**	2018
Deposits with licensed banks	**118,581**	75,325	**50,596**	12,730
Cash and bank balances	**105,458**	191,776	**36,291**	34,112
	224,039	267,101	**86,887**	46,842
Add:				
Money market instruments	**731,054**	682,784	**561,244**	506,523
Cash and cash equivalents	**955,093**	949,885	**648,131**	553,365

The deposits of the Group and of the Company as at 31 December 2019 have maturity period of one month *(2018: one month)*. The money market instruments of the Group and of the Company as at 31 December 2019 have maturity periods ranging between overnight and one month *(2018: between overnight and one month)*. Bank balances of the Group and of the Company are held at call. The deposits with licensed banks and money market instruments derived interest at weighted average interest rates ranging from 3.12% to 3.60% *(2018: 2.96% to 3.61%)* per annum.

Included in the bank balances of the Group is an amount of RM39.3 million *(2018: RM22.8 million)* deposited by a subsidiary involved in property development activities into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

33. ASSETS CLASSIFIED AS HELD FOR SALE

	Group	
	2019	2018
Investment properties *(see Note 17)*	**802**	-
ROU assets *(see Note 19)*	**987**	-
	1,789	-

A wholly-owned subsidiary of the Company had on 30 December 2019 entered into a sale and purchase agreement with a third party to dispose a parcel of industrial land and two industrial buildings. The sale and purchase agreement is still conditional as at the reporting date.

34. SHARE CAPITAL

	Group and Company			
	Number of shares		Share capital	
	2019	2018	**2019**	2018
Issued and fully-paid:				
Ordinary shares				
At 1 January				
- Ordinary shares with no par value	**805,733,124**	803,399,064	**863,267**	841,340
Issuance pursuant to conversion of warrants	**91,625,106**	2,334,060	**860,749**	21,927
At 31 December				
- Ordinary shares with no par value	**897,358,230**	805,733,124	**1,724,016**	863,267

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing ordinary shares of the Company, except that they shall not be entitled to any dividends, rights, allotments and/or other distributions the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

35. TREASURY SHARES

At the Annual General Meeting of the Company held on 18 June 2019, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares up to 10% of the issued and paid-up share capital of the Company.

The Company did not purchase its own shares in the current and previous financial year. The purchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016 in Malaysia. There are no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 December 2019, of the total 897,358,230 *(2018: 805,733,124)* issued and fully paid ordinary shares, 160,000 *(2018: 160,000)* shares are held as treasury shares by the Company. At 31 December 2019, the number of outstanding ordinary shares in issue, after netting-off treasury shares against equity is 897,198,230 *(2018: 805,573,124)* ordinary shares.

	Total shares purchased in units ’000	**Total consideration paid RM’000**	**Average price* RM**
At 1 January/31 December	160	1,372	8.58

** Average price includes stamp duty, brokerage and clearing fees.*

36. RESERVES

	Group 2019	Group 2018	Company 2019	Company 2018
Warrants reserve	**-**	151,785	**-**	151,785
Fair value reserve	**(84,586)**	(84,586)	**5**	5
Treasury shares *(see Note 35)*	**(1,372)**	(1,372)	**(1,372)**	(1,372)
Cash flow hedge reserve	**(30,859)**	(442)	**-**	-
Reserve on exchange differences	**(200,980)**	(236,955)	**-**	-
	(317,797)	(171,570)	**(1,367)**	150,418
Retained earnings	**3,466,900**	3,428,873	**3,822,237**	3,826,328
	3,149,103	3,257,303	**3,820,870**	3,976,746

The warrants reserve represents monies received from the issuance of 139,199,464 warrants by the Company pursuant to the Restricted Issue of Warrants. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 20 December 2013. Each warrant carries the right to subscribe for 1 new ordinary share in the Company at any time on or after the issue date up to the expiry date of 17 June 2019 at the exercise price of RM7.75 for each new share. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The warrants are constituted by a Deed Poll dated 8 November 2013. On 17 June 2019, the remaining 688,234 unexercised warrants have since expired and was subsequently delisted from Bursa Securities on 18 June 2019. The corresponding warrants reserve of RM1.1 million has been transferred to retained earnings during the current financial year.

The movements in the warrants reserve and number of warrants during the financial year are summarised below:

	Group and Company			
	2019	2018	**2019**	2018
	No. of Warrants		**RM'000**	RM'000
At 1 January	**92,313,340**	94,647,400	**151,785**	155,624
Exercise of warrants	**(91,625,106)**	(2,334,060)	**(150,655)**	(3,839)
Unexercised and expired	**(688,234)**	-	**(1,130)**	-
At 31 December	**-**	92,313,340	**-**	151,785

37. TRADE AND OTHER PAYABLES

	Group 2019	Group 2018	Company 2019	Company 2018
Current:				
Trade payables	**112,265**	118,872	**3,376**	5,012
Accruals for property development expenditure	**86,882**	85,237	**-**	-
Deposits	**5,276**	7,923	**399**	293
Accrued expenses	**159,199**	146,376	**13,980**	17,364
Retention monies	**15,479**	11,994	**9**	19
	379,101	370,402	**17,764**	22,688

38. PROVISIONS

	Group 2019	Group 2018	Company 2019	Company 2018
Retirement gratuities *(see (a) below)*	**20,376**	14,856	**17,701**	12,112
Retirement benefits *(see (b) below)*	**10,775**	9,374	**-**	-
	31,151	24,230	**17,701**	12,112

	Group 2019	Group 2018	Company 2019	Company 2018
(a) Retirement gratuities				
Non-current:				
At 1 January	**14,856**	14,292	**12,112**	12,511
Charged/(Credited) to profit or loss	**5,916**	602	**5,589**	(399)
Payment made	**(427)**	-	**-**	-
Foreign exchange difference	**31**	(38)	**-**	-
At 31 December	**20,376**	14,856	**17,701**	12,112

(b) Retirement benefits

The subsidiaries in Indonesia operate an unfunded defined benefit plan for its eligible employees. The obligation under the defined benefit plan is determined based on the actuarial valuation carried out by an independent qualified actuary. The latest actuarial valuation of the plan in Indonesia was carried out on 31 December 2019.

The movements in the amounts recognised in the statements of financial position are as follows:

	Group 2019	Group 2018
At 1 January	**9,374**	9,787
Charged to profit or loss	**4,234**	901
Payment made	**(2,160)**	(1,070)
Actuarial gains	**(760)**	(2,965)
Foreign exchange differences	**1,083**	2,721
At 31 December	**11,771**	9,374

The amounts recognised in the statements of financial position are determined as follows:

	Group 2019	Group 2018
Present value of unfunded obligations:		
- current	**996**	-
- non-current	**10,775**	9,374
	11,771	9,374

The amounts recognised in the statements of profit or loss are as follows:

	Group 2019	Group 2018
Current service cost	**2,819**	539
Past service cost	**552**	179
Interest cost	**863**	183
	4,234	901

38. PROVISIONS (cont'd)

(b) Retirement benefits (cont'd)

The principal assumptions used in respect of the unfunded defined benefits plan are as follows:

	Group	
	2019	2018
Discount rate	**8.15% - 8.21%**	8.35% - 8.65%
Future salary increases	**5%**	5%

Based on the method used to derive the present value of a defined benefits obligation using the projected unit credit method, it is estimated that a 1% change in principal assumptions would not have a significant impact to the defined benefit obligation of the Group.

The weighted average duration of the defined benefit obligation is 20.48 years *(2018: 20.24 years)* for the Group.

39. DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group	
	2019	2018
Non-current:		
Designated as cash flow hedge		
Interest rate swap	**(4,184)**	(3,605)
Current:		
Designated as cash flow hedge		
Interest rate swap	**(3,555)**	782
Forward foreign currency exchange contracts	**1,141**	1,068
Commodity future contracts	**(29,989)**	367
	(32,403)	2,217

As at 31 December 2019, the summary and maturity analysis of the outstanding derivative financial assets and liabilities of the Group are as follows:

(a) Interest Rate Swap

	Contract/Notional Value (RM'000)	Fair Value Asset/(Liability) (RM'000)
As at 31 December 2019		
Group		
USD	248,400	
- Less than 1 year		(3,555)
- 1 year to 2 years		(4,184)
As at 31 December 2018		
Group		
USD	460,295	
- Less than 1 year		782
- 1 year to 2 years		(1,658)
- 2 years to 5 years		(1,947)

39.DERIVATIVE FINANCIAL ASSETS/(LIABILITIES) (cont'd)

(b) Forward Foreign Currency Exchange Contracts

	Contract/Notional Value (RM'000)	Fair Value Asset (RM'000)
As at 31 December 2019		
Group		
USD	94,939	
- Less than 1 year		1,141
As at 31 December 2018		
Group		
USD	208,454	
- Less than 1 year		1,068

(c) Commodity Future Contracts

	Contract/Notional Value (RM'000)	Fair Value Asset/(Liability) (RM'000)
As at 31 December 2019		
Group		
RM	203,961	
- Less than 1 year		(29,989)
As at 31 December 2018		
Group		
RM	32,797	
- Less than 1 year		367

The commodity future contracts were entered into with the objective of managing and hedging of the Group's plantation and downstream manufacturing operations to price movements in the palm oil commodities.

These interest rate swap, forward foreign currency exchange contracts and commodity future contracts are accounted using the hedge accounting method. The changes in fair value of these contracts are included in hedging reserves in equity and are recognised in profit or loss when the underlying hedged items are recognised.

The fair values of the above instruments have been estimated using the published market prices or quotes from reputable financial institutions and are within Level 2 of the fair value hierarchy. The Group had no significant concentration of credit risk as at 31 December 2019.

40. BORROWINGS

	Group 2019	Group 2018	Company 2019	Company 2018
Current				
Secured:				
Term loans	**295,235**	182,173	**-**	-
Unsecured:				
Bridging loans	**-**	192,360	**-**	-
Revolving credits	**89,943**	-	**82,913**	-
Trade financing	**96,883**	129,060	**-**	-
Sukuk Murabahah	**3,418**	3,418	**-**	-
	485,479	507,011	**82,913**	-
Non-current				
Secured:				
Term loans	**1,105,169**	1,281,358	**-**	-
Unsecured:				
Sukuk Murabahah	**998,318**	998,009	**-**	-
	2,103,487	2,279,367	**-**	-
	2,588,966	2,786,378	**82,913**	-

a) Contractual terms of borrowings

	Contractual interest/ profit rate (per annum)	Total carrying amount	Maturity Profile < 1 year	1 - 2 years	2 - 5 years	> 5 years
At 31 December 2019						
Group						
Secured						
Term loans	3.75% - 5.24%	**1,400,404**	**295,235**	**288,595**	**582,126**	**234,448**
Unsecured						
Revolving credits	2.59% - 4.78%	**89,943**	**89,943**	**-**	**-**	**-**
Trade financing	3.38% - 4.96%	**96,883**	**96,883**	**-**	**-**	**-**
Sukuk Murabahah	4.62%	**1,001,736**	**3,418**	**-**	**-**	**998,318**
		2,588,966	**485,479**	**288,595**	**582,126**	**1,232,766**
Company						
Unsecured						
Revolving credits	2.59% - 3.30%	**82,913**	**82,913**	**-**	**-**	**-**
Group						
At 31 December 2018						
Secured						
Term loans	3.15% - 5.04%	1,463,531	182,173	290,361	656,315	334,682
Unsecured						
Bridging loans	4.23%	192,360	192,360	-	-	-
Trade financing	4.64% - 5.02%	129,060	129,060	-	-	-
Sukuk Murabahah	4.62%	1,001,427	3,418	-	-	998,009
		2,786,378	507,011	290,361	656,315	1,332,691

40. BORROWINGS (cont'd)

a) Contractual terms of borrowings (cont'd)

The term loans are secured over the plantation lands of certain subsidiaries in Indonesia and land and refinery in Lahad Datu, Sabah as disclosed in Notes 15 and 19.

The carrying amounts of the Group's borrowings approximate their fair values.

b) Undrawn committed borrowing facilities

	Group	
	2019	2018
Floating rate:		
- expiring more than two years and not more than five years	**85,194**	210,444

The facilities have been arranged to finance the expansion of the Group's plantation activities in Indonesia.

41. DEFERRED INCOME

	Group	
	2019	2018
Non-current		
Government grant		
At 1 January	**13,642**	8,493
Addition	**51**	5,149
At 31 December	**13,693**	13,642

The government grant mainly relates to the construction of a metathesis plant. The government grant is to be recognised in profit or loss over the useful lives of the assets when the assets are commissioned.

42. EFFECTS OF ADOPTION OF MFRS 16

MFRS 16 eliminates the classification of leases by the lessee as either finance leases or operating leases. MFRS 16 introduces a single accounting model, requiring the lessee to recognise the "right-of-use" of the underlying asset and the lease liability reflecting future lease payments liabilities in the statement of financial position. The ROU asset is depreciated in accordance with the principles in MFRS 116 "Property, Plant and Equipment" and the lease liability is accreted over time with interest expense recognised in the statements of profit or loss. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group and the Company have adopted MFRS 16 retrospectively from 1 January 2019 using the simplified transition approach and have not restated comparatives for the 2018 reporting period, as permitted under the standard. The reclassifications and adjustments arising from the new leasing rules are therefore recognised in the opening balance of the statements of financial position as at 1 January 2019.

As permitted by the exemptions under the standard, the Group and the Company have not applied the principles of MFRS 16 to short term leases (a lease with lease term of 12 months or less from date of commencement) and leases for which the underlying asset is of low value.

42. EFFECTS OF ADOPTION OF MFRS 16 (cont'd)

The impact of adoption of MFRS 16 on operating leases and finance leases are as follows:

The Group as lessee

(i) Leases previously classified as operating leases

On adoption of MFRS 16, the Group and the Company recognised lease liabilities in relation to leases which had previously been classified as "operating leases" under the principles of MFRS 117. These liabilities are measured at the present value of the remaining lease payments and discounted using the lessee's incremental borrowing rate as of 1 January 2019.

On a lease-by-lease basis, the Group and the Company measure the associated ROU asset on a retrospective basis either at its carrying amount as if the new rules had always been applied or at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised as at 31 December 2018.

In applying MFRS 16 for the first time, the Group and the Company have applied the following practical expedients:

(a) The use of a single discount rate to a portfolio of leases with reasonably similar characteristics;
(b) The accounting for operating leases with a remaining lease term of less than 12 months as at the date of initial application as short term leases;
(c) The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application; and
(d) The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group and the Company have also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date, the Group and the Company relied on its assessment by applying MFRS 117 and IC Interpretation 4 "Determining whether an Arrangement contains a Lease".

(ii) Leases previously classified as finance leases

For leases previously classified as finance leases, the Group and the Company recognised the carrying amount of the lease asset immediately before transition which were measured applying MFRS 117 as the carrying amount of the ROU assets on the date of initial application. The measurement principles of MFRS 16 are then applied after that date. Consequently, reclassifications from certain property, plant and equipment and leasehold land use rights have been made to ROU assets on the date of initial application.

42. EFFECTS OF ADOPTION OF MFRS 16 (cont'd)

The table below shows the impact of changes to the statement of financial position of the Group and of the Company resulting from the adoption of MFRS 16 as at 1 January 2019:

	As at 1 January 2019	Effects of adoption of MFRS 16	As at 1 January, as restated 2019
Group			
Non-current assets			
Property, plant and equipment	4,419,409	(270,075)	4,149,334
Leasehold land use rights	664,644	(664,644)	-
ROU assets	-	944,054	944,054
Deferred tax assets	110,850	50	110,900
Non-current liabilities			
Lease liabilities	-	6,787	6,787
Current liabilities			
Lease liabilities	-	2,782	2,782
Equity			
Retained earnings	3,428,873	(184)	3,428,689
Company			
Non-current assets			
Property, plant and equipment	305,428	(148,887)	156,541
ROU assets	-	157,506	157,506
Non-current liabilities			
Lease liabilities	-	6,768	6,768
Deferred tax liabilities	26,535	(50)	26,485
Current liabilities			
Lease liabilities	-	2,060	2,060
Equity			
Retained earnings	3,826,328	(159)	3,826,169

The impact on the Group's and on the Company's financial performance upon adoption of MFRS 16 in the current financial year is as follows:

(i) Statements of Profit or Loss

Expenses which had included operating lease rental are now replaced by interest expense on lease liabilities (included within "finance costs") and amortisation of ROU assets (included within "depreciation and amortisation"); and

(ii) Statements of Cash Flows

Operating lease rental outflow for repayment of lease liabilities other than short term and low value leases which were previously recorded within "net cash flow from operating activities" are now classified as "net cash flow from financing activities".

42. EFFECTS OF ADOPTION OF MFRS 16 (cont'd)

Reconciliation for the differences between the operating lease commitments disclosed as at 31 December 2018 and lease liabilities recognised at the date of initial application of 1 January 2019 is as follows:

	Group	Company
Operating lease commitments disclosed as at 31 December 2018	-	-
Contracts reassessed as lease liabilities upon initial application of MFRS 16	10,269	8,828
Less: Short-term and low value leases recognised as expense	(700)	-
Lease liabilities recognised as at 1 January 2019	9,569	8,828
Analysed as:		
Current	2,782	2,060
Non-current	6,787	6,768
	9,569	8,828

The incremental borrowing rate of the Group and of the Company applied to the lease liabilities as at 1 January 2019 was 4.62% per annum.

The Group as lessor

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of MFRS 16.

43. CAPITAL COMMITMENTS

	Group		Company	
	2019	2018	**2019**	2018
Authorised capital expenditure not provided for in the financial statements:				
- contracted	**101,897**	85,241	**1,916**	2,317
- not contracted	**1,502,021**	1,288,501	**30,448**	16,333
	1,603,918	1,373,742	**32,364**	18,650
Analysed as follows:				
- Property, plant and equipment	**1,519,255**	1,344,933	**32,364**	18,650
- ROU assets *(2018: Leasehold land use rights)*	**71,031**	15,322	**-**	-
- Intellectual property development	**13,632**	13,487	**-**	-
	1,603,918	1,373,742	**32,364**	18,650

44. SIGNIFICANT SUBSEQUENT EVENT

On 12 February 2020, the Company had announced the proposed unwinding of the share sale and purchase agreement between the Company and Elevance Renewables Sciences Singapore Pte Ltd ("ERS Singapore") dated 11 July 2014 ("Share SPA") for the disposal by the Company of 72 million fully paid-up ordinary shares representing 25% of the entire share capital of Genting Biorefinery Sdn Bhd ("GIB") to ERS Singapore for a cash consideration of RM72.00 million ("Share Sale").

Concurrently, other existing agreements between the Company and its subsidiaries and ERS Singapore and its holding company, Elevance Renewable Sciences, Inc ("Elevance"), will also be unwound, amended or terminated.

The unwinding, amendment or termination of the Share SPA and the aforesaid agreements, respectively, are collectively referred to as "Proposed Transactions".

The Proposed Transactions involved the following:

a) the unwinding of the Share SPA whereby ERS Singapore will transfer the 72 million fully paid-up ordinary shares, representing 25% equity interest in GIB, to the Company for a cash consideration of RM72.00 million. The Company shall pay ERS Singapore a net amount of RM64.00 million after setting off RM8.00 million owing by ERS Singapore for the initial Share Sale under the Share SPA against the said consideration of RM72.00 million;

b) the unwinding of the Project Design and Consultancy Agreement ("PDC Agreement") between Elevance and GIB, whereby Elevance will refund RM64.00 million in cash, representing the entire sum of the design fee paid to date by GIB to Elevance under the PDC Agreement;

c) the termination of all ancillary agreements between the Company, GIB, GENP Services Sdn Bhd (a wholly-subsidiary of the Company), ERS Singapore and Elevance to facilitate the operations of the metathesis plant covering offtake, marketing and the provision of management services as well as to set out the rights and obligations of the shareholders of GIB; and

d) the execution of a Supplemental Licensing and Catalyst Supply Agreement between Elevance and GIB for a final licence fee of USD1.67 million, whereby Elevance will continue to grant the metathesis licence and provide catalyst supply to GIB on the same terms and conditions as in the Licensing and Catalyst Supply Agreement.

The metathesis plant refers to GIB's existing 200,000 metric tonnes biodiesel plant located at the Palm Oil Industrial Cluster, Lahad Datu, Sabah which will be transformed to produce high value palm oil derivatives using Elevance's metathesis technology.

On 18 February 2020, the Company further announced that the Proposed Transactions have been completed.

Other than as disclosed above, there were no other material events subsequent to the reporting date.

45. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES

In the normal course of business, the Group and the Company undertake on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party transactions mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties:

	Group		Company	
	2019	2018	**2019**	2018
a) Transactions with immediate and ultimate holding company				
Provision of shared services in relation to secretarial, tax, treasury and other services by Genting Berhad, the Company's immediate and ultimate holding company.	**1,830**	2,180	**955**	842
b) Transactions with subsidiaries				
i) Fees receivable from subsidiaries for the provision of management services.	**-**	-	**34,007**	37,448
ii) Dividend income from subsidiaries.	**-**	-	**123,340**	181,140
iii) Sales of fresh fruits bunches to a subsidiary.	**-**	-	**78,214**	85,103
iv) Purchase of crude palm oil from subsidiaries.	**-**	-	**-**	36,073
c) Transaction with associate and joint ventures				
i) Provision of management services to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd, joint ventures of the Group, by Genting Awanpura Sdn Bhd, a wholly-owned subsidiary of the Company.	**1,360**	1,110	**-**	-
d) Transactions with other related parties				
i) Provision of information technology consultancy, development, implementation, support and maintenance service by Genting Information Knowledge Enterprise Sdn Bhd and Genting Malaysia Berhad ("GENM"), both are subsidiaries of Genting Berhad ("GENT"), the Company's immediate and ultimate holding company; and by E-Genting Sdn Bhd, an indirect subsidiary of GENT *(2018: an indirect wholly-owned subsidiary of Resort World Inc Pte Ltd, which is a 50% joint venture of Genting Berhad).*	**2,534**	3,799	**2,136**	2,985
ii) Letting of office space and provision of related services by Oakwood Sdn Bhd, a wholly-owned subsidiary of GENM, a company which is 49.45% owned by Genting Berhad, the Company's immediate and ultimate holding company.	**2,535**	2,657	**2,167**	2,302
iii) Purchase of air-tickets, hotel accommodation and other related services from GENM, a company which is 49.45% owned by Genting Berhad, the Company's immediate and ultimate holding company.	**815**	865	**815**	865

45. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (cont'd)

	Group 2019	Group 2018	Company 2019	Company 2018
d) Transactions with other related parties (con't)				
iv) Sale of refined palm oil products to Inter-Continental Oils & Fats Pte Ltd, a wholly-owned subsidiary of Musim Mas Holdings Pte Ltd, the holding company of Musim Mas International (South Asia) Pte Ltd, which in turn holds 28% equity interest in Genting MusimMas Refinery Sdn Bhd.	**555,914**	704,867	**-**	-
v) Sale of fresh fruit bunches by PT Agro Abadi Cemerlang ("PT AAC") to Sepanjang Group, which vide PalmIndo Holdings Pte Ltd and PT Bintang Harapan Desa, holds an effective 30% equity interest in PT AAC.	**5,227**	5,779	**-**	-
vi) Provision of sequencing and bioinformatic services by Genting Laboratory Services Sdn Bhd, an indirect subsidiary of Genting Berhad, the Company's immediate and ultimate holding company to ACGT Sdn Bhd.	**43**	484	**-**	-
e) Transactions between related parties which are subsidiaries of the immediate and ultimate holding company and joint ventures				
i) Royalty fee charged by Genting Intellectual Property Sdn Bhd and Genting Intellectual Property Pte Ltd, both are subsidiaries of GENT, the Company's immediate holding company to Genting Simon Sdn Bhd and Genting Highlands Premium Outlets Sdn Bhd, both are joint ventures of the Group.	**1,323**	1,160	**-**	-
ii) Provision of electricity services by Genting Utilities & Services Sdn Bhd, a subsidiary of GENM, to Genting Highlands Premium Outlets Sdn Bhd, a joint venture of the Group.	**1,120**	972	**-**	-
f) Directors and key management personnel				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries and bonuses	**10,026**	5,292	**8,100**	5,292
Defined contribution plans	**1,285**	670	**1,073**	670
Provision for retirement gratuities	**3,461**	-	**3,461**	-
Other short term employee benefits	**25**	6	**6**	6
Benefits-in-kind	**226**	101	**113**	101
	15,023	6,069	**12,753**	6,069

Key management personnel comprise senior management personnel of the Group, having the authority and responsibility for planning, directing and controlling the activities of the Group entitles directly or indirectly.

g) The significant outstanding balances with subsidiaries, joint ventures, associates and other related parties are shown in Notes 21, 22, 23, 26 and 31 respectively.

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

		Effective Percentage of Ownership 2019	2018	Country of Incorporation	Principal Activities
	Direct Subsidiaries				
	ACGT Sdn Bhd	**99.7**	95.5	Malaysia	Genomics research and development and providing plant screening services
	Asiaticom Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm plantation
	Aura Empire Sdn Bhd	**100.0**	100.0	Malaysia	Provision of property management services
#	Azzon Limited	**100.0**	100.0	Isle of Man	Investment holding
	Benih Restu Berhad	**100.0**	100.0	Malaysia	Issuance of debt securities under Sukuk programme
	Esprit Icon Sdn Bhd	**100.0**	100.0	Malaysia	Property development and property investment
	GENP Services Sdn Bhd	**100.0**	100.0	Malaysia	Provision of management services
	Genting AgTech Sdn Bhd	**100.0**	100.0	Malaysia	Research and development and production of superior oil palm planting materials
	Genting Biodiesel Sdn Bhd	**100.0**	100.0	Malaysia	Manufacture and sale of biodiesel
	Genting Biorefinery Sdn Bhd	**75.0**	75.0	Malaysia	Manufacture and sale of downstream palm oil derivatives
#	Genting Bioscience Limited	**100.0**	100.0	Isle of Man	Investment holding
	Genting Biotech Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
	Genting Land Sdn Bhd	**100.0**	100.0	Malaysia	Property investment
	Genting Oil Mill Sdn Bhd	**100.0**	100.0	Malaysia	Processing of fresh fruit bunches
	Genting Plantations (WM) Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm plantation
	Genting Property Sdn Bhd	**100.0**	100.0	Malaysia	Property development
	Genting SDC Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm plantation and processing of fresh fruit bunches
	Genting Tanjung Bahagia Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm plantation
#	GP Overseas Limited	**100.0**	100.0	Isle of Man	Investment holding
	GProperty Construction Sdn Bhd	**100.0**	100.0	Malaysia	Provision of project management services
	Landworthy Sdn Bhd	**84.0**	84.0	Malaysia	Oil palm plantation
	Mediglove Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
	Orbit Crescent Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
	Palma Ketara Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
	PalmIndo Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
	Sunyield Success Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
	Technimode Enterprises Sdn Bhd	**100.0**	100.0	Malaysia	Property investment

		Effective Percentage of Ownership 2019	2018	Country of Incorporation	Principal Activities
	Direct Subsidiaries (cont'd)				
	Genting Commodities Trading Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Genting Vegetable Oils Refinery Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Glugor Development Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
#	Grosmont Limited	**100.0**	100.0	Isle of Man	Dormant
	Hijauan Cergas Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Kenyalang Borneo Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Kinavest Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Larisan Prima Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Profile Rhythm Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Unique Upstream Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Zillionpoint Project Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Zillionpoint Vision Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Indirect Subsidiaries				
#	ACGT Intellectual Limited	**99.7**	95.5	British Virgin Islands	Genomics research and development
+	Asian Palm Oil Pte Ltd	**100.0**	100.0	Singapore	Investment holding
+	AsianIndo Agri Pte Ltd	**100.0**	100.0	Singapore	Investment holding
+	AsianIndo Holdings Pte Ltd	**100.0**	100.0	Singapore	Investment holding
+	AsianIndo Palm Oil Pte Ltd	**100.0**	100.0	Singapore	Investment holding
+	Borneo Palma Mulia Pte Ltd	**73.7**	73.7	Singapore	Investment holding
+	Cahaya Agro Abadi Pte Ltd	**73.7**	73.7	Singapore	Investment holding
#	Degan Limited	**99.7**	95.5	Isle of Man	Investment holding
#	GBD Holdings Limited	**100.0**	100.0	Cayman Islands	Investment holding
	Genting Awanpura Sdn Bhd	**100.0**	100.0	Malaysia	Provision of technical and management services
	Genting Indahpura Development Sdn Bhd	**100.0**	100.0	Malaysia	Property development
@	Genting Indonesia Property Development Sdn Bhd	**100.0**	-	Malaysia	Investment holding
	Genting MusimMas Refinery Sdn Bhd	**72.0**	72.0	Malaysia	Refining and selling of palm oil products
+	Global Agri Investment Pte Ltd	**63.2**	63.2	Singapore	Investment holding
+	GlobalIndo Holdings Pte Ltd	**63.2**	63.2	Singapore	Investment holding
+	Kara Palm Oil Pte Ltd	**100.0**	100.0	Singapore	Investment holding
+	Ketapang Agri Holdings Pte Ltd	**73.7**	73.7	Singapore	Investment holding
+	Knowledge One Investment Pte Ltd	**100.0**	100.0	Singapore	Investment holding
+	Palm Capital Investment Pte Ltd	**73.7**	73.7	Singapore	Investment holding

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2019	2018	Country of Incorporation	Principal Activities
	Indirect Subsidiaries (cont'd)				
+	Palma Citra Investama Pte Ltd	**73.7**	73.7	Singapore	Investment holding
+	PalmIndo Holdings Pte Ltd	**73.7**	73.7	Singapore	Investment holding
@ +	Property Indonesia Pte Ltd	**100.0**	-	Singapore	Investment holding
+	Property Indonesia Holdings Pte Ltd *(formerly known as ACGT Singapore Pte Ltd)*	**100.0**	100.0	Singapore	Investment holding
+	PT Agro Abadi Cemerlang	**70.0**	70.0	Indonesia	Oil palm plantation
+	PT Citra Sawit Cemerlang	**70.0**	70.0	Indonesia	Oil palm plantation
+	PT Dwie Warna Karya	**95.0**	95.0	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Genting Plantations Nusantara	**100.0**	100.0	Indonesia	Provision of management services
@ #	PT Genting Properti Nusantara	**100.0**	-	Indonesia	Property development and property investment
+	PT GlobalIndo Agung Lestari	**60.0**	60.0	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Kapuas Maju Jaya	**95.0**	95.0	Indonesia	Oil palm plantation
+	PT Kharisma Inti Usaha	**85.0**	85.0	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Palma Agro Lestari Jaya	**70.0**	70.0	Indonesia	Oil palm plantation
+	PT Sawit Mitra Abadi	**70.0**	70.0	Indonesia	Oil palm plantation
+	PT Sepanjang Intisurya Mulia	**70.0**	70.0	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+	PT Surya Agro Palma	**70.0**	70.0	Indonesia	Oil palm plantation
+	PT Susantri Permai	**95.0**	95.0	Indonesia	Oil palm plantation
+	PT United Agro Indonesia	**60.0**	60.0	Indonesia	Oil palm plantation
+	Sandai Maju Pte Ltd	**73.7**	73.7	Singapore	Investment holding
+	Sanggau Holdings Pte Ltd	**73.7**	73.7	Singapore	Investment holding
	Sawit Sukau Usahasama Sdn Bhd	**55.9**	55.9	Malaysia	Oil palm plantation
	Setiamas Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm plantation and property development
	SPC Biodiesel Sdn Bhd	**100.0**	100.0	Malaysia	Manufacture and sale of biodiesel
+	Sri Nangatayap Pte Ltd	**73.7**	73.7	Singapore	Investment holding
	Trushidup Plantations Sdn Bhd	**100.0**	100.0	Malaysia	Investment holding
+	Universal Agri Investment Pte Ltd	**63.2**	63.2	Singapore	Investment holding
	Wawasan Land Progress Sdn Bhd	**100.0**	100.0	Malaysia	Oil palm plantation

46. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (cont'd)

		Effective Percentage of Ownership 2019	2018	Country of Incorporation	Principal Activities
	Indirect Subsidiaries (cont'd)				
	Cengkeh Emas Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Dianti Plantations Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
	Global Bio-Diesel Sdn Bhd	**100.0**	100.0	Malaysia	Dormant
#	ACGT Global Pte Ltd	**100.0**	100.0	Singapore	Pre-operating
#	GP Equities Pte Ltd	**100.0**	100.0	Singapore	Pre-operating
#	Ketapang Holdings Pte Ltd	**73.7**	73.7	Singapore	Pre-operating
#	Sri Kenyalang Pte Ltd	**100.0**	100.0	Singapore	Pre-operating
	Full East Enterprise Limited	**100.0**	100.0	Hong Kong, SAR	Pending deregistration
	Genting AgTech Singapore Pte Ltd	**100.0**	100.0	Singapore	Pending deregistration
	Joint Ventures				
	Genting Highlands Premium Outlets Sdn Bhd	**50.0**	50.0	Malaysia	Development, ownership and management of outlet shopping centres
	Genting Simon Sdn Bhd	**50.0**	50.0	Malaysia	Development, ownership and management of outlet shopping centres
#	Simon Genting Limited	**50.0**	50.0	Isle of Man	Investment holding
	Associates				
	Asiatic Ceramics Sdn Bhd *(In Liquidation)*	**49.0**	49.0	Malaysia	In liquidation
*	Serian Palm Oil Mill Sdn Bhd	**35.0**	35.0	Malaysia	Processing of fresh fruit bunches
	Setiacahaya Sdn Bhd	**50.0**	50.0	Malaysia	Property investment
*	Sri Gading Land Sdn Bhd	**49.0**	49.0	Malaysia	Dormant

Legend:

* *The financial statements of these companies are audited by firms other than member firms of PricewaterhouseCoopers International Limited.*

\+ *These entities are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers PLT, Malaysia.*

\# *These entities are either exempted or have no statutory audit requirement.*

@ *Subsidiaries newly incorporated during the current financial year.*

STATEMENT ON DIRECTORS' RESPONSIBILITY

PURSUANT TO PARAGRAPH 15.26(a) OF THE LISTING REQUIREMENTS
OF BURSA MALAYSIA SECURITIES BERHAD

As required under the Companies Act 2016 ("Act") in Malaysia, the Directors of Genting Plantations Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and comply with the provisions of the Act so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019 and of the financial performance of the Group and of the Company for the financial year ended on that date.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial year. In cases where judgements and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 26 February 2020.

STATUTORY DECLARATION

PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016

I, **LEE SER WOR** (Malaysian Institute of Accountants Membership Number: 16822), the Officer primarily responsible for the financial management of **GENTING PLANTATIONS BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 74 to 157, are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed	)	
LEE SER WOR, at KUALA LUMPUR in the State of FEDERAL TERRITORY	)	
on 26 February 2020	)	**LEE SER WOR**

Before me,

TAN SEOK KETT
Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD
(Incorporated in Malaysia)
(Registration No. 197701003946 (34993-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Genting Plantations Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2019, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position of the Group and of the Company as at 31 December 2019, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 74 to 157.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), Chartered Accountants,
Level 10, 1 Sentral, Jalan Rakyat, Kuala Lumpur Sentral, P.O. Box 10192, 50706 Kuala Lumpur, Malaysia
T: +60 (3) 2173 1188, F: +60 (3) 2173 1288, www.pwc.com/my

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Registration No. 197701003946 (34993-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined that there are no key audit matters to communicate in our report.

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Management's Discussion and Analysis, Corporate Governance Statement, Sustainability Report and other sections of the 2019 Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Registration No. 197701003946 (34993-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit 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 Group's and of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GENTING PLANTATIONS BERHAD (cont'd)
(Incorporated in Malaysia)
(Registration No. 197701003946 (34993-X))

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that, the subsidiaries of which we have not acted as auditors, are disclosed in Note 46 to the financial statements.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

HEW CHOOI YOKE
03203/07/2021 J
Chartered Accountant

Kuala Lumpur
26 February 2020

ANALYSIS OF SHAREHOLDINGS

Class of Shares **: Ordinary shares**

Voting Rights
- **On a show of hands** **: 1 vote**
- **On a poll** **: 1 vote for each share held**

As At 16 March 2020

Size of Holdings	No. of Shareholders	% of Shareholders	No. of Shares*	% of Shares
Less than 100	279	4.042	1,601	0.000
100 - 1,000	2,861	41.452	2,178,291	0.243
1,001 - 10,000	2,937	42.553	10,675,520	1.190
10,001 - 100,000	583	8.447	18,273,580	2.037
100,001 to less than 5% of issued shares	235	3.405	243,728,799	27.165
5% and above of issued shares	7	0.101	622,340,439	69.365
Total	**6,902**	**100.000**	**897,198,230**	**100.000**

Note
* *Excluding 160,000 shares bought back and retained by the Company as treasury shares*

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 16 MARCH 2020
(Without aggregating the securities from different securities accounts belonging to the same depositor)

	Name	No. of Shares	% of Shares
1.	Genting Berhad	102,205,200	11.392
2.	Genting Berhad	96,000,000	10.700
3.	Genting Berhad	96,000,000	10.700
4.	Genting Berhad	96,000,000	10.700
5.	Genting Berhad	96,000,000	10.700
6.	Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board*	76,002,739	8.471
7.	Kumpulan Wang Persaraan (Diperbadankan)	60,132,500	6.702
8.	AmanahRaya Trustees Berhad *Amanah Saham Bumiputera*	40,638,700	4.530
9.	Citigroup Nominees (Tempatan) Sdn Bhd *Exempt AN for AIA Bhd*	12,192,500	1.359
10.	Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)*	11,214,200	1.250
11.	Pertubuhan Keselamatan Sosial	10,686,600	1.191
12.	Genting Equities (Hong Kong) Limited	8,566,800	0.955
13.	Cartaban Nominees (Tempatan) Sdn Bhd *PAMB for Prulink Equity Fund*	8,105,000	0.903
14.	AmanahRaya Trustees Berhad *Public Ittikal Sequel Fund*	7,895,500	0.880

THIRTY (30) LARGEST SECURITIES ACCOUNT HOLDERS AS PER RECORD OF DEPOSITORS AS AT 16 MARCH 2020 (cont'd)
(Without aggregating the securities from different securities accounts belonging to the same depositor)

Name	No. of Shares	% of Shares
15. Maybank Nominees (Tempatan) Sdn Bhd *Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)*	7,500,000	0.836
16. Cartaban Nominees (Asing) Sdn Bhd *Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)*	6,871,900	0.766
17. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Total International Stock Index Fund*	5,987,903	0.667
18. HSBC Nominees (Asing) Sdn Bhd *JPMCB NA for Vanguard Emerging Markets Stock Index Fund*	5,656,100	0.630
19. Citigroup Nominees (Tempatan) Sdn Bhd *Employees Provident Fund Board (AFFIN-HWG)*	4,392,200	0.490
20. AmanahRaya Trustees Berhad *Public Islamic Dividend Fund*	4,318,340	0.481
21. Citigroup Nominees (Tempatan) Sdn Bhd *Great Eastern Life Assurance (Malaysia) Berhad (PAR3)*	3,670,300	0.409
22. Permodalan Nasional Berhad	3,514,800	0.392
23. AmanahRaya Trustees Berhad *Public Islamic Select Enterprises Fund*	2,912,000	0.325
24. AmanahRaya Trustees Berhad *Public Islamic Equity Fund*	2,378,000	0.265
25. Genting Berhad	2,200,800	0.245
26. Cartaban Nominees (Asing) Sdn Bhd *GIC Private Limited for Government of Singapore (C)*	2,196,300	0.245
27. Cartaban Nominees (Tempatan) Sdn Bhd *PBTB for Takafulink Dana Ekuiti*	1,920,000	0.214
28. HSBC Nominees (Asing) Sdn Bhd *TNTC for General Organization for Social Insurance*	1,856,800	0.207
29. DB (Malaysia) Nominee (Asing) Sdn Bhd *BNYM SA/NV for People's Bank of China (SICL ASIA EM)*	1,764,200	0.197
30. Maybank Nominees (Tempatan) Sdn Bhd *MTrustee Berhad for Principal Dali Equity Growth Fund (UT-CIMB-DALI)(419455)*	1,513,800	0.169
Total	**780,293,182**	**86.970**

SUBSTANTIAL SHAREHOLDERS AS PER REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 16 MARCH 2020

Name	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Genting Berhad ("GENT")	488,406,000	54.4368	8,566,800*	0.9548
Employees Provident Fund Board	87,352,539	9.7361	-	-
Kumpulan Wang Persaraan (Diperbadankan)	62,833,400	7.0033	-	-
Kien Huat Realty Sdn Berhad ("KHR")	-	-	488,406,000^	54.4368
Kien Huat International Limited ("KHI")	-	-	488,406,000^	54.4368
Parkview Management Sdn Bhd ("PMSB") as trustee of a discretionary trust	-	-	488,406,000^	54.4368
Tan Sri Lim Kok Thay	442,800	0.0494	488,406,000#	54.4368
Mr Lim Keong Hui	-	-	488,406,000#	54.4368

Notes:

* *Deemed interest through a direct subsidiary of GENT.*

^ *Deemed interest through GENT.*

Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which in turn owns these Genting Plantations Berhad ("GENP") ordinary shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENP ordinary shares held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.

DIRECTORS' SHAREHOLDINGS AND PERFORMANCE SHARES AS PER THE REGISTERS PURSUANT TO THE COMPANIES ACT 2016 AS AT 16 MARCH 2020

INTEREST IN THE COMPANY

Name	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Tan Sri Lim Kok Thay	442,800	0.0494	488,406,000(1)	54.4368
Mr Tan Kong Han	54,000	0.0060	-	-
Mr Lim Keong Hui	-	-	488,406,000(1)	54.4368
Mr Yong Chee Kong(6d)	1,000	0.0001	-	-

INTEREST IN GENTING BERHAD ("GENT"), A COMPANY WHICH OWNS 55.39% INTEREST IN THE COMPANY

Name	No. of Shares			
	Direct Interest	% of Shares	Deemed Interest	% of Shares
Tan Sri Lim Kok Thay	68,119,980	1.7691	1,649,846,610(2)	42.8467
Mr Tan Kong Han	770,000	0.0200	100,000(5)	0.0026
Mr Lim Keong Hui	-	-	1,649,846,610(2)	42.8467
Mr Quah Chek Tin(6b)	6,250	0.0002	-	-
Mr Yong Chee Kong(6e)	-	-	-	-

INTEREST IN GENTING MALAYSIA BERHAD ("GENM"), A COMPANY WHICH IS 49.52% OWNED BY GENT

	No. of Shares				No. of Performance Shares granted	
Name	Direct Interest	% of Shares	Deemed Interest	% of Shares	Restricted Share Plan	Performance Share Plan
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	10,000	0.0002	-	-	-	-
Tan Sri Lim Kok Thay(6a)	20,003,648	0.3543	2,796,992,189(3)	49.5424	4,365,094	11,007,068
Mr Tan Kong Han	370,000	0.0066	53,500(5)	0.0009	-	-
Mr Lim Keong Hui	648,938	0.0115	2,796,992,189(3)	49.5424	1,264,000	4,211,046
Mr Quah Chek Tin	5,000	0.0001	-	-	-	-
Mr Ching Yew Chye(6c)	-	-	-	-	-	-
Mr Yong Chee Kong(6f)	-	-	-	-	-	-

INTEREST IN GENTING SINGAPORE LIMITED ("GENS"), AN INDIRECT 52.66% OWNED SUBSIDIARY OF GENT

	No. of Shares				No. of Performance Shares granted
Name	Direct Interest	% of Shares	Deemed Interest	% of Shares	
Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)	988,292	0.0082	-	-	-
Tan Sri Lim Kok Thay	14,945,063	0.1238	6,353,828,069(4)	52.6642	750,000
Mr Tan Kong Han	450,000	0.0037	100,000(5)	0.0008	-
Mr Lim Keong Hui	-	-	6,353,828,069(4)	52.6642	-
Mr Quah Chek Tin	1,190,438	0.0099	-	-	-

Notes:

(1) Deemed interests by virtue of Tan Sri Lim Kok Thay ("TSLKT") and Mr Lim Keong Hui ("LKH") being beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHI") which in turn owns 100% of the voting shares in Kien Huat Realty Sdn Berhad ("KHR"). KHR owns more than 20% of the voting shares of Genting Berhad ("GENT") which in turn owns these Genting Plantations Berhad ("GENP") ordinary shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the GENP ordinary shares held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT.

(2) Deemed interests by virtue of TSLKT and LKH being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares in KHI which in turn owns 100% of the voting shares in KHR. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENT held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly- owned subsidiary of KHR, by virtue of its controlling interest in KHR and Inverway.

(3) Deemed interests by virtue of TSLKT and LKH being:

i) beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of GENT which in turn owns these Genting Malaysia Berhad ("GENM") shares. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of GENM held by GENT as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in GENT. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of GENM held by KHR by virtue of its controlling interest in KHR; and

ii) beneficiaries of a discretionary trust of which Summerhill Trust Company (Isle of Man) Limited ("STC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by STC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in GENM.

(4) Deemed interests by virtue of TSLKT and LKH being beneficiaries of a discretionary trust of which PMSB is the trustee.

PMSB as trustee of the discretionary trust is deemed interested in Genting Singapore Limited ("GENS")'s shares held by KHR and Genting Overseas Holdings Limited, a wholly-owned subsidiary of GENT. KHR controls more than 20% of the voting capital of GENT.

(5) Deemed interest by virtue of Mr Tan Kong Han ("TKH") being the sole director and shareholder of Chan Fun Chee Holdings Inc ("CFC") which currently holds the assets of his late grandmother's estate. TKH is the Executor of his late grandmother's estate and holding the CFC assets as trustee for himself and certain of his family members in accordance with the will of his late grandmother.

(6) The following disclosures are made pursuant to Section 59(11)(c) of the Companies Act 2016:

(a) Interests of Tan Sri Lim Kok Thay's children (other than Mr Lim Keong Hui who is a director of the Company) in GENM are as follows:

Name	*Ordinary Shares*	*No. of Performance Shares granted*	
		Restricted Share Plan	*Performance Share Plan*
Lim Keong Han	*5,786 (Negligible)*	*11,100*	*41,680*
Lim Keong Loui	*-*	*37,800*	*155,720*

(b) Mr Quah's spouse holds 1,250,000 ordinary shares (0.0325%) in GENT.
(c) Mr Ching's spouse holds 100,000 ordinary shares (0.0018%) in GENM.
(d) Mr Yong's spouse holds 60,000 ordinary shares (0.0067%) in the Company.
(e) Mr Yong's spouse holds 1,000 ordinary shares (negligible) in GENT.
(f) Mr Yong's spouse and children collectively hold 9,000 ordinary shares (0.0002%) in GENM.

OTHER INFORMATION

Material Contracts

Material contracts of the Company and its subsidiaries involving Directors and major shareholders either subsisting at the end of the financial year ended 31 December 2019, or entered into since the end of the previous financial year are disclosed in Note 45 to the financial statements under "Significant Related Party Transaction and Balances" on pages 152 to 153 of the Annual Report.

GROUP OFFICES AND OPERATING UNITS

PLANTATION DIVISION

West Malaysia

Genting Bukit Sembilan Estate
Kuala Ketil
09300 Kedah
Tel : +604 4430927/019-515 0927

Genting Selama Estate
Serdang
09800 Kedah
Tel : +604 3690027

Genting Tebong Estate
75990 Tebong
Melaka
Tel : +606 4486226
Fax : +606 4486750

Genting Tanah Merah Estate
P.O. Box 68
84907 Tangkak, Johor
Tel : +606 9781310
Fax : +606 9789810

Genting Sri Gading Estate
P.O. Box 510
83009 Batu Pahat, Johor
Tel : +607 4558634
Fax : +607 4559629

Genting Sungei Rayat Estate
P.O. Box 511
83009 Batu Pahat, Johor
Tel : +607 4558237
Fax : +607 4557931

Genting Kulai Besar Estate
No. 1213-1215
Jalan Kasturi 36/45, Indahpura
81000 Kulaijaya, Johor
Tel : +607 6840386
Fax : +607 6841184

Genting Ayer Item Oil Mill
Batu 54 Jalan Johor
Air Hitam
86100 Johor
Tel : +607 7631992

Sabah

Genting Plantations Office, Sabah
Wisma Genting Plantations
KM 12, Labuk Road
90000 Sandakan, Sabah
Tel : +6089 673363/672787
Fax : +6089 673976

Genting Sabapalm Estate
Tel : +6089 265796

Genting Tenegang Estate
Tel : +6089 565220/563120

Genting Bahagia Estate
Tel : +6089 577157

Genting Tanjung Estate
Tel : +6089 568087

Genting Landworthy Estate
Tel : +6089 845152

Genting Layang Estate
Tel : +6089 845102

Genting Jambongan Estate
Tel : +6089 251200

Genting Indah Estate
Tel : +6087 307110

Genting Permai Estate
Tel : +6087 307100

Genting Kencana Estate
Tel : +6087 307116
Fax : +6087 307119

Genting Mewah Estate
Tel : +6089 565914

Genting Lokan Estate
Tel : +6089 842110

Genting Sekong Estate
Tel/Fax : +6089 677231/622688
+6089 677460

Genting Suan Lamba Estate
Tel : +6089 622291/623233

GROUP OFFICES AND OPERATING UNITS (cont'd)

Genting Sabapalm Oil Mill
Tel : +6089 265921
Fax : +6089 265317

Genting Tanjung Oil Mill
Tel : +6089 567288/567178

Genting Mewah Oil Mill
Tel : +6089 565470/563126
Fax : +6089 563068

Genting Trushidup Oil Mill
Tel/Fax : +6089 677230

Genting Indah Oil Mill
Tel : +6087 307112/307113
Fax : +6087 307115

Genting Jambongan Oil Mill
Tel : +6089 257112

Sarawak

Serian Palm Oil Mill
4 Km Kedup/Mongkos Link Road
Off 13 Km Poaon Limau/Mentung Marau Road
Off 20 Km Serian/Sri Aman Road
P.O.Box 150, 94700 Serian, Sarawak
Tel : +6082 895264/895718
Fax : +6082 895393

Indonesia

PT Genting Plantations Nusantara
DBS Tower
15th Floor, Ciputra World 1
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel : +62 21 29887600
Fax : +62 21 29887601

PROPERTY DIVISION

Head Office
Genting Property Sdn Bhd
3rd Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : +603 21624420
Fax : +603 21641218

Genting Indahpura Sales Office
No. 1213-1215
Jalan Kasturi 36/45, Indahpura
81000 Kulaijaya, Johor, Malaysia
Tel : +607 6624652
Fax : +607 6624655

Genting Pura Kencana Sales Office
No. 1, Jalan Sisiran Pura Kencana 1A/1
Taman Pura Kencana
83300 Sri Gading, Batu Pahat
Johor, Malaysia
Tel : +607 4558181
Fax : +607 4557171/4557070

Johor Premium Outlets®
Jalan Premium Outlets
Indahpura, 81000 Kulai,
Johor, Malaysia
Tel : +607 6618888
Fax : +607 6618810

Genting Highlands Premium Outlets®
KM13, Genting Highlands Resort
69000 Genting Highlands
Pahang Darul Makmur
Tel : +603 6433 8888
Fax : +603 6433 8810

BIOTECHNOLOGY DIVISION

ACGT Laboratories
L3-I-1 Enterprise 4, Technology Park Malaysia
Lebuhraya Puchong-Sg Besi, Bukit Jalil
57000 Kuala Lumpur, Malaysia
Tel : +603 89969888
Fax : +603 89963388

The Gasoline Tree™ Experimental Research Station
Jalan Kuarters-KLIA
43900 Sepang
Selangor, Malaysia
Tel : +6019 2868856

DOWNSTREAM MANUFACTURING DIVISION

Head Office
10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia
Tel : +603 21782255
Fax : +603 21616149

GENTING PLANTATIONS BERHAD 197701003946 (34993-X)
10th Floor, Wisma Genting
Jalan Sultan Ismail
50250 Kuala Lumpur, Malaysia

T : +603 2178 2255 / 2333 2255
F : +603 2161 5304

www.gentingplantations.com