Company No. 820-V

RIVERVIEW RUBBER ESTATES, BERHAD

(Incorporated in Malaysia)

REPORTS AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2014

Sekhar & Tan
Chartered Accountants

820-V

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

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Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Directors' report

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

Principal activities

The principal activity of the Company during the financial year is the cultivation of oil palm whilst those of its subsidiaries are disclosed in note 16 to the financial statements. There have been no significant change in the nature of the principal activities during the financial year.

Results	**Group RM**	**Company RM**
Profit net of tax	9,430,989	6,783,222
Attributable to:		
Owners of the parent	7,833,930	6,783,222
Non-controlling interests	1,597,059	-
	9,430,989	6,783,222

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

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

Dividends

The amount of dividends paid or declared by the Company since 31 December 2013 are as follows:

In respect of the financial year ended 31 December 2014:

	RM
An interim ordinary dividend of 10 sen per share under the single tier system on 64,850,448 ordinary shares, paid on 18 July 2014	6,485,045

The directors do not recommend the payment of any final dividend in respect of the current financial year.

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Directors

The names of the directors of the Company in office since the date of the last report and at the date of this report are:

Mohd. Razali bin Mohd. Amin	
Oliver John Harold Huntsman	
Dr. Leong Tat Thim	(Appointed on 20.6.2014)
Timothy Huntsman	(Appointed on 20.6.2014)
Juliana Manohari Devadason	(Retired on 20.6.2014)
Lim Hu Fang	(Resigned on 20.6.2014)
Stephen William Huntsman	(Resigned on 20.6.2014)
Tsen Keng Yam	(Resigned on 30.6.2014)
Roslan bin Hamir	(Resigned on 13.1.2015)

Directors' benefits

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

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

Directors' interests

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

	Number of ordinary shares of RM1 each			
The Company	**At 1.1.2014**	**Bought**	**Sold**	**At 31.12.2014**
Direct interest				
Roslan bin Hamir	1,000	-	-	1,000
Oliver John Harold Huntsman	-	1,000	-	1,000
Timothy Huntsman	-	1,000	-	1,000
Dr. Leong Tat Thim	-	1,000	-	1,000
Mohd Razali bin Mohd. Amin	-	1,000	-	1,000

Riverview Rubber Estates, Berhad
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Directors' interests (contd.)

	Number of ordinary shares of RM1 each			
	At 1.1.2014	**Bought**	**Sold**	**At 31.12.2014**
Indirect interest				
Oliver John Harold Huntsman	40,860,092	-	-	40,860,092
Timothy Huntsman	40,860,092	-	-	40,860,092
Sungei Ream Holdings Sendirian Berhad (Immediate holding company)				
Indirect interest				
Oliver John Harold Huntsman	11,739,022	-	-	11,739,022
Timothy Huntsman	11,739,022	-	-	11,739,022
Buloh Akar Holdings Sendirian Berhad (Ultimate holding company)				
Direct interest				
Oliver John Harold Huntsman	315,747	-	-	315,747
Indirect interest				
Timothy Huntsman	458,014	-	-	458,014

Other than the above, none of the directors holding office at the end of the financial year had any interest in shares in the Company and its related corporations during the financial year.

Other statutory information

(a) 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 there were no known bad debts and that no allowance for doubtful debts was necessary; and

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

Other statutory information (contd.)

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

(i) it necessary to write off any bad debts or to make any allowance for doubtful debts in respect of the financial statements of the Group and of the Company; and

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

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

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

(e) As at the date of this report, there does not exist:

(i) any charge on the assets of the Group or of the Company which has arisen 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 which has arisen since the end of the financial year.

(f) In the opinion of the directors:

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

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

Subsequent event

The subsequent event is disclosed in Note 34 to the financial statements.

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Auditors

The auditors, Sekhar & Tan, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 April 2015.

Original Copy Signed	*Original Copy Signed*
Dr. Leong Tat Thim	**Mohd Razali bin Mohd. Amin**
Ipoh, Perak Darul Ridzuan, Malaysia	Kuala Lumpur, Malaysia

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statement by directors
Pursuant to Section 169(15) of the Companies Act, 1965

We, Dr. Leong Tat Thim and Mohd Razali bin Mohd. Amin, being two of the directors of Riverview Rubber Estates, Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 10 to 84 are drawn up in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended.

The information set out in Note 35 to the financial statements have been prepared in accordance with the Guidance on Special Matter No.1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 April 2015.

Original Copy Signed
Dr. Leong Tat Thim

Ipoh, Perak Darul Ridzuan, Malaysia

Original Copy Signed
Mohd Razali bin Mohd. Amin

Kuala Lumpur, Malaysia

Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965

I, Mohd Razali bin Mohd. Amin, the director primarily responsible for the financial management of Riverview Rubber Estates, Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 10 to 84 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared
by the abovenamed Mohd Razali bin Mohd. Amin
at Kuala Lumpur in Wilayah Persekutuan
Ridzuan on 27 April 2015

Original Copy Signed
Mohd Razali bin Mohd. Amir

Before me,

Original Copy Signed
Commissioner for Oaths
Mohan A.S. Maniam
No. W 521

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF

RIVERVIEW RUBBER ESTATES, BERHAD
[Company No. 820 V]
(Incorporated in Malaysia)

Report on the Financial Statements

We have audited the financial statements of Riverview Rubber Estates, Berhad, which comprise the statements of financial position as at 31 December 2014 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 10 to 84.

Directors' Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF

RIVERVIEW RUBBER ESTATES, BERHAD
[Company No. 820 V]
(Incorporated in Malaysia)
[CONTINUED]

Auditors' Responsibility (Contd.)

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2014 and of their financial performance and cash flows for the year then ended.

Report on other legal and regulatory requirements

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

(a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and the subsidiaries of which we have acted as auditors have been properly kept in accordance with the provisions of the Act;

(b) We have considered the financial statements and the auditors' reports of the subsidiaries of which we have not acted as auditors, and which is indicated in note 16 to the financial statements, being financial statements that have been included in the consolidated financial statements;

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

(d) The auditors' reports on the financial statements of the subsidiaries did not contain any qualification or any adverse comment made under Section 174(3) of the Act.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

OF

RIVERVIEW RUBBER ESTATES, BERHAD
[Company No. 820 V]
(Incorporated in Malaysia)
[CONTINUED]

Other matters

(a) The supplementary information set out in Note 35 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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

Original Copy Signed
Sekhar & Tan
No. AF 0926
Chartered Accountants

Original Copy Signed
Siew Kah Toong
No. 1045/03/16 (J)
Chartered Accountant

Kuala Lumpur
Date: 27 April 2015

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statements of profit or loss and other comprehensive income
For the financial year ended 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Revenue	4	30,088,248	29,105,796	19,321,982	19,345,967
Cost of sales		(12,116,987)	(12,955,891)	(8,302,248)	(8,709,200)
Gross profit		17,971,261	16,149,905	11,019,734	10,636,767
Other items of income					
Interest income	5	1,220,091	1,384,940	778,073	990,730
Dividend income	6	172,139	121,649	699,322	1,090,463
Fair value changes in investment properties		466,321	1,816,600	-	-
Gain on disposal of investment properties		-	1,237,444	-	-
Gain on disposal of property plant and equipment and biological asset		107,963	209,321	47,000	192,221
Other income		79,613	182,095	28,763	84,210
Other items of expense					
Replanting expenditure		(1,865,115)	(1,358,516)	(1,263,868)	(545,344)
Property, plant and equipment written off		-	(1,193)	-	(563)
Amortisation of leasehold land		-	(17,614)	-	-
Depreciation		(1,312,045)	(1,157,731)	(526,444)	(374,802)
Finance costs		(62,923)	(410,702)	(31,904)	-
Administrative expenses		(4,275,077)	(2,621,883)	(1,996,171)	(1,298,724)
Results from operating activities		12,502,228	15,534,315	8,754,505	10,774,958
Foreign exchange (loss)/gain		(43,364)	1,200,533	(56,299)	941,960
Profit before taxation	7	12,458,864	16,734,848	8,698,206	11,716,918
Taxation	9	(3,027,875)	(3,849,616)	(1,914,984)	(2,236,543)
Profit for the year		9,430,989	12,885,232	6,783,222	9,480,375

Riverview Rubber Estates, Berhad
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Statements of profit or loss and other comprehensive income
For the financial year ended 31 December 2014 (Contd.)

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Other comprehensive income:					
Items that may be reclassified subsequently to profit or loss					
(Loss)/Gain on fair value changes of available-for-sale financial assets		(263,004)	117,740	(133,280)	83,300
Foreign exchange translation		(732,898)	(2,859,962)	-	-
		(995,902)	(2,742,222)	(133,280)	83,300
Items that will not be reclassified subsequently to profit or loss					
Deferred tax liability on revaluation surplus of freehold land		(2,526,402)	(7,129,662)	(182,255)	(7,129,662)
Surplus on revaluation of biological assets		512,821	649,544	-	-
Surplus on revaluation of leasehold land		759,395	-	759,395	-
		(1,254,186)	(6,480,118)	577,140	(7,129,662)
Other comprehensive income, net of tax		(2,250,088)	(9,222,340)	443,860	(7,046,362)
Total comprehensive income for the year		7,180,901	3,662,892	7,227,082	2,434,013
Profit attributable to:					
- Owners of the Company		7,833,930	10,685,071	6,783,222	9,480,375
- Non-controlling interests		1,597,059	2,200,161	-	-
		9,430,989	12,885,232	6,783,222	9,480,375
Total comprehensive income attributable to:					
- Owners of the Company		6,935,159	2,551,305	7,227,082	2,434,013
- Non-controlling interests		245,742	1,111,587	-	-
		7,180,901	3,662,892	7,227,082	2,434,013
Earnings per share attributed to owners of the Company (sen)					
Basic	10	12.08	16.48		

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

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statements of financial position as at 31 December 2014

		Group		Company	
		2014	2013	2014	2013
	Note	RM	RM	RM	RM
Assets					
Non-current assets					
Property, plant and equipment	12	204,373,982	202,189,800	138,879,146	137,005,572
Biological assets	13	71,480,990	70,968,169	46,541,873	46,541,873
Investment properties	14	37,884,000	38,192,550	-	-
Prepaid land lease payments	15	-	-	-	-
Investment in subsidiaries	16	-	-	1,006,505	1,006,505
Investment securities	17	3,027,836	3,290,840	2,032,520	2,165,800
Goodwill on consolidation	18	2,731,763	2,731,763	-	-
Deferred tax assets	19	29,726	44,317	29,726	24,723
		319,528,297	317,417,439	188,489,770	186,744,473
Current assets					
Deferred nursery expenditure		500,990	399,908	444,764	386,644
Inventories - at cost		105,746	155,771	52,577	118,048
Trade and other receivables	20	1,096,463	9,730,526	552,210	1,184,113
Other current assets - prepayments		105,295	206,565	17,757	30,371
Tax recoverable		1,363,362	5,190,108	1,085,958	4,733,381
Cash on hand and at banks	21	56,715,084	2,937,663	54,849,624	1,321,045
Deposits with financial institutions	21	19,848,237	63,618,193	455,136	47,242,564
		79,735,177	82,238,734	57,458,026	55,016,166
Total assets		399,263,474	399,656,173	245,947,796	241,760,639

Riverview Rubber Estates, Berhad
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Statements of financial position as at 31 December 2014 (Contd.)

		Group		Company	
		2014	**2013**	**2014**	**2013**
	Note	**RM**	**RM**	**RM**	**RM**
Equity and liabilities					
Current liabilities					
Trade and other payables	22	2,457,210	9,383,778	1,228,223	7,637,222
Provision for retirement benefits	23	26,186	634	26,186	634
Borrowings	24	10,031,904	5,788,432	10,031,904	-
		12,515,300	15,172,844	11,286,313	7,637,856
Net current assets		67,219,877	67,065,890	46,171,713	47,378,310
Non-current liabilities					
Deferred tax liabilities	19	20,478,713	18,367,139	7,346,076	7,544,707
Provision for retirement benefits	23	106,181	105,781	93,554	98,260
		20,584,894	18,472,920	7,439,630	7,642,967
Total liabilities		33,100,194	33,645,764	18,725,943	15,280,823
Net assets		366,163,280	366,010,409	227,221,853	226,479,816
Equity attributable to owners of the Company					
Share capital	25	64,850,448	64,850,448	64,850,448	64,850,448
Reserves	26	181,081,067	181,979,838	143,057,390	142,613,530
Retained profits	27	50,079,932	48,731,047	19,314,015	19,015,838
		296,011,447	295,561,333	227,221,853	226,479,816
Non-controlling interests	28	70,151,833	70,449,076	-	-
Total equity		366,163,280	366,010,409	227,221,853	226,479,816
Total equity and liabilities		399,263,474	399,656,173	245,947,796	241,760,639

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

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 December 2014

	Attributable to owners of the Company								
		Non-distributable		Distributable					
	Share capital RM	**Capital reserve RM**	**Fair value adjustment reserve RM**	**Capital reserve RM**	**General reserve RM**	**Retained profits RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
Group									
At 1 January 2013	64,850,448	180,670,589	1,409,758	1,793,446	6,565,911	52,384,549	307,674,701	-	307,674,701
Effect of adoption of FRS 10	-	(1,052,265)	11	967,645	(48,580)	(1,561,394)	(1,694,583)	70,293,558	68,598,975
	64,850,448	179,618,324	1,409,769	2,761,091	6,517,331	50,823,155	305,980,118	70,293,558	376,273,676
Profit or loss	-	-	-	-	-	10,685,071	10,685,071	2,200,161	12,885,232
Other comprehensive income	-	(8,234,263)	100,497	-	-	-	(8,133,766)	(1,088,574)	(9,222,340)
Revaluation reserve realised on disposal of property	-	(192,911)	-	-	-	192,911	-	-	-
Total comprehensive income	-	(8,427,174)	100,497	-	-	10,877,982	2,551,305	1,111,587	3,662,892
Transactions with owners									
Dividends (Note 11)	-	-	-	-	-	(12,970,090)	(12,970,090)	-	(12,970,090)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(956,069)	(956,069)
At 31 December 2013	64,850,448	171,191,150	1,510,266	2,761,091	6,517,331	48,731,047	295,561,333	70,449,076	366,010,409
Group									
At 1 January 2014	64,850,448	171,191,150	1,510,266	2,761,091	6,517,331	48,731,047	295,561,333	70,449,076	366,010,409
Profit or loss	-	-	-	-	-	7,833,930	7,833,930	1,597,059	9,430,989
Other comprehensive income	-	(700,715)	(198,056)	-	-	-	(898,771)	(1,351,317)	(2,250,088)
Total comprehensive income	-	(700,715)	(198,056)	-	-	7,833,930	6,935,159	245,742	7,180,901
Transactions with owners									
Dividends (Note 11)	-	-	-	-	-	(6,485,045)	(6,485,045)	-	(6,485,045)
Dividends paid to non-controlling interests of a subsidiary	-	-	-	-	-	-	-	(542,985)	(542,985)
At 31 December 2014	64,850,448	170,490,435	1,312,210	2,761,091	6,517,331	50,079,932	296,011,447	70,151,833	366,163,280

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 December 2014

	Attributable to owners of the Company						
		Non-distributable		Distributable			
	Share capital RM	Capital reserve RM	Fair value adjustment reserve RM	Capital reserve RM	General reserve RM	Retained profits RM	Total RM
Company							
At 1 January 2013	64,850,448	142,786,144	1,304,466	-	5,762,193	22,312,642	237,015,893
Profit or loss	-	-	-	-	-	9,480,375	9,480,375
Other comprehensive income	-	(7,129,662)	83,300	-	-	-	(7,046,362)
Total comprehensive income	-	(7,129,662)	83,300	-	-	9,480,375	2,434,013
Transfer to retained profits	-	(192,911)	-	-	-	192,911	-
Transactions with owners							
Dividends (Note 11)	-	-	-	-	-	(12,970,090)	(12,970,090)
At 31 December 2013	64,850,448	135,463,571	1,387,766	-	5,762,193	19,015,838	226,479,816
At 1 January 2014	64,850,448	135,463,571	1,387,766	-	5,762,193	19,015,838	226,479,816
Profit or loss	-	-	-	-	-	6,783,222	6,783,222
Other comprehensive income	-	577,140	(133,280)	-	-	-	443,860
Total comprehensive income	-	577,140	(133,280)	-	-	6,783,222	7,227,082
Transactions with owners							
Dividends (Note 11)	-	-	-	-	-	(6,485,045)	(6,485,045)
At 31 December 2014	64,850,448	136,040,711	1,254,486	-	5,762,193	19,314,015	227,221,853

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

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 December 2014

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Operating activities				
Profit before taxation	12,458,864	16,734,848	8,698,206	11,716,918
Adjustments for:				
Amortisation of prepaid land lease payments	-	17,614	-	-
Depreciation of property, plant and equipment	1,312,045	1,157,731	526,444	374,802
Dividend income	(172,139)	(121,649)	(699,322)	(1,090,463)
Unrealised loss/(gain) on foreign exchange	132,206	(1,200,533)	132,206	(941,960)
Interest income	(1,220,091)	(1,384,940)	(778,073)	(990,730)
Interest expense	62,923	410,702	31,904	-
Fair value gain on investment properties	(466,321)	(1,816,600)	-	-
Gain on disposal of investment properties	-	(1,237,444)	-	-
Gain on disposal of property plant and equipment and biological asset	(107,963)	(209,321)	(47,000)	(192,221)
Property, plant and equipment written off	-	1,193	-	563
Provision/(Reversal) for retirement benefits	25,952	(2,819)	20,846	-
Total adjustments	(433,388)	(4,386,066)	(812,995)	(2,840,009)
Operating profit before changes in working capital	12,025,476	12,348,782	7,885,211	8,876,909
Changes in working capital:				
Inventories	50,025	75,808	65,471	24,265
Receivables	8,567,811	(1,285,806)	644,517	(289,499)
Payables	(337,443)	456,297	76,046	(34,986)
Deferred nursery expenditure	(101,082)	(137,247)	(58,120)	(131,926)
Total changes in working capital	8,179,311	(890,948)	727,914	(432,146)
Cash flows from operation	20,204,787	11,457,834	8,613,125	8,444,763
Retirement benefits paid	-	(4,222)	-	(4,222)
Taxes paid	(4,062,004)	3,694	(3,087,492)	
Taxes refund	4,456,203	(3,415,175)	4,434,042	(3,087,500)
Net cash flows from operating activities	20,598,986	8,042,131	9,959,675	5,353,041

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

Statements of cash flows
For the financial year ended 31 December 2014 (contd.)

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Investing activities				
Purchase of property, plant and equipment	(2,758,869)	(3,394,749)	(1,640,623)	(2,142,977)
Proceeds from disposal of property, plant and equipment and biological asset	130,000	467,100	47,000	450,000
Placement of monies with stakeholders (Note 21)	(48,119,080)	-	(48,119,080)	-
Interest received	1,220,091	1,384,940	778,073	990,730
Dividends received	172,139	96,140	699,322	1,064,954
Net cash flows from investing activities	(49,355,719)	(1,446,569)	(48,235,308)	362,707
Financing activities				
Interest paid	(31,019)	(410,702)	-	-
Dividends paid	(12,970,090)	(16,212,612)	(12,970,090)	(16,212,612)
Dividends paid to Non-controlling interests	(542,985)	(956,069)	-	-
Loan from holding company	10,000,000	-	10,000,000	-
Repayment of term loan	(5,669,898)	(3,516,000)	-	-
Net cash flows used in financing activities	(9,213,992)	(21,095,383)	(2,970,090)	(16,212,612)
Net increase/(decrease) in cash and cash equivalents	(37,970,725)	(14,499,821)	(41,245,723)	(10,496,864)
Effects of exchange rate changes	(140,890)	875,022	(132,206)	941,960
Cash and cash equivalents at beginning of year	66,555,856	58,118,513	48,563,609	58,118,513
Cash and cash equivalents of subsidiaries acquired	-	22,062,142	-	-
Cash and cash equivalents at end of year	28,444,241	66,555,856	7,185,680	48,563,609

Cash and cash equivalents comprise:

Cash on hand and at banks	8,596,004	2,937,663	6,730,544	1,321,045
Deposits with financial institutions	19,848,237	63,618,193	455,136	47,242,564
Cash and bank balances (Note 21)	28,444,241	66,555,856	7,185,680	48,563,609

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

Notes to the financial statements - 31 December 2014

1. Corporate information

Riverview Rubber Estates, Berhad is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company are located at 33 (1st Floor) Jalan Dato' Maharajalela 30000 Ipoh, Perak Darul Ridzuan and Riverview Estate, 31800 Tg. Tualang, Perak Darul Ridzuan respectively.

The immediate and ultimate holding companies of the Company are Sungei Ream Holdings Sendirian Berhad and Buloh Akar Holdings Sendirian Berhad respectively, both of which are incorporated in Malaysia.

The principal activity of the Company is the cultivation of oil palm.

There has been no significant change in the nature of the principal activity during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 27 April 2015.

2. Summary significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in this summary of significant accounting policies and comply with Financial Reporting Standards and the provisions of the Companies Act, 1965 in Malaysia.

2.2 Changes in accounting policies

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

2. Summary significant accounting policies (contd.)

2.2 Changes in accounting policies (contd.)

On 1 January 2014, the Group and the Company adopted the following applicable new and amended FRS and IC Interpretations mandatory for annual financial periods beginning on or after the dates stated below:

FRS, Amendments to FRS and IC Interpretations	**Effective for financial periods beginning on or after**
Amendment to FRS 10, FRS 12 and FRS 127 (2011) *Investment Entities*	1 January 2014
Amendments to FRS 132 *Offsetting Financial Assets and Financial Liabilities*	1 January 2014
Amendments to FRS 136 *Recoverable Amount Disclosures for Non-Financial Assets*	1 January 2014
Amendments to FRS 139 *Novation of Derivatives and Continuation of Hedge Accounting*	1 January 2014
IC Interpretation 21 *Levies*	1 January 2014

The adoption of these new and revised FRS and IC Interpretations has no material effect on the financial statements of the Group and the Company.

2. Summary significant accounting policies (contd.)

2.3 Standards issued but not yet effective

At the date of authorisation of these financial statements, the following new FRSs, revised FRSs, Amendments to FRSs and IC Interpretations were issued but not yet effective and have not been applied by the Group and by the Company:

FRS, Amendments to FRS and IC Interpretations	**Effective for financial periods beginning on or after**
Amendments to FRS 2 *Share-based Payment**	1 July 2014
Amendments to FRS 3 *Business Combination*** [&] **	1 July 2014
Amendments to FRS 8 *Operating Segments**	1 July 2014
Amendments to FRS 13 *Fair Value Measurement*** [&] **	1 July 2014
Amendments to FRS 116 *Property, Plant and Equipment**	1 July 2014
Amendments to FRS 119 *Employee Contributions*	1 July 2014
Amendments to FRS 124 *Related Party Disclosures**	1 July 2014
Amendments to FRS 138 *Intangible Assets**	1 July 2014
Amendments to FRS 140 *Investment Property***	1 July 2014
FRS 14 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 5 *Non-current Assets Held for Sale and Discontinued Operations****	1 January 2016
Amendments to FRS 7 *Financial Instruments: Disclosure* ***	1 January 2016
Amendments to FRS 10 and FRS 128 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendments to FRS 10, FRS 12 and FRS 128 (2011) *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to FRS 11 *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Amendments to FRS 101 *Disclosure Initiative*	1 January 2016
Amendments to FRS 116 and FRS 138 *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 119 *Employee Contributions****	1 January 2016
Amendments to FRS 127 (2011) *Equity Method in Separate Financial Statements****	1 January 2016
Amendments to FRS 134 *Interim Financial Reporting****	1 January 2016
FRS 15 *Revenue from Contracts with Customers*	1 January 2017
FRS 9 *Financial Instruments (2014)*	1 January 2018
Amendments to FRS 7 *Mandatory Effective Date of FRS 9 and Transition Disclosures*	1 January 2018

** Annual improvements to FRSs 2011-2013 Cycle
*** Annual improvements to FRSs 2012-2014 Cycle

2. Summary significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application, except as disclosed below:

FRS 9 : Financial Instruments

FRS 9 replaces the guidance in FRS 139 Financial Instruments: Recognition and Measurement. FRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge aacounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 139.

FRS 15 : Revenue from Contracts with Customers

FRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including FRS 118 Revenue, FRS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes.

The Group and the Company are assessing the potential impact on their financial statements resulting from the application of FRS 9 and 15.

Malaysian Financial Reporting Standards (MFRS Framework)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework). The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012 and is to facilitate convergence with the International Financial Reporting Standards ["IFRS"]. Nevertheless, the Group and the Company are allowed by the MASB to defer the adoption of these new accounting standards to financial year ending 31 December 2017 as the Group and the Company are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15).

2. Summary significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

Malaysian Financial Reporting Standards (MFRS Framework) (contd.)

This would result in the Group and the Company preparing an opening MFRS statement of financial position as at 1 January 2016 which adjusts for differences between the classification and measurement bases in the exiting FRS framework versus that in the new MFRS framework. This would also result in a restatement of the financial performance for the financial year ending 31 December 2016 in accordance with MFRS which would form the MFRS comparatives for the financial year ending 31 December 2017.

The impact on the financial position and performance of the Group and the Company have yet to be determined as the Group and the Company are in the process of assessing the financial effects of the differences between FRS and accounting standards under the MFRS Framework.

2.4 Foreign currency

a) Functional and presentation currency

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

b) Foreign currency transactions

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

2. Summary significant accounting policies (contd.)

2.4 Foreign currency (contd.)

b) Foreign currency transactions (contd.)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Company's net investment in foreign operations. These are initially taken directly to the foreign currency translation reserve within equity until the disposal of the foreign operations, at which time they are recognised in the profit or loss. Exchange differences arising on monetary items that form part of the Company’s net investment in foreign operation are recognised in the profit or loss in the Company’s separate financial statements or the individual financial statements of the foreign operation, as appropriate.

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

c) Foreign operations

The results and financial position of foreign operations that have a functional currency different from the presentation currency (RM) of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities are translated at the closing rate prevailing at the reporting date;
- Income and expenses are translated at average exchange rates for the year, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the capital reserve within equity.

Goodwill and fair value adjustment arising on the acquisition of foreign operations on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date. Goodwill and fair value adjustments which arose on the acquisition of foreign subsidiaries before 1 January 2006 are deemed to be assets and liabilities of the parent company and are recorded in RM at the rates prevailing at the date of acquisition.

2. Summary significant accounting policies (contd.)

2.5 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The existence and effect of substantive potential voting rights are considered when assessing whether the Group has such power over another entity.

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

2.6 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries, made up to the end of the year.

The financial statements of subsidiaries are included in the consolidated financial statements from the date that control effectively commences until the date that control effectively ceases. Subsidiaries are consolidated using the acquisition method of accounting.

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

In business combinations achieved in stages, previously held equity interests in the acquiree are re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any) is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree net identifiable assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill in the statement of financial position. In instances where the latter amount exceeds the former, the excess is recognised as a gain on bargain purchase in profit or loss on the acquisition date.

Intragroup transactions, balances and unrealised gains are eliminated on consolidation and the consolidated financial statements reflect external transactions only. Unrealised losses are also eliminated on consolidation unless cost cannot be recovered.

2. Summary significant accounting policies (contd.)

2.6 Basis of consolidation (contd.)

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and is presented separately in the consolidated statements of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

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

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit and loss. Any investment retained is recognised at fair value.

2.7 Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units ("CGU") that are expected to benefit from the synergies of the combination. The CGU to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the CGU may be impaired, by comparing the carrying amount of the CGU, including the allocated goodwill, with the recoverable amount of the CGU. Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods. Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

2. Summary significant accounting policies (contd.)

2.8 Property, plant and equipment and depreciation

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

Subsequent to initial recognition, property, plant and equipment except for freehold and leasehold estate land are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold and leasehold estate land are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in the profit or loss, in which case the increase is recognised in the profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same asset and the balance is thereafter recognised in the profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained profits. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the assets.

Freehold estate land has an unlimited useful life and therefore is not depreciated. Leasehold lands are depreciated over the period of the lease of 26 to 99 years. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over its estimated useful life, at the following annual rates:

- Buildings	2% - 5%
- Plant and machinery	10% - 20%
- Vehicles	15% - 20%
- Furniture, fixture and fittings and electrical installation	10% - 25%

2. Summary significant accounting policies (contd.)

2.8 Property, plant and equipment and depreciation (contd.)

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in the profit or loss and the unutilised portion of the revaluation surplus on that item is taken directly to retained profits.

2.9 Investment properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially measured at cost, which includes transaction costs. After initial recognition, investment properties are stated at fair value.

Fair value of an investment property is an amount for which the asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. Fair value is determined from market-based evidence by appraisal that is undertaken by professional qualified valuers.

A gain or loss arising from a change in the fair value of investment properties is recognised in profit or loss for the period in which it arises.

Investment properties are derecognised when either they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The gains or losses arising from the retirement or disposal of investment property is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the asset and is recognised in profit or loss in the period of the retirement or disposal.

2. Summary significant accounting policies (contd.)

2.10 Impairment of non-financial assets

The carrying amounts of non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs to.

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

An impairment loss is recognised in the profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

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

2. Summary significant accounting policies (contd.)

2.11 Financial assets

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

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

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

a) Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial assets held for trading are derivatives (including separated embedded derivatives) or financial assets acquired principally for the purpose of selling in the near term.

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

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

2. Summary significant accounting policies (contd.)

2.11 Financial assets (contd.)

b) Loans and receivables

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

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

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

c) Held-to-maturity investments

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

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

Held-to-maturity investments are classified as non-current assets, except for those having maturity within 12 months after the reporting date which are classified as current.

d) Available-for-sale financial assets

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

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

2. Summary significant accounting policies (contd.)

2.11 Financial assets (contd.)

d) Available-for-sale financial assets (contd.)

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

Available-for-sale financial assets are classified as non-current assets unless they are expected to be realised within 12 months after the reporting date.

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

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

2.12 Impairment of financial assets

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

a) Trade and other receivables and other financial assets carried at amortised cost

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

2. Summary significant accounting policies (contd.)

2.12 Impairment of financial assets (contd.)

a) Trade and other receivables and other financial assets carried at amortised cost (contd.)

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

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

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

b) Unquoted equity securities carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2. Summary significant accounting policies (contd.)

2.12 Impairment of financial assets (contd.)

c) Available-for-sale financial assets

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

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

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

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at banks and deposits at call with financial institutions that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

2.14 Inventories

Inventories comprise stores and consumables and are stated at the lower of cost and net realisable value. Cost is determined on a weighted average basis.

2. Summary significant accounting policies (contd.)

2.15 Provisions

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

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

2.16 Financial liabilities

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

Financial liabilities, within the scope of FRS 139, are recognised in the statement of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

a) Financial liabilities at fair value through profit or loss

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

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

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

b) Other financial liabilities

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

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

2. Summary significant accounting policies (contd.)

2.16 Financial liabilities (contd.)

b) Other financial liabilities (contd.)

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

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

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.17 Employee benefits

a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

b) Retirement benefits

The Group provides for retirement benefits for eligible employees on an unfunded defined benefits basis in accordance with the terms of the unions' collective agreements and/or employment agreements. Full provision has been made for retirement benefits payable to all eligible employees who have completed their qualifying period of between 5 to 10 years of service, based on the length of service to date and rates set out in the said agreements. Should an employee leave after completing their qualifying period of service but before attaining the retirement age, the provision made for the employee is written back. No actuarial valuation has been conducted on the retirement benefits provision, as the directors are of the opinion that the amount is insignificant to the Group.

The Group also makes contributions to the statutory pension scheme, the Employees Provident Fund ("EPF") for employees that are not covered by the agreements.

2. Summary significant accounting policies (contd.)

2.18 Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group and Company all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases, except for land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease.

(ii) Recognition

a) As lessee

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

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

Leases, where the Group and the Company do not assume substantially all the risks and rewards of ownership are classified as operating lease.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land which in substance is an operating lease is classified as prepaid land lease payments.

2. Summary significant accounting policies (contd.)

2.18 Leases (contd.)

(ii) Recognition (contd.)

b) As lessor

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct cost incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income.

2.19 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

a) Sale of goods

Revenue relating to sale of oil palm produce at invoice value is recognised when delivery has taken place and transfer of risks and rewards have been completed.

b) Interest income

Interest is recognised on a time proportion basis that reflects the effective yield on the asset.

c) Dividend income

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

d) Rental income

Rental income from investment property is recognised in a straight-line basis over the term of lease.

2. Summary significant accounting policies (contd.)

2.20 Income Taxes

The tax expense in the income statement comprises current and deferred tax. Current tax is the amount of taxes payable or receivable in respect of the taxable profit or loss for the period. Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities and assets are provided for, using the liability method, in respect of all temporary differences between the carrying amount of an asset or liability in the statement of financial position and its tax base including unabsorbed tax losses and capital allowances unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

A deferred tax asset is recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of a deferred tax asset is reviewed at each reporting date. If it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profit will be available, such reduction will be reversed to the extent of the taxable profit.

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 income taxes relate to the same taxation authority.

Deferred tax will be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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

2.21 Share capital and share issuance expenses

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

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

2. Summary significant accounting policies (contd.)

2.22 Deferred nursery expenditure

Deferred nursery expenditure is stated at cost and charged to profit or loss on replanting of crops.

2.23 Replanting expenditure

Replanting expenditure is charged to profit or loss as and when incurred.

2.24 Replanting cesses

Replanting cesses are taken to profit or loss as and when received.

2.25 Borrowing costs

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. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

2. Summary significant accounting policies (contd.)

2.26 Biological assets

Biological assets represent the expenditure on new planting of oil palm incurred from land clearing to the point of harvesting capitalised.

Subsequent to initial recognition, biological assets are stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers and calculations based on the directors' best estimates. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any revaluation surplus is credited to the revaluation reserve included in equity, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is recognised in the profit or loss to the extent of the decrease previously recognised. A revaluation deficit is first offset against unutilised previously recognised revaluation surplus in respect of the same assets and the balance is thereafter recognised in profit or loss. Upon disposal or retirement of an asset, any revaluation reserve relating to the particular asset is transferred directly to retained earnings.

2.27 Fair value measurements

The Group and the Company adopted FRS 13 Fair Value Measurement which prescribed that fair value of an asset or a liability, except for lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

For non-financial asset, the fair value measurements takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Transfer between levels of the fair value hierarchy are deemed to have occurred on the date of the event or change in circumstances that caused the transfer.

3.0 Significant accounting estimates and judgements

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

3.1 Critical Judgements made in applying accounting policies

In the process of applying the Group and the Company's accounting policies, the management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements.

(a) Assessment of impairment of land

For the purpose of impairment testing of these assets, the recoverable amount is determined based on prevailing market value determined by professional valuers. The Group revalued its land in prior year and the directors are of the view that there is no significant change in the recoverable amount of land of the Group during the year.

(b) Assessment of impairment of investment in subsidiaries

Investment in subsidiaries are assessed for impairment losses whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. Such assessment required the directors to make estimates of the recoverable amount. Impairment loss is recognised for the amount by which the carrying amount of the assets exceed its recoverable amount, which is the higher of an asset's fair value less cost to sell and its value in use. At the reporting date, there is no indication of impairment on the investments.

(c) Leasehold land

As disclosed in Note 12 to the financial statements, the Group has revalued its leasehold estate land during the financial year ended 31 December 2012 and the major assumption underlying the valuation is the lease will be renewed for another 60 years term. Certain leasehold estate land has the remaining lease term of 15 years as at 31 December 2014. The directors have resolved to renew the lease term and are confident that, barring any unforeseen circumstances, the lease term of land will be renewed for another 60 years. Changes in the expected lease term of the land could impact the revalued amount of the leasehold estate land and future depreciation charges.

3.1 Critical Judgements made in applying accounting policies (contd.)

(d) Consolidation of entities in which the Group holds less than 50%

In the process of applying the Group's accounting policies, management has made significant judgements in relation to its investments in The Narborough Plantations, Plc and Rivaknar Holdings Sdn. Bhd.. The Group is the largest shareholder with more than 49.8% and 49.9% equity interest in The Narborough Plantations, Plc and Rivaknar Holdings Sdn. Bhd. respectively. As disclosed in Note 16 to the financial statements, management determined that it has control over the investees on a de facto power basis.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

a) Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over the individual asset's useful life. Management estimates the useful life of plant and machinery to be 4 to 10 years while 20 to 50 years for building, based on the level of expected usage. Management also estimates that the machinery will have minimal residual values at the end of its useful life. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

b) Biological assets - Oil palm

The allocation of value from property, plant and equipment to biological assets was calculated as the present value of the estate's operating cash flows over the next ten years, based on the directors' best estimates of future selling prices of fresh fruit bunches. The major assumptions underlying the calculation were an assumed average CPO selling price of RM2,250 to RM2,300 and average discount rate of 13.75% and 11.22% to 18.00% based on the Company's and subsidiaries' return on capital employed and the current Base Lending Rate (BLR) plus an estimated risk premium respectively.

Changes in the underlying assumptions could impact the allocation made, therefore changing the carrying value of the biological assets.

4. Revenue

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Sales of fresh fruit bunches of oil palm	28,471,095	27,424,604	19,321,982	19,345,967
Rental income	1,617,153	1,681,192	-	-
	30,088,248	29,105,796	19,321,982	19,345,967

5. Interest income

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Interest income of financial assets that are not at fair value through profit or loss				
- interest on fixed deposits	1,220,091	1,384,940	778,073	990,730

6. Dividend income

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Available-for-sale financial assets : equity instruments				
- quoted in Malaysia	172,139	121,649	140,569	103,704
Subsidiary : equity instruments				
- quoted outside Malaysia	-	-	558,753	986,759
	172,139	121,649	699,322	1,090,463

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7. Profit before tax

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
The following items have been included in arriving at profit before tax:				
Auditors' remuneration :				
- Statutory audit	364,060	300,470	55,000	40,000
- Other services	5,000	5,000	5,000	5,000
- Under provision in prior year	15,000	21,006	15,000	-
Amortisation of prepaid land lease payments	-	17,614	-	-
Depreciation	1,312,045	1,157,731	526,444	374,802
Directors' remuneration (Note 8)	741,592	775,210	332,500	330,000
Interest expense of financial liabilities that are not at fair value through profit or loss				
- holding company	31,904	-	31,904	-
- term loan	31,019	410,702	-	-
Professional fees in connection with the Group's Mandatory General Offer of shares of a subsidiary (Note 34)	1,042,719	-	664,713	-
Provision for retirement benefits/(reversal of provision)	25,952	(2,819)	20,846	-
Property, plant and equipment written off	-	1,193	-	563
Staff costs (excluding remuneration of executive director)*	5,389,615	4,444,553	3,848,637	3,519,488
Loss/(gain) of foreign exchange :				
- Realised	(75,907)	-	(75,907)	-
- Unrealised	132,206	(1,200,533)	132,206	(941,960)
Fair value gain on investment properties	(466,321)	(1,816,600)	-	-
Gain on disposal of investment properties	-	(1,237,444)	-	-
Gain on disposal of property, plant and equipment and biological asset	(107,963)	(209,321)	(47,000)	(192,221)

7. Profit before tax (contd)

*Staff costs (excluding remuneration of executive director) comprise:

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Salaries and wages	5,084,087	4,175,615	3,628,843	3,301,610
Employees' Provident Fund contributions	276,658	240,568	198,684	194,673
Social Security Fund contributions	28,870	28,370	21,110	23,205
	5,389,615	4,444,553	3,848,637	3,519,488

8. Directors' remuneration

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Directors of the Company:				
Executive:				
Fees	32,500	55,000	32,500	55,000
Non-Executive:				
Fees	300,000	275,000	300,000	275,000
	332,500	330,000	332,500	330,000
Directors of the subsidiaries:				
Non-executive:				
Fees	409,092	445,210	-	-
Total	741,592	775,210	332,500	330,000

The number of directors of the Group and the Company whose total remuneration during the financial year fall within the following bands is as follows:

Executive director:				
RM50,000 and below	1	-	1	-
RM50,001 – RM100,000	-	1	-	1
Non-executive directors:				
RM50,001 – RM100,000	8	4	8	4

9. Taxation

Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2014 and 2013 are :

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Current income tax :				
Malaysian income tax	3,366,996	3,250,138	2,250,000	2,397,490
(Over)/Under provision in prior year	(21,524)	(319,871)	50,873	(288,600)
	3,345,472	2,930,267	2,300,873	2,108,890
Deferred income tax (Note 19):				
Origination and reversal of temporary differences	212,322	907,058	169,767	127,653
(Over)/Under provision in prior year	(529,919)	12,291	(555,656)	-
	(317,597)	919,349	(385,889)	127,653
Income tax expense recognised in profit or loss	3,027,875	3,849,616	1,914,984	2,236,543

9. Taxation (contd.)

Reconciliation between tax expense and accounting profit

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2014 and 2013 are as follows:

	Group		Company	
	2014 RM	**2013 RM**	**2014 RM**	**2013 RM**
Profit before taxation	12,458,864	16,734,848	8,698,206	11,716,918
Taxation at applicable rate	3,114,716	4,183,712	2,174,552	2,929,230
Effect of different tax rates in other country	57,460	168,763	-	-
Utilisation of previously unrecognised business losses	(119,147)	(201,810)	-	-
Income not subject to tax	(183,922)	(172,010)	(24,792)	(307,088)
Unrealised gain on foreign exchange	(33,052)	(235,490)	(33,052)	(235,490)
Expenses not deductible for tax purposes	983,979	414,031	303,059	138,491
Effect of changes in tax rate	(174,974)	-	-	-
Crystallisation of deferred tax liability on revaluation reserve	(65,742)	-	-	-
(Over)/Under provision of deferred tax in prior year	(529,919)	12,291	(555,656)	-
(Over)/Under provision of current tax in prior year	(21,524)	(319,871)	50,873	(288,600)
Tax expense for the year	3,027,875	3,849,616	1,914,984	2,236,543

Domestic income tax is calculated at the Malaysian statutory tax rate of 25% (2013: 25%) of the estimated assessable profit for the year.

Tax expense for other taxation authorities are calculated at the rates prevailing in those respective jurisdictions.

10. Earnings per share

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

10. Earnings per share (contd.)

The following reflect the profit and share data used in the computation of basic earnings per share for the years ended 31 December 2014 and 2013:

	Group	
	2014	**2013**
	RM	**RM**
Profit net of tax attributable to owners of the Company used in the computation of basic earnings per share	7,833,930	10,685,071
Weighted average number of ordinary shares for basic earnings per share computation	64,850,448	64,850,448
Basic earnings per share (sen)	12.08	16.48

There is no dilutive effect on earnings per share as the Company has no potential issues of ordinary shares.

11. Dividends

	Dividends in respect of Year		Dividends recognised in Year	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Recognised during the year:				
Interim dividend for 2013: 10% under the single tier system on 64,850,448 ordinary shares (10.00 sen per ordinary share)	-	6,485,045	-	6,485,045
10% under the single tier system on 64,850,448 ordinary shares (10.00 sen per ordinary share)	-	6,485,045	-	6,485,045
	-	12,970,090	-	12,970,090
Interim dividend for 2014: 10% under the single tier system on 64,850,448 ordinary shares (10.00 sen per ordinary share)	6,485,045	-	6,485,045	-
	6,485,045	-	6,485,045	-
Total dividends	6,485,045	12,970,090	6,485,045	12,970,090

12. Property, plant and equipment

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Plant and machinery RM	Vehicles RM	Furniture, fixture and fittings and electrical installation RM	Total RM
Group							
Cost or valuation							
At 1 January 2014	11,140,098	185,136,555	5,977,110	1,985,420	2,572,759	1,116,720	207,928,662
Reclassification (Note 15)	175,000	-	-	-	-	-	175,000
Additions	36,251	-	1,883,904	264,967	513,931	59,816	2,758,869
Revaluation	584,395	-	-	-	-	-	584,395
Disposals	-	-	-	-	(226,352)	-	(226,352)
At 31 December 2014	11,935,744	185,136,555	7,861,014	2,250,387	2,860,338	1,176,536	211,220,574
Representing:							
At cost	29,384	-	7,861,014	2,250,387	2,860,338	1,176,536	14,177,659
At valuation	11,906,360	185,136,555	-	-	-	-	197,042,915
	11,935,744	185,136,555	7,861,014	2,250,387	2,860,338	1,176,536	211,220,574
Accumulated depreciation							
At 1 January 2014	652,917	-	575,774	1,538,097	2,141,339	830,735	5,738,862
Reclassification (Note 15)	175,000	-	-	-	-	-	175,000
Charge for the year	660,438	-	264,338	167,349	157,132	62,788	1,312,045
Reversal of accumulated depreciation on revaluation	(175,000)	-	-	-	-	-	(175,000)
Disposals	-	-	-	-	(204,315)	-	(204,315)
At 31 December 2014	1,313,355	-	840,112	1,705,446	2,094,156	893,523	6,846,592
Net carrying amount							
At cost	25,989	-	7,020,902	544,941	766,182	283,013	8,641,027
At valuation	10,596,400	185,136,555	-	-	-	-	195,732,955
At 31 December 2014	10,622,389	185,136,555	7,020,902	544,941	766,182	283,013	204,373,982

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12. Property, plant and equipment (contd.)

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Furniture and fittings RM	Total RM
Company							
Cost or valuation							
At 1 January 2014	-	132,630,582	3,866,237	1,681,850	1,963,871	788,878	140,931,418
Reclassification (Note 15)	175,000	-	-	-	-	-	175,000
Additions	29,384	-	897,890	264,967	416,431	31,951	1,640,623
Revaluation	584,395	-	-	-	-	-	584,395
Disposals	-	-	-	-	(94,127)	-	(94,127)
At 31 December 2014	788,779	132,630,582	4,764,127	1,946,817	2,286,175	820,829	143,237,309
Representing:							
At cost	29,384	-	4,764,127	1,946,817	2,286,175	820,829	9,847,332
At valuation	759,395	132,630,582	-	-	-	-	133,389,977
	788,779	132,630,582	4,764,127	1,946,817	2,286,175	820,829	143,237,309
Accumulated depreciation							
At 1 January 2014		-	406,119	1,303,570	1,626,772	589,385	3,925,846
Reclassification (Note 15)	175,000	-	-	-	-	-	175,000
Charge for the year	4,673	-	213,321	141,223	120,599	46,628	526,444
Reversal of accumulated depreciation on revaluation	(175,000)	-	-	-	-	-	(175,000)
Disposals	-	-	-	-	(94,127)	-	(94,127)
At 31 December 2014	4,673	-	619,440	1,444,793	1,653,244	636,013	4,358,163
Net carrying amount							
At cost	25,989	-	4,144,687	502,024	632,931	184,816	5,490,447
At valuation	758,117	132,630,582	-	-	-	-	133,388,699
At 31 December 2014	784,106	132,630,582	4,144,687	502,024	632,931	184,816	138,879,146

Riverview Rubber Estates, Berhad
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12. Property, plant and equipment (contd.)

	Leasehold estate land RM	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Office and Furniture and fittings RM	Total RM
Group							
Cost or valuation							
At 1 January 2013	-	132,651,409	2,320,551	1,588,303	1,723,677	718,166	139,002,106
Additions	-	191,039	2,724,576	106,941	240,194	131,999	3,394,749
Acquisition of subsidiaries	11,140,098	52,505,973	931,983	295,125	613,497	268,914	65,755,590
Disposals	-	(211,866)	-	-	(4,609)	-	(216,475)
Written off	-	-	-	(4,949)	-	(2,359)	(7,308)
At 31 December 2013	11,140,098	185,136,555	5,977,110	1,985,420	2,572,759	1,116,720	207,928,662
Representing:							
At cost	-	-	5,977,110	1,985,420	2,572,759	1,116,720	11,652,009
At valuation	11,140,098	185,136,555	-	-	-	-	196,276,653
	11,140,098	185,136,555	5,977,110	1,985,420	2,572,759	1,116,720	207,928,662
Accumulated depreciation							
Additions	-	-	267,631	1,197,529	1,540,787	546,333	3,552,280
Charge for the year	652,917	-	182,378	133,989	132,490	55,957	1,157,731
Acquisition of subsidiaries	-	-	125,765	210,902	472,671	230,237	1,039,575
Disposals	-	-	-	-	(4,609)	-	(4,609)
Written off	-	-	-	(4,323)	-	(1,792)	(6,115)
At 31 December 2013	652,917	-	575,774	1,538,097	2,141,339	830,735	5,738,862
Net carrying amount							
At cost	-	-	5,401,336	447,323	431,420	285,985	6,566,064
At valuation	10,487,181	185,136,555	-	-	-	-	195,623,736
At 31 December 2013	10,487,181	185,136,555	5,401,336	447,323	431,420	285,985	202,189,800

Riverview Rubber Estates, Berhad
(Incorporated in Malaysia)

12. Property, plant and equipment (contd.)

	Freehold estate land RM	Buildings RM	Machinery RM	Vehicles RM	Furniture and fittings RM	Total RM
Company						
Cost or valuation						
At 1 January 2013	132,651,409	2,320,551	1,588,303	1,723,677	718,166	139,002,106
Additions	191,039	1,545,686	93,547	240,194	72,511	2,142,977
Disposals	(211,866)	-	-	-	-	(211,866)
Written off	-	-	-	-	(1,799)	(1,799)
At 31 December 2013	132,630,582	3,866,237	1,681,850	1,963,871	788,878	140,931,418
Representing:						
At cost	-	3,866,237	1,681,850	1,963,871	788,878	8,300,836
At valuation	132,630,582	-	-	-	-	132,630,582
	132,630,582	3,866,237	1,681,850	1,963,871	788,878	140,931,418
Accumulated depreciation						
At 1 January 2013	-	267,631	1,197,529	1,540,787	546,333	3,552,280
Charge for the year	-	138,488	106,041	85,985	44,288	374,802
Written off	-	-	-	-	(1,236)	(1,236)
At 31 December 2013	-	406,119	1,303,570	1,626,772	589,385	3,925,846
Net carrying amount						
At cost	-	3,460,118	378,280	337,099	199,493	4,374,990
At valuation	132,630,582	-	-	-	-	132,630,582
At 31 December 2013	132,630,582	3,460,118	378,280	337,099	199,493	137,005,572

12. Property, plant and equipment (contd.)

Revaluation of freehold land and buildings

During the year, the Company obtained approval for the extension of the lease term of a leasehold land to 99 years. The directors have reassessed the classification of the leasehold land and determined that the Company owns the risk and reward associated to the land. As a result, the land was reclassified from prepaid land lease payments to property, plant and equipment. According to the Group accounting policy, the leasehold land was revalued based on valuation performed by accredited independent valuers. The leasehold land was revalued at RM759,395 using the comparison method.

The remaining freehold and leasehold land and biological assets were revalued during the financial year ended 31 December 2012 based on valuations performed by accredited independent valuers. Details of independent professional valuation of property, plant and equipment are as follows:

Description	Basis of valuation	RM
Company		
Freehold estate land	Comparison method	132,651,409
Biological assets - oil palm (Note 13)		46,587,786
		179,239,195
Subsidiaries		
Freehold estate land	Comparison method	52,505,973
Leasehold estate land	Comparison method	10,487,181
		62,993,154
Biological assets - oil palm (Note 13)		24,426,296
		87,419,450
		266,658,645

The fair value of freehold and leasehold estate land were determined by reference to the recent transactions and asking prices of similar properties in the locality, adjusted for differences in characteristics to arrive at the market value.

The major assumption underlying the revaluation of the leasehold estate land of a subsidiary is the lease will be renewed for another 60 years. Certain leasehold estate land has the remaining lease term of 15 years as at 31 December 2014. The directors have resolved to renew the lease term and are confident that, barring any unforeseen circumstances, the lease term of land will be renewed for another 60 years.

12. Property, plant and equipment (contd.)

Had the freehold and leasehold land been carried at historical cost less accumulated depreciation, the carrying amounts would have been as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Freehold estate land	12,000,434	12,000,434	8,283,914	8,283,914
Leasehold estate land	2,824,072	2,852,889	-	-
	14,824,506	14,853,323	8,283,914	8,283,914

Property, plant and equipment of the Group and of the Company are acquired during the year by means of cash payments.

Fair value information

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table present the Group's estate land and biological assets that are measured at fair value at 31 December 2014:

	31 December 2014			
	Level 1	Level 2	Level 3	Total
	RM	RM	RM	RM
Company				
Freehold estate land	-	-	132,630,582	132,630,582
Leasehold estate land	-	-	784,106	784,106
Biological assets - oil palm	-	-	46,541,873	46,541,873
Subsidiaries				
Freehold estate land	-	-	52,505,973	52,505,973
Leasehold estate land	-	-	9,838,283	9,838,283
Biological assets - oil palm	-	-	24,939,117	24,939,117
	-	-	267,239,934	267,239,934

12. Property, plant and equipment (contd.)

Fair value information (contd.)

	31 December 2013			
	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Company				
Freehold estate land	-	-	132,630,582	132,630,582
Biological assets - oil palm	-	-	46,541,873	46,541,873
Subsidiaries				
Freehold estate land	-	-	52,505,973	52,505,973
Leasehold estate land	-	-	10,487,181	10,487,181
Biological assets - oil palm	-	-	24,426,296	24,426,296
	-	-	266,591,905	266,591,905

There were no transfers between any levels during the year.

Valuation process applied by the Group for Level 3 fair value

The fair values of land and biological assets are determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of properties being valued.

The external valuations of the Level 3 land have been performed using a sales comparison approach by reference to the recent transactions and asking prices of similar properties in the locality, adjusted for differences in characteristics by using unobservable inputs. The external valuers have determined these inputs based on location, access, terrain, age of trees, condition of holding, standard of maintenance, time element and other relevant factors.

The fair value of biological assets is calculated as the present value of the estates' operating cash flows over the next ten years.

12. Property, plant and equipment (contd.)

Fair value information (contd.)

Information about fair value measurements using significant unobservable inputs (Level 3):

Description	**Valuation technique(s)**	**Unobservable inputs**	**Range of unobservable inputs**
Oil palm estates in Perak, Malaysia	Sales comparison approach	Price per hectare (Ha)	RM74,665/Ha to RM134,386/Ha
Palm oil plantation	Discounted cash flows	Palm oil yield -tonnes/Ha	22 - 27 per year
		Crude palm oil price	RM2,250 - 2,300
		Palm kernel price	RM1,364
		Discount rate	11.38% - 18%

13. Biological assets

	Group		**Company**	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Oil palm				
At valuation				
At 1 January	70,968,169	46,587,786	46,541,873	46,587,786
Acquisition of subsidiaries	-	23,776,752	-	-
Revaluation recognised in other comprehensive income	512,821	649,544	-	-
Disposal	-	(45,913)	-	(45,913)
At 31 December	71,480,990	70,968,169	46,541,873	46,541,873

Biological assets of the Group and of the Company comprise oil palm and are stated at valuation based on allocation of valuation of the freehold and leasehold estate land of the Group and the Company as detailed in Note 12.

13. Biological assets (contd.)

The allocation was calculated as the present value of the estates' operating cash flows over the next ten years, based on the directors' best estimates of future selling prices of fresh fruit bunches. The major assumptions underlying the calculation were an assumed average CPO selling price of RM2,250 to RM2,300 and average discount rate of 11.22% to 18.00% based on the Company's and subsidiaries' return on capital employed and the current Base Lending Rate (BLR) plus an estimated risk premium respectively.

14. Investment properties

	Group	
	2014	2013
	RM	RM
Fair value		
At 1 January	38,192,550	-
Acquisition of subsidiaries	-	45,839,700
Fair value gain	466,321	1,816,600
Exchange translation	(774,871)	(3,603,750)
Disposal	-	(5,860,000)
	37,884,000	38,192,550

Investment properties comprise the following properties:

Freehold land	24,207,411	24,071,808
Buildings on freehold land	13,676,589	14,120,742
	37,884,000	38,192,550

During the last financial year, the Group disposed off an investment property for a cash consideration of RM7,325,000 which has remained outstanding as at 31 December 2013 and included in other receivables (Note 20). The disposal resulted in a net gain on disposal of RM1,237,444 for financial year ended 31 December 2013.

The following are recognised in profit or loss in respect of investment properties:

	Group	
	2014	2013
	RM	RM
Rental income	1,617,153	1,681,192
Direct operating expenses:		
- income generating investment properties	647,977	592,291

The fair value of the Group's investment properties as at 31 December 2014 was determined from market-based evidence by appraisal that is undertaken by a professionally qualified valuer.

14. Investment properties (contd.)

The net carrying amount of investment properties of the Group pledged for banking facilities granted to the Group (Note 24) in the year are as follows:

	Group	
	2014	**2013**
	RM	**RM**
Freehold land	24,207,411	24,071,808
Buildings on freehold land	13,676,589	14,120,742
At 31 December	37,884,000	38,192,550

Fair value information

The following table analyses the non-financial assets carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table present the Group's investment properties that are measured at fair value at 31 December 2014:

	31 December 2014			
	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
Freehold land	-	24,207,411	-	24,207,411
Buildings	-	13,676,589	-	13,676,589
	-	37,884,000	-	37,884,000

	31 December 2013			
	Level 1	**Level 2**	**Level 3**	**Total**
	RM	**RM**	**RM**	**RM**
Group				
Freehold land	-	24,071,808	-	24,071,808
Buildings	-	14,120,742	-	14,120,742
	-	38,192,550	-	38,192,550

There were no transfers between any levels during the year.

14. Investment properties (contd.)

Valuation process applied by the Group for Level 2 fair value

The fair value of investment properties is determined by external, independent property valuers, having appropriate recognised professional qualifications and recent experience in the location and category of property being velued.

Level 2 fair values of land and buildings have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

15. Prepaid land lease payments

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Short term leasehold land				
Cost				
At 1 January	375,000	375,000	175,000	175,000
Reclassification (Note 12)	(175,000)	-	(175,000)	-
At 31 December	200,000	375,000	-	175,000
Accumulated amortisation				
At 1 January	375,000	357,386	175,000	175,000
Charge for the year	-	17,614	-	-
Reclassification (Note 12)	(175,000)	-	(175,000)	-
At 31 December	200,000	375,000	-	175,000
Carrying amount				
At 31 December	-	-	-	-

16. Investment in subsidiaries

	Company	
	2014	2013
	RM	RM
Quoted shares outside Malaysia, at cost	698,105	698,105
Unquoted shares at cost	308,400	308,400
	1,006,505	1,006,505
Fair value of investment in an subsidiary for which there is a published price quotation	44,197,914	30,498,815

16. Investment in subsidiaries (contd.)

Details of the subsidiaries are as follows:

Name of Company	Principal place of business	Country of incorporation	Principal activities	Proportion (%) of ownership interest held by Subsidiary 2014	Subsidiary 2013	Company 2014	Company 2013
The Narborough Plantations Plc *	Malaysia	England	Oil palm plantations	-	-	49.8	49.8
Rivaknar Holdings Sdn. Bhd.	Malaysia	Malaysia	Investment holding	33.3	33.33	33.3	33.3
Subsidiaries of Rivaknar Holdings Sdn. Bhd.							
Rivaknar Properties (W.A.) Pty. Ltd. *	Australia	Australia	Investment holding	100	100	-	-
CG Plantations Sdn. Bhd.	Malaysia	Malaysia	Oil palm plantations	99.9	99.9	-	-

* Not audited by Sekhar & Tan

These investees were previously regarded as associates of the Company prior to 1 January 2013. At 1 January 2013, upon adoption of FRS 10, the Company has reassessed its control over the investees and determined that the Company has had control over the investees, on a de facto power basis. As a consequence, the Company changed the control conclusion for the investees and regarded the investees as subsidiaries of the Group as at 1 January 2013.

16. Investment in subsidiaries (contd.)

Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the deemed acquisition date.

	Note	1 January 2013 RM
Property, plant and equipment		64,716,015
Biological assets		23,776,752
Prepaid lease payments		17,614
Investment properties		45,839,700
Other investments		1,090,600
Goodwill		2,731,763
Deferred tax assets		18,418
Deferred nursery expenditure		7,943
Inventories		89,266
Trade and other receivables		647,076
Tax recoverable		848,550
Cash and cash equivalents		22,062,142
Provision for retirement benefits		(10,340)
Borrowings		(10,098,325)
Deferred tax liabilities		(10,311,270)
Trade and other payables		(1,161,616)
Non-controlling interests		(70,293,558)
Fair value of identifiable net assets acquired		69,970,730
Carrying amount of previously held equity stake		71,665,313
Impact on adoption of FRS 10		1,694,583

17. Investment securities

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Available-for-sale financial assets				
- Equity instruments : (quoted shares in Malaysia)				
At market value (Note 30)	3,027,836	3,290,840	2,032,520	2,165,800

18. Goodwill on consolidation

	Group 2014 RM	Group 2013 RM
At 1 January	2,731,763	-
Acquisition of subsidiaries	-	2,731,763
At 31 December	2,731,763	2,731,763

Goodwill is arising from business combinations.

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill.

(i) Average CPO selling price

An assumed average CPO selling price of RM2,300 is used, based on the directors' best estimates of future selling prices of fresh fruit bunches.

(ii) Average discounted rate

The discount rate used is 18% based on Base Lending Rate (BLR) plus an estimated risk premium.

The management carried out an annual review of recoverable amounts of its goodwill each financial year. The review in the current financial year did not give rise to impairment losses.

The Group believes that any reasonable possible change in the above key assumptions applied are not likely to materially cause recoverable amounts to be lower than their carrying amounts.

19. Deferred taxation

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
At 1 January	18,322,822	262,669	7,519,984	262,669
Acquisition of subsidiaries	-	10,292,852	-	-
Recognised in profit or loss (Note 9)	(317,597)	919,349	(385,889)	127,653
Recognised in other comprehensive income	2,526,403	7,129,662	182,255	7,129,662
Exchange translation	(82,641)	(281,710)	-	-
At 31 December	20,448,987	18,322,822	7,316,350	7,519,984
Presented after appropriate offsetting as follows:				
Deferred tax assets	(29,726)	(44,317)	(29,726)	(24,723)
Deferred tax liabilities	20,478,713	18,367,139	7,346,076	7,544,707
	20,448,987	18,322,822	7,316,350	7,519,984

19. Deferred taxation (contd.)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

	At 1 January RM	Exchange translation RM	Recognised in other comprehensive income RM	Recognised in profit or loss RM	At 31 December RM
2014					
Group					
Deferred tax liabilities					
Revaluation surplus	13,803,879	-	2,526,403	(101,365)	16,228,917
Investment properties	4,055,421	(83,043)	-	122,873	4,095,251
Property, plant and equipment	507,839	-	-	(353,294)	154,545
	18,367,139	(83,043)	2,526,403	(331,786)	20,478,713
Deferred tax assets					
Provision for retirement benefits	(24,723)	-	-	(5,003)	(29,726)
Unutilised business losses	(19,594)	402	-	19,192	-
	(44,317)	402	-	14,189	(29,726)
	18,322,822	(82,641)	2,526,403	(317,597)	20,448,987

19. Deferred taxation (contd.)

	At 1 January RM	Acquisition of subsidiaries RM	Exchange translation RM	Recognised in other comprehensive income RM	Recognised in profit or loss RM	At 31 December RM
2013						
Group						
Deferred tax liabilities						
Revaluation surplus	-	6,674,217	-	7,129,662	-	13,803,879
Investment properties	-	3,585,984	(281,710)	-	751,147	4,055,421
Property, plant and equipment	288,448	51,069	-	-	168,322	507,839
	288,448	10,311,270	(281,710)	7,129,662	919,469	18,367,139
Deferred tax assets						
Provision for retirement benefits	(25,779)	-	-	-	1,056	(24,723)
Unutilised business losses	-	(18,418)	-	-	(1,176)	(19,594)
	(25,779)	(18,418)	-	-	(120)	(44,317)
	262,669	10,292,852	(281,710)	7,129,662	919,349	18,322,822

19. Deferred taxation (contd.)

	At 1 January RM	Recognised in other comprehensive income RM	Recognised in profit or loss RM	At 31 December RM
2014				
Company				
Deferred tax liabilities				
Revaluation surplus	7,129,662	182,255	(9,881)	7,302,036
Property, plant and equipment	415,045	-	(371,005)	44,040
	7,544,707	182,255	(380,886)	7,346,076
Deferred tas assets				
Provision for retirement benefits	(24,723)	-	(5,003)	(29,726)
	(24,723)	-	(5,003)	(29,726)
	7,519,984	182,255	(385,889)	7,316,350
2013				
Company				
Deferred tax liabilities				
Revaluation surplus	-	7,129,662	-	7,129,662
Property, plant and equipment	288,448	-	126,597	415,045
	288,448	7,129,662	126,597	7,544,707
Deferred tax assets				
Provision for retirement benefits	(25,779)	-	1,056	(24,723)
	(25,779)	-	1,056	(24,723)
	262,669	7,129,662	127,653	7,519,984

19. Deferred taxation (contd.)

Deferred tax assets have not been recognised in respect of the following item:

	Group	
	2014	2013
	RM	RM
Unutilised business losses carried forward	-	1,164,174
Deferred tax assets not recognised at foreign tax rate of 30% (2013 : 30%)	-	349,252

The unutilised business losses above arose in Australia and are available indefinitely for offset against future taxable profits of the Australian subsidiary.

20. Trade and other receivables

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Trade receivables	847,195	2,143,997	420,347	998,395
Other receivables	135,276	7,538,027	75,697	148,382
Deposits	113,992	48,502	56,166	37,336
Trade and other receivables	1,096,463	9,730,526	552,210	1,184,113
Add: Cash and cash equivalents (Note 21)	76,563,321	66,555,856	55,304,760	48,563,609
Total loan and receivables	77,659,784	76,286,382	55,856,970	49,747,722

Trade receivables are non-interest bearing and are generally on 30 days (2013 : 30 days) term. They are recognised at their original statement amounts and represent their fair values on initial recognition.

All trade receivables are neither past due nor impaired.

Included in other receivables of the Group at 31 December 2013 is outstanding sales consideration of RM7,325,000 from the disposal of investment properties (Note 14). The amount was received during the financial year.

20. Trade and other receivables (contd)

The currency exposure profile of trade receivables and other receivables is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Ringgit Malaysia	976,528	1,726,059	552,210	1,184,113
Australian Dollar	119,935	8,004,467	-	-
	1,096,463	9,730,526	552,210	1,184,113

21. Cash and cash equivalents

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Cash on hand and at banks maintained by:				
- the Group/the Company	8,596,004	2,937,663	6,730,544	1,321,045
- stakeholders*	(48,119,080)	-	(48,119,080)	-
	56,715,084	2,937,663	54,849,624	1,321,045
Deposits with:				
- Licensed banks in Malaysia	16,851,000	48,093,715	455,000	34,693,715
- Foreign financial institutions	2,997,237	15,524,478	136	12,548,849
	19,848,237	63,618,193	455,136	47,242,564
As presented in the statements of financial position	76,563,321	66,555,856	55,304,760	48,563,609
Cash maintained by stakeholders*	(48,119,080)	-	(48,119,080)	-
As presented in the statements of cash flows	28,444,241	66,555,856	7,185,680	48,563,609

* Cash maintained by stakeholders in connection with the Group's Mandatory General Offer of shares of a subsidiary as referred to in Note 34.

21. Cash and cash equivalents (contd.)

The currency exposure profile of deposits, cash and bank balances is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
- Ringgit Malaysia	47,158,868	48,960,123	31,436,824	34,461,356
- Pound Sterling	26,865,037	11,734,719	23,867,936	8,665,339
- Singapore	-	5,436,914	-	5,436,914
- Australian Dollar	2,539,416	424,100	-	-
	76,563,321	66,555,856	55,304,760	48,563,609

The following table set out the carrying amounts, the effective interest rates ("EIR") as at reporting date and the maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Within 1 year	1 - 2 years	Total
	RM	RM	RM
At 31 December 2014			
Group			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR			
- 2.94%	2,296,000	-	2,296,000
- 3.00%	4,955,000	-	4,955,000
- 3.10%	4,700,000	-	4,700,000
- 3.15%	600,000	-	600,000
- 3.30%	3,000,000	-	3,000,000
- 3.40%	1,300,000	-	1,300,000
	16,851,000	-	16,851,000
Deposits with foreign financial institution at the following EIR			
- 0.131%	1,142,960	-	1,142,960
- 0.190%	1,854,141	-	1,854,141
- 0.020%	136	-	136
	19,848,237	-	19,848,237
Company			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR			
- 3.00%	455,000	-	455,000
	455,000	-	455,000
Deposits with foreign financial institution at the following EIR			
- 0.020%	136	-	136
	455,136	-	455,136

21. Cash and cash equivalents (contd.)

	Within 1 year RM	1 - 2 years RM	Total RM
At 31 December 2013			
Group			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR			
- 0.35%	54,465	-	54,465
- 0.40%	1,474,250	-	1,474,250
- 2.75%	5,200,000	-	5,200,000
- 2.95%	9,800,000	-	9,800,000
- 3.00%	6,460,000	-	6,460,000
- 3.05%	5,000,000	-	5,000,000
- 3.13%	6,300,000	-	6,300,000
- 3.15%	4,205,000	-	4,205,000
- 3.20%	5,300,000	-	5,300,000
- 3.25%	4,300,000	-	4,300,000
	48,093,715	-	48,093,715
Deposits with foreign financial institution at the following EIR			
- 0.152%	1,840,936	-	1,840,936
- 0.153%	9,775,343	-	9,775,343
- 0.020%	3,908,199	-	3,908,199
	63,618,193	-	63,618,193
Company			
Fixed rate			
Deposits with licensed banks in Malaysia at the following EIR			
- 0.35%	54,465	-	54,465
- 0.40%	1,474,250	-	1,474,250
- 2.95%	3,900,000	-	3,900,000
- 3.00%	6,460,000	-	6,460,000
- 3.05%	3,400,000	-	3,400,000
- 3.13%	5,900,000	-	5,900,000
- 3.15%	4,205,000	-	4,205,000
- 3.20%	5,000,000	-	5,000,000
- 3.25%	4,300,000	-	4,300,000
	34,693,715	-	34,693,715
Deposits with foreign financial institution at the following EIR			
- 0.153%	8,640,650	-	8,640,650
- 0.020%	3,908,199	-	3,908,199
	47,242,564	-	47,242,564

22. Trade and other payables

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Trade payables	148,917	281,253	111,587	194,688
Tax payables	-	87,075	-	-
Other payables	2,308,293	2,530,405	1,116,636	957,489
Dividend payable	-	6,485,045	-	6,485,045
	2,457,210	9,383,778	1,228,223	7,637,222

Trade payables are non-interest bearing and normally settled within 30 to 90 days (2013 : 30 - 90 days) terms.

The currency exposure profile of trade and other payables is as follows:

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
- Ringgit Malaysia	2,373,552	8,553,391	1,228,223	7,637,222
- Australian Dollar	83,658	830,387	-	-
	2,457,210	9,383,778	1,228,223	7,637,222

23. Provision for retirement benefits

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
At 1 January	106,415	103,116	98,894	103,116
Acquisition of subsidiaries	-	10,340	-	-
Additional provision	30,518	-	20,846	-
Reversal of provision	(4,566)	(2,819)	-	-
Payments made	-	(4,222)	-	(4,222)
At 31 December	132,367	106,415	119,740	98,894
Represented by:				
Current liabilities				
Payable not later than 1 year	26,186	634	26,186	634
Non-current liabilities				
Payable between more than 1 year and less than 5 years	41,219	51,881	28,592	44,360
Payable later than 5 years	64,962	53,900	64,962	53,900
	106,181	105,781	93,554	98,260
	132,367	106,415	119,740	98,894

24. Borrowings

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Short term borrowings:				
Loan from holding company	10,031,904	-	10,031,904	-
Term loan	-	5,788,432	-	-
	10,031,904	5,788,432	10,031,904	-

The current year's term loan is an unsecured loan of RM10,000,000 bearing an interest rate of 6.85% per annum from Sungei Ream Holdings Sendirian Berhad, holding company, and is used for the purpose of settling the offer price and expenses due in connection with the Company's Mandatory General Offer of shares of The Naborough Plantations, PLC that it does not already own. There is no fixed term of repayment

Last year's term loan was denominated in Australian Dollar and was used to finance the construction of a subsidiary's investment properties. This term loan bore interest rate at 7.10% (2013: 7.10%) per annum and was secured by legal charges over certain investment properties of the Group as disclosed in Note 14. This term loan was fully repaid during the financial year.

25. Share capital

	Company			
	Number of ordinary shares of RM1 each		Amount	
	2014	2013	2014 RM	2013 RM
Authorised	100,000,000	100,000,000	100,000,000	100,000,000
Issued and fully paid up	64,850,448	64,850,448	64,850,448	64,850,448

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

26. Reserves

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
Non-distributable:				
Capital reserves	170,557,269	170,892,025	136,040,711	135,463,571
Exchange fluctuation	(66,834)	299,125		-
Fair value adjustment reserve	1,312,210	1,510,266	1,254,486	1,387,766
Distributable:				
Capital reserve	2,761,091	2,761,091	-	-
	174,563,736	175,462,507	137,295,197	136,851,337
General reserves	6,517,331	6,517,331	5,762,193	5,762,193
	181,081,067	181,979,838	143,057,390	142,613,530

26. Reserves (contd.)

	Group 2014 RM	Group 2013 RM	Company 2014 RM	Company 2013 RM
Non-distributable capital reserves comprise:				
Exchange fluctuation	(66,834)	299,125	-	-
Asset revaluation	170,557,269	170,892,025	136,040,711	135,463,571
Fair value adjustment	1,312,210	1,510,266	1,254,486	1,387,766
Distributable capital reserve comprises:				
Asset realisation - Capital	2,761,091	2,761,091	-	-
	174,563,736	175,462,507	137,295,197	136,851,337
General reserves comprise:				
Asset realisation reserves	4,226,205	4,226,205	3,471,067	3,471,067
Unappropriated retained profits	2,291,126	2,291,126	2,291,126	2,291,126
	6,517,331	6,517,331	5,762,193	5,762,193

(a) The non-distributable capital reserves are not distributable by way of cash dividends.

(b) Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed or impaired.

(c) Exchange fluctuation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries or associates whose functional currencies are different from that of the Group's presentation currency.

(d) The asset revaluation reserves represent increases in the fair value of freehold and leasehold estate land and biological assets, net of tax, and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in other comprehensive income.

27. Retained profits

The Company is able to distribute dividends out of its distributable reserves as at 31 December 2014 and 2013 under the single tier system.

28. Non-controlling interests

The following table summarises the information relating to each of the Group's subsidiaries that has material non-controlling interests, before any intra-group eliminations.

	The Naborough Plantations Plc RM	Rivaknar Holdings Sdn Bhd RM	Intra-group eliminations RM	Total RM
2014				
NCI percentage (%)	50.20%	50.07%		
Non-current assets	72,800,347	59,244,685	-	132,045,032
Current assets	13,200,284	9,037,400	-	22,237,684
Non-current liabilities	(6,751,465)	(6,393,799)	-	(13,145,264)
Current liabilities	(1,002,199)	(226,789)	-	(1,228,988)
Net assets	78,246,967	61,661,497	-	139,908,464
Carrying amount of NCI	39,279,977	30,871,856	-	70,151,833
Revenue	5,947,937	4,828,733	-	10,776,670
Profit	1,243,179	1,941,953	-	3,185,132
Other comprehensive income ("OCI")	(1,909,655)	(784,294)	-	(2,693,949)
Total comprehensive income	5,281,461	5,986,392	-	11,267,853
Profit allocated to NCI	624,076	972,983	-	1,597,059
OCI allocated to NCI	(958,647)	(392,670)	-	(1,351,317)
Cash flows from operating activities	840,219	4,488,759	-	5,328,978
Cash flows from investment activities	(373,691)	91,495	-	(282,196)
Cash flows from financing activities	(553,072)	(2,854,259)	-	(3,407,331)
Net increase/(decrease) in cash and cash equivalents	(86,544)	1,725,995	-	1,639,451

28. Non-controlling interests (contd.)

	The Naborough Plantations Plc RM	Rivaknar Holdings Sdn Bhd RM	Intra-group eliminations RM	Total RM
2013				
NCI percentage (%)	50.20%	50.07%		
Non-current assets	71,326,615	60,352,855	-	131,679,470
Current assets	13,693,808	13,528,760	-	27,222,568
Non-current liabilities	(4,332,300)	(6,497,652)	-	(10,829,952)
Current liabilities	(649,413)	(6,885,575)	-	(7,534,988)
Net assets	80,038,710	60,498,388	-	140,537,098
Carrying amount of NCI	40,157,533	30,291,543	-	70,449,076
Revenue	5,014,013	4,745,816	-	9,759,829
Profit	894,118	3,497,309	-	4,391,427
Other comprehensive income ("OCI")	649,544	(2,825,522)	-	(2,175,978)
Total comprehensive income	1,543,662	671,787	-	2,215,449
Profit allocated to NCI	448,847	1,751,314	-	2,200,161
OCI allocated to NCI	326,071	(1,414,645)	-	(1,088,574)
Cash flows from operating activities	435,455	1,037,270	-	1,472,725
Cash flows from investment activities	(473,926)	74,859	-	(399,067)
Cash flows from financing activities	(985,021)	(1,966,101)	-	(2,951,122)
Net increase/(decrease) in cash and cash equivalents	(1,023,492)	(853,972)	-	(1,877,464)

29. Financial risk management policies

The Group's and the Company's activities expose them to a variety of financial risks, including foreign currency exchange risk, interest rate risk, market risk, credit risk, liquidity and cash flow risk. The Group's and the Company's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's and the Company's businesses whilst managing their risks. The Group and the Company operate within clearly defined guidelines that are approved by the Board and the Group's and the Company's policy is not to engage in speculative transactions. There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks. The policy in respect of the major areas of treasury activity is set out as follows:

(a) Foreign currency exchange risk

The Group and the Company are exposed to currency risk as a result of the foreign currency transactions entered into in currencies other than Ringgit Malaysia. The Group's and the Company's policy is to limit their exposure on foreign currency exchange risk by entering into foreign currency exchange transactions denominated in the Australian Dollar, Pound Sterling and Singapore Dollar, wherever possible.

The net unhedged financial assets of the Group and the Company that are not denominated in their functional currencies are disclosed in their respective notes.

Sensitivity analysis for foreign currency exchange risk

The following table demonstrated the sensitivity of the Group's and the Company's profit after tax to a reasonably possible change in Pound Sterling, Singapore Dollar and Australian Dollar exchange rate against the functional currency of the Group and the Company, with all other variables held constant. The Group's and the Company's profit after tax would increase/(decrease), as applicable, by the amounts stated below if the individual foreign currency had weakened/strengthened by the ten percentage (10%):

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Pound Sterling	2,686,504	1,173,472	2,386,794	866,534
Singapore Dollar	-	543,691	-	543,691
Australian Dollar	253,942	759,818	-	-

(b) Interest rate risk

The Group's and Company's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure arises from the Group's deposits and short term borrowings. The deposits are managed through the placement of fixed rate short-term deposits. The short term borrowings are managed through the use of fixed rate debt.

The information on maturity dates and interest rates of financial assets and liabilities are disclosed in their respective notes.

29. Financial risk management policies (contd.)

(b) Interest rate risk (contd.)

Sensitivity analysis for interest rate risk

The Group and the Company expect that any fluctuation in interest rate will have no significant material impact on the financial performance of the Group and the

(c) Market risk

The Group and the Company do not face significant exposure from the risk of changes in market prices other than fluctuations in commodity prices.

Sensitivity analysis for price risk

At 31 December 2014, if the CPO selling price had been 5% lower or higher with all other variables held constant, the gain arising on revaluation of biological assets would have been RM7,136,704 (2013: RM6,806,838) lower and RM7,136,942 (2013: RM6,817,452) higher for the Group and RM4,941,789 (2013: RM4,786,388) lower and RM4,941,789 (2013: RM4,796,764) higher for the Company respectively, arising mainly as a result of the variation in CPO price. If the average discount rate had been 5% lower or higher, the gain arising on revaluation of biological assets would have been RM1,427,506 (2013: RM1,670,254) higher and RM1,374,373 (2013: RM1,590,721) lower for the Group and RM846,532 (2013: RM1,096,634) higher and RM820,764 (2013: RM1,044,265) lower for the Company respectively.

(d) Credit risk

Credit risk is controlled by ensuring that sales of products are made to customers with an appropriate credit history and appropriate monitoring procedures. The Group and the Company do not have any significant exposure to any individual customer nor do they have any major concentration of credit risk related to any financial instrument except that all of the trade receivables were due from five companies in respect of sales performed. The maximum exposures to credit risk are represented by the carrying amount of the financial assets in the statement of financial position.

29. Financial risk management policies (contd.)

(e) Liquidity and cash flow risk

Prudent liquidity risk management implies maintaining sufficient cash and short-term deposits at call. As the Group and the Company seek to invest cash assets safely and profitably, the operating cash flows ensure the availability of funding.

Analysis of financial instruments by remaining contractual maturities

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

	Group		Company	
	2014 RM	2013 RM	2014 RM	2013 RM
On demand or within one year:				
- Trade and other payables	2,457,210	9,383,778	1,228,223	7,637,222
- Short term borrowings	10,031,904	5,788,432	10,031,904	-
Total undiscounted financial liabilities	12,489,114	15,172,210	11,260,127	7,637,222

30. Fair value of financial instruments

(a) Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	Quoted price in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
2014 **Group** **RM**				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	3,027,836	-	-	3,027,836

30. Fair value of financial instruments (contd.)

(a) Fair value of financial instruments that are carried at fair value (contd.)

	Quoted price in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
2014				
Company				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	2,032,520	-	-	2,032,520
2013				
Group				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	3,290,840	-	-	3,290,840
Company				
RM				
Financial assets:				
- Available-for-sale financial assets (Note 17)				
- Equity instruments (quoted shares in Malaysia)	2,165,800	-	-	2,165,800

30. Fair value of financial instruments (contd.)

(a) Fair value of financial instruments that are carried at fair value (contd.)

Fair value hierarchy

The fair value measurement hierarchies used to measure financial assets and liabilities carried at fair value in the statements of financial position as at 31 December 2014 and 2013 are as follows:

(a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
(b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
(c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There were no material transfers between Level 1, Level 2 and Level 3 during the current financial year.

The Group and the Company do not have any financial liabilities carried at fair value classified as above as at 31 December 2014 and 2013.

Determination of fair value

Quoted equity instruments - Fair value is determined by direct reference to their bid price quotations in an active market at the end of the reporting period.

(b) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximately of fair value

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

	Group Note	Company Note
Financial assets		
Loan and receivables:		
Trade and other receivables	20	20
Cash and cash equivalents	21	21
Financial liabilities		
Other than financial liabilities:		
Trade and other payables	22	22
Borrowings	24	24

The carrying amounts of these financial assets and liabilities are reaonable approximation of fair values, due to their short term nature.

31. Related parties

Group and Company

(a) Identity of related parties

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

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controling the activities of the Group and the Company either directly or indirectly. The key management personnel include all the directors of the Group and the Company.

(b) Transactions with related parties are disclosed in Note 6, 8 and 24 to the financial statements.

32. Segmental information

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:-

(a) The plantations segment carries on the business of oil palm cultivation on its plantations in Peninsular Malaysia.

(b) The other segments consist of an investment holding real estate company that develops and rents out its properties.

The Group's principal activity is the cultivation of oil palm on plantations in Peninsular Malaysia. The activities of the subsidiaries (except Rivaknar Properties (WA) Pty Ltd) are all incidental to the main activity and in terms of revenue, profit contribution and assets employed.

32. Segmental information (contd.)

The analysis of Group operations is as follows:

Business and Geographical Segments

	Malaysia - Plantations RM	Australia - Real Estate RM	Consolidated RM
2014			
Revenue	28,471,095	1,617,153	30,088,248
Profit before tax	11,309,658	1,149,206	12,458,864
Non current assets	281,644,297	37,884,000	319,528,297
Total assets	358,667,648	40,595,826	399,263,474
Total liabilities	23,468,491	9,631,703	33,100,194
Other Information			
Depreciation	1,312,045	-	1,312,045
Net unrealised foreign exchange gain	(132,206)	-	(132,206)
Interest expense	31,904	31,019	62,923
Interest income	(1,214,598)	(5,493)	(1,220,091)
2013			
Revenue	27,424,604	1,681,192	29,105,796
Profit before tax	13,359,573	3,375,275	16,734,848
Non current assets	279,205,296	38,212,143	317,417,439
Total assets	352,839,259	46,816,914	399,656,173
Total liabilities	17,404,730	16,241,034	33,645,764
Other Information			
Depreciation	1,157,731	-	1,157,731
Amortisation	17,614	-	17,641
Net unrealised foreign exchange gain	(1,200,533)	-	(1,200,533)
Interest expense	-	410,702	410,702
Interest income	(1,384,940)	-	(1,384,940)

Revenue from four major customers amounted to RM10,693,862, RM8,402,161, RM5,947,937 and RM1,292,356 (2013: RM11,895,760, RM5,014,013, RM3,064,624 and RM4,977,679) respectively arising from sales by plantation segment.

33. Capital management

The Group considers its capital to comprise its ordinary share capital, retained profits and distributable reserves.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders through a combination of capital growth and distributions. In order to achieve this objective, the Group seeks to balance risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no other significant changes to the Group’s capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

The total amount of capital is as follows:

	Group		Company	
	2014	2013	2014	2013
	RM	RM	RM	RM
Share capital	64,850,448	64,850,448	64,850,448	64,850,448
Retained profits	50,079,932	48,731,047	19,314,015	19,015,838
Distributable reserves	9,278,422	9,278,422	5,762,193	5,762,193
	124,208,802	122,859,917	89,926,656	89,628,479

34. Subsequent event

On 4 December 2014, the Company announced that it had agreed to acquire 3,466,260 ordinary shares of 10 pence each ["Ordinary Shares"] of The Naborough Plantations, plc ["TNP"] from Puan Sri Datin Hamidah Bt Abdul Rahman ["Share Acquisition"], this represented 26.03 percent of the issued ordinary share capital of TNP ["Issued Ordinary Shares"]. The Share Acquisition was at a price of RM7.00 per share which equates to GBP1.29 per Ordinary Share.

On completion of the Share Acquisition on 12 January 2015, the Company and persons acting in concert with it will hold 10,158,569 Ordinary Shares representing 76.29 percent of the Issued Ordinary Shares.

Under Rule 9 of the United Kingdom Takeover Code, the Company was required to make an offer for all of the Ordinary Shares of TNP that it does not already own.

On 22 December 2014, the Company announced that it would be making an unconditional mandatory offer ["Offer"] in cash for the 3,217,970 Ordinary Shares that it does not already own and agreed to acquire these shares at a price of GBP1.29 per Ordinary Share which valued the Ordinary Shares that are the subject of the Offer at GBP4.15 million and the whole of the Issued Ordinary Shares at GBP17.2 million.

34. Subsequent event (contd.)

Under the terms of the Offer, TNP's shareholders were being offered the opportunity to elect to receive an offer price of either GBP1.29 or RM7.00.

The Offer was initially opened for acceptance until 1.00 p.m. on 9 February 2015. Upon expiration of the initial offer, the offer was then extended until 1.00 p.m. on 23 February 2015. Upon expiration, the Offer was further extended until 1.00 p.m. on 16 March 2015. Another extension has since been announced and will remain open for acceptances until 1.00 p.m. on 30 March 2015.

On 19 March 2015, the board of the Company announced that valid acceptances have been received for in excess of 90 percent of the Shares to which the Offer relates and therefore the Company will now commence the procedures available to it under section 979 of the Companies Act to compulsorily acquire those TNP's shares which it does not already own.

The Company has decided to leave the Offer open for acceptances until the expiry of the compulsory purchase period.

As at 11.00 a.m. (London time) on 19 March 2015, the Company had received valid acceptances of the Offer in respect of 2,905,956 Ordinary Shares, representing approximately 21.82 percent of the existing issued share capital of TNP and 90.30 percent of the Offer shares. Of the 2,905,956 valid acceptances received, 53,939 are in respect of persons acting in concert, or deemed to be acting in concert, with the Company. The number of valid acceptances from Shareholders who elected to receive their consideration in Pounds Sterling was 1,727,209 Ordinary Shares and the number of valid acceptances from Shareholders who elected to receive their consideration in Ringgit Malaysia was 1,178,747 Ordinary Shares.

Together with the existing holding of 10,098,600 Ordinary Shares, the Company now owns or has valid acceptances of the Offer in respect of 13,004,556 Ordinary Shares, representing 97.66 percent of the issued share capital of TNP.

35. Supplementary information - breakdown of retained profits into realised and unrealised

The breakdown of the retained profits of the Group and of the Company as at 31 December 2014 and 2013 into realised and unrealised profits is presented in accordance with the directive issued by Bursa Malaysia Securities Berhad dated 25 March 2010 and prepared in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2014	**2013**	**2014**	**2013**
	RM	**RM**	**RM**	**RM**
Total retained profits				
- Realised	46,503,362	45,324,048	19,707,693	19,739,106
- Unrealised	3,576,570	3,406,999	(393,678)	(723,268)
Retained profits as per financial statements	50,079,932	48,731,047	19,314,015	19,015,838