

SIME DARBY PLANTATION BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows:

GROUP - 30 June 2017	United States	European Union	Others	Denominated in functional	Total
	dollar	euro		currencies	
	RM'000	RM'000	RM'000	RM'000	RM'000
Available-for-sale investments					
- non-current	22,769	-	-	87,620	110,389
Trade and other receivables (net)					
- non-current	-	-	82,802	-	82,802
- current	332,376	9,387	108,187	1,696,126	2,146,076
Bank balances, deposits and cash	87,455	5,900	58,814	561,279	713,448
Amounts due from fellow subsidiaries	-	-	-	43,031	43,031
Derivatives	14,273	413	664	40,834	56,184
Long-term borrowings	(5,141,209)	-	-	(1,271,269)	(6,412,478)
Short-term borrowings	(451,324)	-	-	(874,125)	(1,325,449)
Amount due to immediate holding company	-	-	-	(145,392)	(145,392)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	-	-
- current	-	-	-	(1,441,523)	(1,441,523)
Trade and other payables					
- non-current	-	-	-	(8,915)	(8,915)
- current	(79,795)	(3,458)	(132,253)	(1,537,926)	(1,753,432)
Derivatives	(24,424)	(355)	(56)	(2,897)	(27,732)
	<u>(5,239,879)</u>	<u>11,887</u>	<u>118,158</u>	<u>(2,853,157)</u>	<u>(7,962,991)</u>

Company No.

647766 V

SIME DARBY PLANTATION BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

GROUP - 30 June 2016	United States dollar RM'000	European Union euro RM'000	Others RM'000	Denominated in functional currencies RM'000	Total RM'000
Available-for-sale investments					
- non-current	20,749	-	-	88,255	109,004
- current	-	-	-	13,705	13,705
Trade and other receivables (net)					
- non-current	17,371	-	-	395,241	412,612
- current	372,844	107	173,386	1,226,489	1,772,826
Bank balances, deposits and cash	55,188	1,012	37,050	543,090	636,340
Amounts due from fellow subsidiaries	-	-	-	76,244	76,244
Derivatives	7,074	1,474	1,112	14,464	24,124
Long-term borrowings	(3,310,065)	-	-	(1,241,912)	(4,551,977)
Short-term borrowings	(70,841)	-	-	(899,547)	(970,388)
Amount due to immediate holding company	-	-	-	(705,759)	(705,759)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	(7,477,346)	(7,477,346)
- current	-	-	-	(101,835)	(101,835)
Trade and other payables					
- non-current	-	-	-	(1,514)	(1,514)
- current	(148,056)	(740)	(77,076)	(1,378,182)	(1,604,054)
Derivatives	(44,675)	(255)	-	(4,381)	(49,311)
	<u>(3,100,411)</u>	<u>1,598</u>	<u>134,472</u>	<u>(9,452,988)</u>	<u>(12,417,329)</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

GROUP - 30 June 2015	United States	European Union	Denominated in functional		Total
	dollar	euro	Others	currencies	
	RM'000	RM'000	RM'000	RM'000	RM'000
Available-for-sale investments					
- non-current	19,687	-	-	69,314	89,001
- current	-	-	-	14,207	14,207
Trade and other receivables (net)					
- non-current	-	-	-	352,386	352,386
- current	713,166	1,060	276,714	1,024,213	2,015,153
Bank balances, deposits and cash	181,706	1,431	92,917	826,361	1,102,415
Amounts due from fellow subsidiaries	-	-	-	227,829	227,829
Derivatives	10,113	-	-	2,955	13,068
Long-term borrowings	(3,115,135)	-	(106,924)	(369,960)	(3,592,019)
Short-term borrowings	(75,699)	-	(13,797)	(1,095,189)	(1,184,685)
Amount due to immediate holding company	-	-	-	(395,246)	(395,246)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	(700,000)	(700,000)
- current	-	-	-	(7,508,618)	(7,508,618)
Trade and other payables					
- non-current	-	-	-	(4,291)	(4,291)
- current	(132,138)	(129)	(68,872)	(1,622,155)	(1,823,294)
Derivatives	(27,803)	(2,492)	-	(1,237)	(31,532)
	<u>(2,426,103)</u>	<u>(130)</u>	<u>180,038</u>	<u>(9,179,431)</u>	<u>(11,425,626)</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

GROUP - 1 July 2014	United States	European Union	Others	Denominated in functional	Total
	dollar	euro		currencies	
	RM'000	RM'000	RM'000	RM'000	RM'000
Available-for-sale investments					
- non-current	-	-	-	79,658	79,658
- current	-	-	-	20,449	20,449
Trade and other receivables (net)					
- non-current	-	-	-	335,701	335,701
- current	702,811	-	9,592	901,513	1,613,916
Bank balances, deposits and cash	157,935	-	14,077	1,017,298	1,189,310
Amounts due from fellow subsidiaries	-	-	-	231,786	231,786
Derivatives	9,547	-	510	303	10,360
Long-term borrowings	-	-	-	(460,000)	(460,000)
Short-term borrowings	(38,679)	-	-	(100,000)	(138,679)
Amounts due to immediate holding company	-	-	-	(647,970)	(647,970)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	(1,175,537)	(1,175,537)
- current	-	-	-	(3,824,949)	(3,824,949)
Trade and other payables					
- non-current	-	-	-	(6,709)	(6,709)
- current	(31,939)	-	(91,863)	(1,177,981)	(1,301,783)
Derivatives	(4,258)	-	-	(1,249)	(5,507)
	<u>795,417</u>	<u>-</u>	<u>(67,684)</u>	<u>(4,807,687)</u>	<u>(4,079,954)</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

COMPANY - 30 June 2017	United States	European Union	Others	Denominated in functional	Total
	dollar	euro		currencies	
	RM'000	RM'000	RM'000	RM'000	RM'000
Available-for-sale investments	-	-	-	26,733	26,733
Trade and other receivables (net)	56,332	2,238	17,757	236,565	312,892
Bank balances, deposits and cash	6,641	-	-	97,512	104,153
Amounts due from fellow subsidiaries					
- current	-	-	-	2,226	2,226
Amounts due from subsidiaries					
- non-current	25,761	-	-	76,903	102,664
- current	184,025	50,086	9,596	288,130	531,837
Derivatives	3,683	-	-	25,694	29,377
Long-term borrowing	(5,141,209)	-	-	(135,000)	(5,276,209)
Short-term borrowings	(238,826)	-	-	(125,000)	(363,826)
Amount due to immediate holding company	-	-	-	(145,392)	(145,392)
Amounts due to subsidiaries					
- non-current	(525,958)	-	-	-	(525,958)
- current	(237,961)	-	(51,329)	(335,353)	(624,643)
Amounts due to fellow subsidiaries					
- current	-	-	-	(1,423,840)	(1,423,840)
Trade and other payables					
- non-current	(3,071)	(49,056)	(7,238)	(1,505)	(60,870)
- current	(46,910)	(5,007)	(1,475)	(443,992)	(497,384)
Derivatives	(2,315)	(99)	-	(2,683)	(5,097)
	<u>(5,919,808)</u>	<u>(1,838)</u>	<u>(32,689)</u>	<u>(1,859,002)</u>	<u>(7,813,337)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

COMPANY - 30 June 2016	United States	European Union	Others	Denominated in functional	Total
	dollar	euro		currencies	
	RM'000	RM'000	RM'000	RM'000	RM'000
Available-for-sale investments	-	-	-	18,723	18,723
Trade and other receivables (net)	132,113	-	24,436	134,769	291,318
Bank balances, deposits and cash	854	554	-	5,728	7,136
Amounts due from fellow subsidiaries					
- current	-	-	-	386	386
Amounts due from subsidiaries					
- non-current	24,089	-	-	77,137	101,226
- current	151,892	54,935	7,489	279,053	493,369
Derivatives	2,067	1,439	-	14,463	17,969
Long-term borrowing	(3,310,065)	-	-	(260,000)	(3,570,065)
Short-term borrowings	-	-	-	(110,000)	(110,000)
Amount due to immediate holding company	-	-	-	(705,759)	(705,759)
Amounts due to subsidiaries	(21,294)	(8,951)	(51,100)	(239,570)	(320,915)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	(7,477,346)	(7,477,346)
- current	-	-	-	(83,591)	(83,591)
Trade and other payables					
- non-current	-	-	-	(85,507)	(85,507)
- current	(33,814)	-	(2)	(493,031)	(526,847)
Derivatives	(41,638)	(255)	-	(4,362)	(46,255)
	<u>(3,095,796)</u>	<u>47,722</u>	<u>(19,177)</u>	<u>(8,928,907)</u>	<u>(11,996,158)</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

COMPANY - 30 June 2015	United States dollar RM'000	European Union euro RM'000	Others RM'000	Denominated in functional currencies RM'000	Total RM'000
Available-for-sale investments	-	-	-	17,644	17,644
Trade and other receivables (net)	66,809	-	23,018	168,422	258,249
Bank balances, deposits and cash	10,273	1,431	-	31,667	43,371
Amounts due from fellow subsidiaries	607	-	-	206,833	207,440
Amounts due from subsidiaries					
- non-current	22,702	-	-	93,050	115,752
- current	532,002	345,202	7,761	422,406	1,307,371
Derivatives	1,808	-	-	2,952	4,760
Long-term borrowing	(3,115,135)	-	-	(370,000)	(3,485,135)
Short-term borrowings	-	-	-	(90,000)	(90,000)
Amount due to immediate holding company	-	-	-	(395,748)	(395,748)
Amounts due to subsidiaries	(19,055)	(80)	(40,282)	(219,577)	(278,994)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	(700,000)	(700,000)
- current	-	-	-	(7,490,784)	(7,490,784)
Trade and other payables					
- non-current	-	-	-	(2,722)	(2,722)
- current	(47,819)	(10)	(401)	(564,742)	(612,972)
Derivatives	(10,094)	(2,472)	-	(353)	(12,919)
	<u>(2,557,902)</u>	<u>344,071</u>	<u>(9,904)</u>	<u>(8,890,952)</u>	<u>(11,114,687)</u>

Company No.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Currency profile of monetary financial assets and financial liabilities are as follows (continued):

COMPANY - 1 July 2014	United States dollar RM'000	European Union euro RM'000	Others RM'000	Denominated in functional currencies RM'000	Total RM'000
Available-for-sale investments	-	-	-	27,968	27,968
Trade and other receivables (net)	209,285	1	-	205,496	414,782
Bank balances, deposits and cash	27,639	720	-	118,578	146,937
Amounts due from fellow subsidiaries	-	-	-	231,562	231,562
Amounts due from subsidiaries					
- non-current	549,899	-	-	31,051	580,950
- current	5,207	375,605	10,878	92,237	483,927
Derivatives	-	-	-	3,209	3,209
Long-term borrowing	-	-	-	(460,000)	(460,000)
Short-term borrowing	-	-	-	(40,000)	(40,000)
Amount due to immediate holding company	-	-	-	(647,970)	(647,970)
Amounts due to subsidiaries	(189,163)	(7,730)	-	(309,885)	(506,778)
Amounts due to fellow subsidiaries					
- non-current	-	-	-	(700,000)	(700,000)
- current	-	-	-	(3,551,008)	(3,551,008)
Trade and other payables					
- non-current	-	-	-	(3,970)	(3,970)
- current	(1,031)	(23)	(135)	(563,571)	(564,760)
Derivatives	-	-	-	(1,211)	(1,211)
	<u>601,836</u>	<u>368,573</u>	<u>10,743</u>	<u>(5,567,514)</u>	<u>(4,586,362)</u>

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

The following table illustrates the effects of changes in exchange rate on the translation of foreign currency monetary items against the functional currency at 1 July 2014, 30 June 2015, 30 June 2016 and 30 June 2017, both before and after taking into account the hedge instruments. If the major currencies strengthened by the following percentage at the end of the reporting period, the Group's and Company's profit before tax will improve/(decline) by:

Major currency	Strengthened against RM by	Net monetary item RM'000	Hedged RM'000	Impact on profit after tax	
				Before hedge RM'000	After hedge RM'000
GROUP - 30 June 2017					
United States dollar					
- Assets	10%	456,873	442,248	45,687	1,463
- Liabilities	10%	(5,696,752)	(3,671)	(569,675)	(569,308)
European Union euro					
- Assets	10%	15,700	4,411	1,570	1,129
- Liabilities	10%	(3,813)	-	(381)	(381)
GROUP - 30 June 2016					
United States dollar					
- Assets	10%	473,226	333,031	47,323	14,020
- Liabilities	10%	(3,573,637)	(80,479)	(357,364)	(349,316)
European Union euro					
- Assets	10%	2,593	64,408	259	-
- Liabilities	10%	(995)	-	(100)	(100)
GROUP - 30 June 2015					
United States dollar					
- Assets	10%	924,672	414,894	92,467	50,978
- Liabilities	10%	(3,350,775)	(60,499)	(335,078)	(329,028)
European Union euro					
- Assets	10%	2,491	33,110	249	-
- Liabilities	10%	(2,621)	-	(262)	(262)
GROUP - 1 July 2014					
United States dollar					
- Assets	10%	870,293	544,005	87,029	32,629
- Liabilities	10%	(74,876)	-	(7,488)	(7,488)

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

The following table illustrates the effects of changes in exchange rate on the translation of foreign currency monetary items against the functional currency at 1 July 2014, 30 June 2015, 30 June 2016 and 30 June 2017, both before and after taking into account the hedge instruments. If the major currencies strengthened by the following percentage at the end of the reporting period, the Group's and Company's profit before tax will improve/(decline) by (continued):

Major currency	Strengthened against RM by	Net monetary item RM'000	Hedged RM'000	Impact on profit after tax	
				Before hedge RM'000	After hedge RM'000
COMPANY - 30 June 2017					
United States dollar					
- Assets	10%	276,442	137,683	27,644	13,876
- Liabilities	10%	(6,196,250)	-	(619,625)	(619,625)
European Union euro					
- Assets	10%	52,324	4,411	5,232	4,791
- Liabilities	10%	(54,162)	-	(5,416)	(5,416)
COMPANY - 30 June 2016					
United States dollar					
- Assets	10%	311,015	156,933	31,102	15,408
- Liabilities	10%	(3,406,811)	-	(340,681)	(340,681)
European Union euro					
- Assets	10%	56,928	64,408	5,693	-
- Liabilities	10%	(9,206)	-	(921)	(921)
COMPANY - 30 June 2015					
United States dollar					
- Assets	10%	634,201	87,454	63,420	54,675
- Liabilities	10%	(3,192,103)	(23,053)	(319,210)	(316,905)
European Union euro					
- Assets	10%	346,633	30,789	34,663	31,584
- Liabilities	10%	(2,562)	-	(256)	(256)
COMPANY - 1 July 2014					
United States dollar					
- Assets	10%	792,030	251,739	79,203	54,029
- Liabilities	10%	(190,194)	-	(19,019)	(19,019)
European Union euro					
- Assets	10%	376,326	-	37,633	37,633
- Liabilities	10%	(7,753)	-	(775)	(775)

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(i) Foreign currency exchange risk (continued)

Net monetary items balances are higher than hedged as the Group and Company do not hedge its foreign currency denominated bank balances, deposits and cash and amount due from subsidiaries.

A similar percentage decrease in the exchange rate would have an equal but opposite effect. Changes in exchange rate will also result in changes to the fair value of forward foreign exchange contracts used to hedge forecast transactions. No sensitivity is performed as the Group's exposure in those contracts is limited.

The table below illustrates the effects of changes in exchange rate on the translation of foreign operations' profit or loss. If the currency of foreign operations strengthened by the following percentage during the financial year and at the end of the reporting period, the Group's profit after tax and equity will improve/(decline) by:

Currency of foreign operations	Profit after tax RM'000	Strengthened against RM by	Impact on profit after tax RM'000
<u>2017</u>			
Indonesian rupiah	501,209	10%	50,121
United States dollar	283,347	10%	28,335
<u>2016</u>			
Indonesian rupiah	483,803	10%	48,380
United States dollar	31,238	10%	3,124
<u>2015</u>			
Indonesian rupiah	391,632	10%	39,163
United States dollar	60,890	10%	6,089

A similar percentage decrease in the exchange rate would have an equal but opposite effect.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(ii) Interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates. Interest rate exposure which arises from certain of the Group's borrowings is managed through the use of floating debt and derivative financial instruments. Derivative financial instruments are used, where appropriate, to generate the desired interest rate profile.

The percentages of fixed rate borrowings, both before and after taking into account the interest rate swap contracts, to the total borrowings at the end of the financial year are as follows:

	GROUP			
	30 June 2017	30 June 2016	30 June 2015	1 July 2014
	RM'000	RM'000	RM'000	RM'000
Total borrowings	7,737,927	5,522,365	4,776,704	598,679
Fixed rate borrowings	489,717	446,280	-	-
Floating rate borrowings (swapped to fixed)	1,502,725	1,405,163	1,040,531	-
Total fixed rate after swaps	1,992,442	1,851,443	1,040,531	-
	COMPANY			
	30 June 2017	30 June 2016	30 June 2015	1 July 2014
	RM'000	RM'000	RM'000	RM'000
Total borrowings	5,640,035	3,680,065	3,575,135	500,000
Floating rate borrowings (swapped to fixed)	1,502,725	1,405,163	1,040,531	-
Total fixed rate after swaps	1,502,725	1,405,163	1,040,531	-
Percentage of fixed rate borrowings over total borrowings				
	GROUP			
	6%	8%	-	-
- before swaps (%)	26%	34%	22%	-
- after swaps (%)				
	COMPANY			
	-	-	-	-
- before swaps (%)	27%	38%	29%	-
- after swaps (%)				

As at 30 June 2017, all of the Group's and Company's floating rate borrowings (after interest swap contracts) stood at RM5,745 million (30 June 2016: RM3,671 million, 30 June 2015: RM3,736 million, 1 July 2014: RM599 million) and RM4,137 million (30 June 2016: RM2,275 million, 30 June 2015: RM2,535 million, 1 July 2014: RM500 million) respectively. The following table demonstrates the effects of changes in interest rate on fixed and floating rate borrowings. If the interest rate increased by 1%, the Group's and Company's profit after tax will be higher/(lower) by:

	GROUP				COMPANY	
	2017	2016	2015	2017	2016	2015
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Profit after tax	(77,379)	(55,224)	(47,767)	(56,400)	(36,801)	(35,751)

A 1% decrease in interest rate would have an equal but opposite effect.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk

Credit risk arises on sales made on credit terms, derivatives with positive fair value and deposits with banks.

The Group seeks to control credit risk by dealing with customers and joint venture partners of appropriate credit history and transact and deposit with bank and financial institution of good credit ratings. Third party agencies' ratings are considered, if available. In addition, the customers' most recent financial statements, payment history and other relevant information are considered in the determination of credit risk. Customers are assessed at least annually and more frequently when information on significant changes in the customers' financial position becomes known. Credit terms and limit are set based on the assessment. Where appropriate, guarantees or securities are obtained to limit credit risk. Sales to customers are usually suspended when earlier amounts are overdue exceeding 180 days.

The Group is exposed to credit risk arising from financial guarantee contracts given to banks for joint ventures' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the joint ventures. Management is of the view that the financial guarantee contracts are unlikely to be called by the lenders.

The Group and Company receive collateral at the end of the reporting period, summarised as follows:

	GROUP		COMPANY	
	Maximum exposure	Collateral and credit enhancement	Maximum exposure	Collateral and credit enhancement
30 June 2017	RM'000	RM'000	RM'000	RM'000
Trade and other receivables (net)				
- non-current	82,802	-	-	-
- current	2,146,076	32,985	312,892	2,690
Amounts due from subsidiaries	-	-	634,501	-
Amounts due from fellow subsidiaries	43,031	-	2,226	-
Derivatives	56,184	-	29,377	-
Bank balances, deposits and cash	713,448	-	104,153	-
Guarantees in respect of credit facilities granted to:				
- a joint venture	25,901	-	25,901	-
- subsidiaries	-	-	958,905	-
- plasma stakeholders	69,268	-	-	-
	3,136,710	32,985	2,067,955	2,690

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50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

	GROUP		COMPANY	
	Maximum exposure	Collateral and credit enhancement	Maximum exposure	Collateral and credit enhancement
	RM'000	RM'000	RM'000	RM'000
30 June 2016				
Trade and other receivables (net)				
- non-current	412,612	-	-	-
- current	1,772,826	11,177	291,318	5,215
Amounts due from subsidiaries	-	-	594,595	-
Amounts due from fellow subsidiaries	76,244	-	386	-
Derivatives	24,124	-	17,969	-
Bank balances, deposits and cash	636,340	-	7,136	-
Guarantees in respect of credit facilities granted to:				
- a joint venture	28,060	-	28,060	-
- subsidiaries	-	-	1,425,381	-
- plasma stakeholders	61,568	-	-	-
	<u>3,011,774</u>	<u>11,177</u>	<u>2,364,845</u>	<u>5,215</u>
30 June 2015				
Trade and other receivables (net)				
- non-current	352,386	-	-	-
- current	2,015,153	6,280	258,249	4,034
Amounts due from subsidiaries	-	-	1,423,123	-
Amounts due from fellow subsidiaries	227,829	-	207,440	-
Derivatives	13,068	-	4,760	-
Bank balances, deposits and cash	1,102,415	-	43,371	-
Guarantees in respect of credit facilities granted to:				
- a joint venture	6,588	-	6,588	-
- plasma stakeholders	79,157	-	-	-
	<u>3,796,596</u>	<u>6,280</u>	<u>1,943,531</u>	<u>4,034</u>
1 July 2014				
Trade and other receivables (net)				
- non-current	335,701	-	-	-
- current	1,613,916	456,145	414,782	144,561
Amounts due from subsidiaries	-	-	1,064,877	-
Amounts due from fellow subsidiaries	231,786	-	231,562	-
Derivatives	10,360	-	3,209	-
Bank balances, deposits and cash	1,189,310	-	146,937	-
Guarantees in respect of credit facilities granted to:				
- a joint venture	14,897	-	14,897	-
- plasma stakeholders	61,524	-	-	-
	<u>3,457,494</u>	<u>456,145</u>	<u>1,876,264</u>	<u>144,561</u>

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50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

The credit risks concentration profile of the Group's trade receivables by country where the Group operates and by business segment at the end of the reporting date is as follows:

GROUP - 30 June 2017	Upstream activities	Downstream activities	Trading and others	Total
	RM'000	RM'000	RM'000	RM'000
Malaysia	126,936	289,790	287,311	704,037
Indonesia	7,552	27	754	8,333
Papua New Guinea	233,765	-	-	233,765
Thailand	-	144,421	-	144,421
Vietnam	-	13,875	-	13,875
Singapore	-	9,045	-	9,045
Solomon Island	1,522	-	-	1,522
Europe	-	153,847	-	153,847
United Kingdom	-	129,661	-	129,661
Africa	-	98,075	-	98,075
	<u>369,775</u>	<u>838,741</u>	<u>288,065</u>	<u>1,496,581</u>
In percentage (%)				
Malaysia	8.5	19.3	19.2	47.0
Indonesia	0.5	-	-	0.5
Papua New Guinea	15.6	-	-	15.6
Thailand	-	9.7	-	9.7
Vietnam	-	0.9	-	0.9
Singapore	-	0.6	-	0.6
Solomon Island	0.1	-	-	0.1
Europe	-	10.3	-	10.3
United Kingdom	-	8.7	-	8.7
Africa	-	6.6	-	6.6
	<u>24.7</u>	<u>56.1</u>	<u>19.2</u>	<u>100.0</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

The credit risk concentration profile of the Group's trade receivables by country where the Group operates and by business segments at the end of the reporting date is as follows (continued):

GROUP - 30 June 2016	Upstream activities	Downstream activities	Trading and others	Total
	RM'000	RM'000	RM'000	RM'000
Malaysia	34,697	233,299	251,641	519,637
Indonesia	12,714	127	1,662	14,503
Papua New Guinea	203,630	-	-	203,630
Thailand	-	100,574	-	100,574
Vietnam	-	17,172	-	17,172
Singapore	-	6,355	7,608	13,963
Solomon Island	1,743	-	-	1,743
Europe	-	406,245	-	406,245
Africa	-	126,516	-	126,516
	<u>252,784</u>	<u>890,288</u>	<u>260,911</u>	<u>1,403,983</u>
In percentage (%)				
Malaysia	2.5	16.6	17.9	37.0
Indonesia	0.9	-	0.1	1.0
Papua New Guinea	14.5	-	-	14.5
Thailand	-	7.2	-	7.2
Vietnam	-	1.2	-	1.2
Singapore	-	0.6	0.5	1.1
Solomon Island	0.1	-	-	0.1
Europe	-	28.9	-	28.9
Africa	-	9.0	-	9.0
	<u>18.0</u>	<u>63.5</u>	<u>18.5</u>	<u>100.0</u>

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50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

The credit risk concentration profile of the Group's trade receivables by country where the Group operates and by business segments at the end of the reporting date is as follows (continued):

GROUP - 30 June 2015	Upstream activities	Downstream activities	Trading and others	Total
	RM'000	RM'000	RM'000	RM'000
Malaysia	97,786	227,110	549,393	874,289
Indonesia	5,204	-	2,386	7,590
Papua New Guinea	123,104	17,771	-	140,875
Thailand	-	105,631	-	105,631
Vietnam	-	19,853	-	19,853
Singapore	-	17,793	-	17,793
Solomon Island	842	-	-	842
Europe	-	374,963	-	374,963
Africa	-	117,806	-	117,806
	<u>226,936</u>	<u>880,927</u>	<u>551,779</u>	<u>1,659,642</u>
In percentage (%)				
Malaysia	5.9	13.7	33.2	52.8
Indonesia	0.3	-	0.1	0.4
Papua New Guinea	7.4	1.1	-	8.5
Thailand	-	6.4	-	6.4
Vietnam	-	1.2	-	1.2
Singapore	-	1.1	-	1.1
Solomon Island	0.1	-	-	0.1
Europe	-	22.6	-	22.6
Africa	-	6.9	-	6.9
	<u>13.7</u>	<u>53.0</u>	<u>33.3</u>	<u>100.0</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

The credit risk concentration profile of the Group's trade receivables by country where the Group operates and by business segments at the end of the reporting date is as follows (continued):

GROUP - 1 July 2014	Upstream activities	Downstream activities	Trading and others	Total
	RM'000	RM'000	RM'000	RM'000
Malaysia	304,829	125,848	409,744	840,421
Indonesia	11,740	63,017	867	75,624
Thailand	-	94,374	-	94,374
Vietnam	-	22,101	-	22,101
Singapore	-	29,543	-	29,543
Europe	-	278,370	-	278,370
Africa	-	94,408	-	94,408
	<u>316,569</u>	<u>707,661</u>	<u>410,611</u>	<u>1,434,841</u>
In percentage (%)				
Malaysia	21.2	8.8	28.6	58.6
Indonesia	0.8	4.4	0.1	5.3
Thailand	-	6.6	-	6.6
Vietnam	-	1.5	-	1.5
Singapore	-	2.1	-	2.1
Europe	-	19.4	-	19.4
Africa	-	6.5	-	6.5
	<u>22.0</u>	<u>49.3</u>	<u>28.7</u>	<u>100.0</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iii) Credit risk (continued)

The credit risk concentration profile of the Company's trade receivables by country where the Company operates and by business segments at the end of the reporting date is as follows

	Upstream activities RM'000	Downstream activities RM'000	Total RM'000
COMPANY			
As at 30 June 2017	93,920	171,464	265,384
In percentage (%)			
As at 30 June 2017	35.4	64.6	100.0
COMPANY			
As at 30 June 2016	25,383	200,024	225,407
In percentage (%)			
As at 30 June 2016	11.3	88.7	100.0
COMPANY			
As at 30 June 2015	34,649	155,516	190,165
In percentage (%)			
As at 30 June 2015	18.2	81.8	100.0
COMPANY			
As at 1 July 2014	46,720	317,613	364,333
In percentage (%)			
As at 1 July 2014	12.8	87.2	100.0

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iv) Liquidity and cash flow risk

Liquidity and cash flow risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and Company's exposure to this risk arises primarily from mismatches of maturities of financial assets and liabilities. To mitigate this risk to an acceptable level, the Group maintains sufficient cash and marketable securities, and the availability of funding through an adequate amount of committed credit facilities.

The Group maintains centralised treasury functions where all strategic funding requirements are managed.

The undiscounted contractual cash flows of the Group's and the Company's financial liabilities are as follows:

	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
GROUP - 30 June 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade and other payables	1,716,949	-	68	8,847	1,725,864	1,725,864
Borrowings						
- principal	1,325,449	684,998	4,690,524	1,036,956	7,737,927	7,737,927
- interest	236,492	208,056	393,794	159,197	997,539	35,791
Financial guarantee contracts	19,354	15,780	42,764	19,431	97,329	692
Finance lease obligations	4,918	4,918	14,753	42,919	67,508	53,067
Intra-group payables	1,586,915	-	-	-	1,586,915	1,586,915
Derivatives:						
- gross settled	1,790,647	-	-	-	1,790,647	27,732
	<u>6,680,724</u>	<u>913,752</u>	<u>5,141,903</u>	<u>1,267,350</u>	<u>14,003,729</u>	<u>11,167,988</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iv) Liquidity and cash flow risk (continued)

The undiscounted contractual cash flows of the Group's and the Company's financial liabilities are as follows (continued):

	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
GROUP - 30 June 2016	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade and other payables	1,559,044	1,514	-	-	1,560,558	1,560,558
Borrowings						
- principal	970,388	1,805,660	1,738,537	1,007,780	5,522,365	5,522,365
- interest	143,835	93,287	137,093	123,970	498,185	44,381
Financial guarantee contracts	24,210	15,456	36,871	13,091	89,628	629
Finance lease obligations	10,985	10,985	32,953	110,649	165,572	128,611
Intra-group payables	807,594	6,777,346	-	700,000	8,284,940	8,284,940
Derivatives:						
- gross settled	744,472	-	-	-	744,472	49,311
	<u>4,260,528</u>	<u>8,704,248</u>	<u>1,945,454</u>	<u>1,955,490</u>	<u>16,865,720</u>	<u>15,590,795</u>
GROUP - 30 June 2015						
Trade and other payables	1,804,969	4,291	-	-	1,809,260	1,809,260
Borrowings						
- principal	1,184,685	216,884	2,542,620	832,515	4,776,704	4,776,704
- interest	92,254	63,445	108,661	18,404	282,764	18,044
Financial guarantee contracts	85,745	-	-	-	85,745	281
Finance lease obligations	11,824	11,824	35,473	131,663	190,784	146,023
Intra-group payables	7,903,864	-	-	700,000	8,603,864	8,603,864
Derivatives:						
- gross settled	960,046	-	-	-	960,046	31,532
	<u>12,043,387</u>	<u>296,444</u>	<u>2,686,754</u>	<u>1,682,582</u>	<u>16,709,167</u>	<u>15,385,708</u>
GROUP - 1 July 2014						
Trade and other payables	1,300,757	6,709	-	-	1,307,466	1,307,466
Borrowings						
- principal	138,679	90,000	370,000	-	598,679	598,679
- interest	19,090	16,220	24,852	-	60,162	745
Financial guarantee contracts	76,421	-	-	-	76,421	281
Finance lease obligations	10,464	11,363	34,089	139,140	195,056	151,762
Intra-group payables	4,472,919	475,537	-	700,000	5,648,456	5,648,456
Derivatives:						
- gross settled	691,928	-	-	-	691,928	5,507
	<u>6,710,258</u>	<u>599,829</u>	<u>428,941</u>	<u>839,140</u>	<u>8,578,168</u>	<u>7,712,896</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iv) Liquidity and cash flow risk (continued)

	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
COMPANY - 30 June 2017	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade and other payables	460,319	-	-	-	460,319	460,319
Borrowings						
- principal	363,826	607,237	4,668,972	-	5,640,035	5,640,035
- interest	131,639	114,746	117,580	-	363,965	25,009
Finance lease obligations	1,740	1,740	5,220	15,660	24,360	19,443
Financial guarantee contracts	172,322	95,719	72,522	644,244	984,807	72,926
Intra-group payables	2,193,875	-	-	525,958	2,719,833	2,719,833
Derivatives:						
- gross settled	410,750	-	-	-	410,750	5,097
	<u>3,734,471</u>	<u>819,442</u>	<u>4,864,294</u>	<u>1,185,862</u>	<u>10,604,069</u>	<u>8,942,662</u>
COMPANY - 30 June 2016						
Trade and other payables	487,252	-	-	-	487,252	487,252
Borrowings						
- principal	110,000	1,666,449	1,462,272	441,344	3,680,065	3,680,065
- interest	89,532	73,227	88,548	4,312	255,619	28,715
Finance lease obligations	5,853	5,853	17,558	60,930	90,194	70,313
Financial guarantee contracts	193,427	164,645	456,280	639,089	1,453,441	96,387
Intra-group payables	1,110,265	6,777,346	-	700,000	8,587,611	8,587,611
Derivatives:						
- gross settled	395,771	-	-	-	395,771	46,255
	<u>2,392,100</u>	<u>8,687,520</u>	<u>2,024,658</u>	<u>1,845,675</u>	<u>14,949,953</u>	<u>12,996,598</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(iv) Liquidity and cash flow risk (continued)

	On demand or within 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total contractual cash flows	Total carrying amount
COMPANY - 30 June 2015	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Trade and other payables	599,060	2,722	-	-	601,782	601,782
Borrowings						
- principal	90,000	110,000	2,542,620	832,515	3,575,135	3,575,135
- interest	71,623	62,066	109,599	18,404	261,692	13,904
Finance lease obligations	6,692	6,692	20,078	76,019	109,481	84,030
Financial guarantee contracts	6,588	-	-	-	6,588	8
Intra-group payables	8,165,526	-	-	700,000	8,865,526	8,865,526
Derivatives:						
- gross settled	316,522	-	-	-	316,522	12,919
	<u>9,256,011</u>	<u>181,480</u>	<u>2,672,297</u>	<u>1,626,938</u>	<u>13,736,726</u>	<u>13,153,304</u>
COMPANY - 1 July 2014						
Trade and other payables	564,479	3,970	-	-	568,449	568,449
Borrowings						
- principal	40,000	90,000	370,000	-	500,000	500,000
- interest	18,484	16,220	24,852	-	59,556	-
Finance lease obligations	6,692	6,692	20,078	82,711	116,173	87,724
Financial guarantee contracts	14,897	-	-	-	14,897	281
Intra-group payables	4,705,756	-	-	700,000	5,405,756	5,405,756
Derivatives:						
- gross settled	1,211	-	-	-	1,211	1,211
	<u>5,351,519</u>	<u>116,882</u>	<u>414,930</u>	<u>782,711</u>	<u>6,666,042</u>	<u>6,563,421</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Financial risk management objectives and policies (continued)

(v) Price risk

The Group and Company are largely exposed to commodity price risk due to fluctuations in crude palm oil futures prices.

The Group and Company enter into commodity futures contracts to minimise exposure to adverse movements in crude palm oil prices. Certain contracts are entered into and continue to be held for the purpose of the receipt or delivery of the physical commodity in accordance with the Group's and Company's expected purchase, sale or usage requirements. Contracts that are not held for the purpose of physical delivery are accounted for as derivatives and are disclosed in Note 30(b).

	Maturity period	Tonnage	Average contract price per tonne
	Months	Tonnes	RM
GROUP - 2017			
Sale contracts	1 - 12	168,069	3,071
Purchase contracts	1 - 12	140,697	2,828
GROUP - 2016			
Sale contracts	1- 12	67,741	2,657
Purchase contracts	1- 12	69,218	2,045
GROUP - 2015			
Sale contracts	1- 12	116,751	2,466
Purchase contracts	1- 12	142,038	2,393
COMPANY - 2017			
Sale contracts	1- 12	89,425	2,806
Purchase contracts	1- 12	23,975	2,593
COMPANY - 2016			
Sale contracts	1- 12	62,000	2,631
Purchase contracts	1- 12	51,975	2,480
COMPANY - 2015			
Sale contracts	1- 12	9,350	2,294
Purchase contracts	1- 12	34,150	2,194

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial instruments measured at fair value

In estimating the financial instruments carried at fair value, there are, in general, three different levels which can be defined as follows:

- (i) Level 1 - Quoted prices in active markets for identical assets or liabilities;
- (ii) Level 2 - Valuation inputs (other than level 1 input) that are observable for the asset or liability, either directly or indirectly;
- (iii) Level 3 - Valuation inputs that are not based on observable market data.

The following table presents the Group's and the Company's financial assets and liabilities that are measured at fair value at the end of the reporting date based on the three different levels as defined above:

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
GROUP - 30 June 2017				
Financial assets				
Available-for-sale investments	-	60,887	49,502	110,389
Derivatives				
- commodities futures contracts	-	42,136	-	42,136
- forward foreign exchange contracts	-	13,751	-	13,751
- interest rate swap contracts	-	297	-	297
	-	117,071	49,502	166,573
Financial liabilities				
Derivatives				
- commodities futures contracts	-	(8,170)	-	(8,170)
- forward foreign exchange contracts	-	(17,999)	-	(17,999)
- interest rate swap contracts	-	(1,563)	-	(1,563)
	-	(27,732)	-	(27,732)

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50. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial instruments measured at fair value (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
GROUP - 30 June 2016				
Financial assets				
Available-for-sale investments	13,705	61,183	47,821	122,709
Derivatives				
- commodities futures contracts	-	16,354	-	16,354
- forward foreign exchange contracts	-	7,770	-	7,770
	<u>13,705</u>	<u>85,307</u>	<u>47,821</u>	<u>146,833</u>
Financial liabilities				
Derivatives				
- commodities futures contracts	-	(6,113)	-	(6,113)
- forward foreign exchange contracts	-	(2,930)	-	(2,930)
- interest rate swap contracts	-	(40,268)	-	(40,268)
	<u>-</u>	<u>(49,311)</u>	<u>-</u>	<u>(49,311)</u>
GROUP - 30 June 2015				
Financial assets				
Available-for-sale investments	14,207	51,670	37,331	103,208
Derivatives				
- commodities futures contracts	-	12,710	-	12,710
- forward foreign exchange contracts	-	358	-	358
	<u>14,207</u>	<u>64,738</u>	<u>37,331</u>	<u>116,276</u>
Financial liabilities				
Derivatives				
- commodities futures contracts	-	(8,631)	-	(8,631)
- forward foreign exchange contracts	-	(20,505)	-	(20,505)
- interest rate swap contracts	-	(2,396)	-	(2,396)
	<u>-</u>	<u>(31,532)</u>	<u>-</u>	<u>(31,532)</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial instruments measured at fair value (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
GROUP - 1 July 2014				
Financial assets				
Available-for-sale investments	20,449	51,690	27,968	100,107
Derivatives				
- commodities futures contracts	-	5,195	-	5,195
- forward foreign exchange contracts	-	5,165	-	5,165
	<u>20,449</u>	<u>62,050</u>	<u>27,968</u>	<u>110,467</u>
Financial liabilities				
Derivatives				
- commodities futures contracts	-	(5,074)	-	(5,074)
- forward foreign exchange contracts	-	(433)	-	(433)
	<u>-</u>	<u>(5,507)</u>	<u>-</u>	<u>(5,507)</u>
COMPANY - 30 June 2017				
Financial assets				
Available-for-sale investments	-	-	26,733	26,733
Derivatives				
- forward foreign exchange contracts	-	2,788	-	2,788
- commodities futures contracts	-	26,292	-	26,292
- interest rate swap contracts	-	297	-	297
	<u>-</u>	<u>29,377</u>	<u>26,733</u>	<u>56,110</u>
Financial liabilities				
Derivatives				
- forward foreign exchange contracts	-	(837)	-	(837)
- commodities futures contracts	-	(2,697)	-	(2,697)
- interest rate swap contracts	-	(1,563)	-	(1,563)
	<u>-</u>	<u>(5,097)</u>	<u>-</u>	<u>(5,097)</u>

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50. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial instruments measured at fair value (continued)

	Level 1	Level 2	Level 3	Total
	RM'000	RM'000	RM'000	RM'000
COMPANY - 30 June 2016				
Financial asset				
Available-for-sale investments	-	-	18,723	18,723
Derivatives				
- forward foreign exchange contracts	-	3,506	-	3,506
- commodities futures contracts	-	14,463	-	14,463
	-	17,969	18,723	36,692
Financial liabilities				
Derivatives				
- forward foreign exchange contracts	-	(1,625)	-	(1,625)
- commodities futures contracts	-	(4,362)	-	(4,362)
- interest rate swap contracts	-	(40,268)	-	(40,268)
	-	(46,255)	-	(46,255)
COMPANY - 30 June 2015				
Financial asset				
Available-for-sale investments	-	-	17,644	17,644
Derivatives				
- forward foreign exchange contracts	-	1,808	-	1,808
- commodities futures contracts	-	2,952	-	2,952
	-	4,760	17,644	22,404
Financial liabilities				
Derivatives				
- forward foreign exchange contracts	-	(10,170)	-	(10,170)
- commodities futures contracts	-	(353)	-	(353)
- interest rate swap contracts	-	(2,396)	-	(2,396)
	-	(12,919)	-	(12,919)

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

50. FINANCIAL INSTRUMENTS (CONTINUED)

(d) Financial instruments measured at fair value (continued)

COMPANY - 1 July 2014	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Financial asset				
Available-for-sale investments	-	-	27,968	27,968
Derivatives				
- forward foreign exchange contracts	-	3,164	-	3,164
- commodities futures contracts	-	45	-	45
	-	3,209	27,968	31,177
Financial liabilities				
Derivatives				
- forward foreign exchange contracts	-	(8)	-	(8)
- commodities futures contracts	-	(1,203)	-	(1,203)
	-	(1,211)	-	(1,211)

If quoted market prices in active markets are available, these are considered Level 1. If such quoted market prices are not available, fair value are determined using market prices for similar assets or present value techniques, applying an appropriate risk-free interest rate adjusted for non-performance risk. The inputs used in present value techniques are observable and fall into the Level 2 category. It is classified into the Level 3 category if significant unobservable inputs are used.

The fair values of derivative are determined using quoted price of identical instruments from an active market, if available (Level 1). If quoted prices are not available, price quoted for similar instruments, appropriately adjusted or present value techniques, based on available market data, or option pricing models are used. The fair values obtained using price quotes for similar instruments or valuation techniques represent a Level 2 input unless significant unobservable inputs are used.

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50. FINANCIAL INSTRUMENTS (CONTINUED)

(e) Financial instruments measured at amortised costs

The carrying amounts and fair values of non-current financial assets and liabilities are measured at amortised cost.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

(i) Short-term financial instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values.

(ii) Long-term financial instruments

The fair value of the Group's long-term financial instruments is estimated by discounting the future contractual cash flows at the current market rate available to the Group for similar instruments.

51. CAPITAL MANAGEMENT

(a) Capital management objectives

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and maximise shareholder value. This is achieved through reviewing and managing its equity, debt (including funds received from the immediate holding company) and cash. Equity attributable to equity holder of the Company includes share capital, reserves and retained earnings.

The Group seeks to achieve optimal capital structure taking into account returns expected by shareholders, cost of debts, capital expenditure, investment opportunities, projected cash flows and externally imposed financial covenants. The Group has consistently paid out around 50% to 70% of its annual profit attributable to equity holder of the Company as dividends and reinvests the rest. Whilst the current practice provides a reasonable balance between expansion and cash dividends, the Group may adjust the dividend payout, equity levels and debt levels to achieve the optimal capital structure.

(i) Rating by External Rating Agencies

The Company and its capital market programmes are rated by both local and international rating agencies:

<u>Rating Agency</u>	<u>Company/Programme</u>	<u>Rating as at</u>	<u>Rating</u>
Fitch Ratings	Company and the USD1.5 billion Multi-currency Sukuk Programme	18.04.2017	BBB+
Moody's Investors Service	Company and the USD1.5 billion Multi-currency Sukuk Programme	26.05.2017	Baa1
Malaysian Rating Corporation Berhad	RM3.0 billion Perpetual Subordinated Sukuk Programme (Perpetual Sukuk)	06.06.2017	AAIs

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

51. CAPITAL MANAGEMENT (CONTINUED)

(a) Capital management objectives (continued)

(ii) Gearing ratio and interest cover

Gearing ratio and interest cover are some of the ratios used in capital management. Gearing ratio is calculated as gross debt divided by total equity. Gross debt is calculated as the total of borrowings and amount due to a fellow subsidiary (including "current and non-current" as shown in the consolidated statements of financial position). Interest cover is calculated as profit before interest divided by finance costs.

The ratios are as follows:

	GROUP			
	30 June 2017	30 June 2016	30 June 2015	1 July 2014
Gearing ratio (%)	60	130	137	62
Interest cover (times)	9	3	4	7

	COMPANY			
	30 June 2017	30 June 2016	30 June 2015	1 July 2014
Gearing ratio (%)	43	161	160	63
Interest cover (times)	7	2	2	5

(b) Externally imposed capital structure

In addition to optimising capital structure and complying with externally imposed financial covenants, the Group is also required to comply with statutory requirements in certain countries where the Group operates. This includes minimum capital requirement and the requirement to maintain legal reserves which are non-distributable.

The Group was in compliance with externally imposed capital requirements for the financial years ended 30 June 2017, 2016 and 2015.

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52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15

a) Transition from FRS to MFRS

As stated in Note 2 to the financial statements, these are the first set of financial statements of the Group and Company prepared in accordance with MFRSs. The accounting policies set out in Note 3 and the optional exemptions elected by the Group and Company have been applied in the opening MFRS statements of financial position as at 1 July 2014, being the transition date, and throughout all years presented as follows:

(i) MFRS 1 "First time adoption of Malaysian Financial Reporting Standards" ("MFRS 1")

As provided in MFRS 1, the Group and Company as first time adopter of MFRS have elected to apply the following exemptions on other MFRSs from a full retrospective application as explained below:

Business

MFRS 1 provides the option to apply MFRS 3 "Business combinations" prospectively for business combinations that occurred from the transition date or from a designated date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date or a designated date prior to the transition date. The Group elected to apply MFRS 3 prospectively to business combinations that occurred after 1 July 2014. Business combinations that occurred prior to 1 July 2014 have not been restated. The Group has also applied MFRS 127 "Consolidated and separate financial statements" from the same date.

Property, plant and equipment:

Under FRS, valuation adjustments on certain plantation land and building were incorporated into the financial statements. The Group and Company elected to use the previous revaluation as deemed cost as at the date of revaluation. Accordingly, the carrying amounts of these plantation land and building have not been restated. In addition, the revaluation reserves have been reclassified to retained earnings on the date of transition.

Cumulative translation differences:

MFRS 1 permits cumulative translation gains and losses to be reset to zero at the transition date. This provides relief from determining cumulative currency translation differences in accordance with MFRS 121 "The effects of changes in foreign exchange rates" from the date a foreign operation was acquired. The Group elected to reset the exchange reserve to zero in opening retained earnings as at 1 July 2014 and reclassified the exchange reserves to retained earnings. Correspondingly, transactions pertaining to the deemed disposals in foreign operations in subsequent financial years have also been reversed to profit or loss and other comprehensive income to reflect the effects of the reset of the exchange reserve as at 1 July 2014.

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52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

a) Transition from FRS to MFRS (continued)

(i) MFRS 1 "First time adoption of Malaysian Financial Reporting Standards" ("MFRS 1") (continued)

The effects on the financial statements arising from the elected exemptions described above under MFRS 1 are as follows:

	GROUP			
	2017	2016	2015	
	RM'000	RM'000	RM'000	
<u>Consolidated statements of profit or loss</u>				
Operating expenses	-	151	-	
Other gains and losses	-	-	124,739	
	<u>-</u>	<u>-</u>	<u>124,739</u>	
<u>Consolidated statements of comprehensive income</u>				
Currency translation differences of subsidiaries	-	(151)	(124,739)	
	<u>-</u>	<u>(151)</u>	<u>(124,739)</u>	
	30 June 2017	30 June 2016	30 June 2015	1 July 2014
	RM'000	RM'000	RM'000	RM'000
<u>Consolidated statements of financial position</u>				
<u>Equity</u>				
Revaluation reserves	(282,567)	(282,567)	(282,567)	(282,567)
Exchange reserves	685,494	685,494	685,645	810,384
	<u>402,927</u>	<u>402,927</u>	<u>403,078</u>	<u>527,817</u>
Retained earnings	<u>(402,927)</u>	<u>(402,927)</u>	<u>(403,078)</u>	<u>(527,817)</u>

(ii) MFRS 141 "Agriculture" ("MFRS 141")

As at 1 July 2014, the biological assets are measured at fair value less costs of disposal. Changes in fair value less costs of disposal are recognised in profit or loss. Harvested fresh fruit bunches are transferred to inventories at fair value less costs of disposal when harvested. The effects from the adoption of MFRS 141 on the financial statements are as follows:

	GROUP			
	2017	2016	2015	
	RM'000	RM'000	RM'000	
<u>Consolidated statements of profit or loss</u>				
Operating expenses	23,391	(25,976)	30,601	
Tax (expense)/credit	(5,434)	4,932	(9,671)	
	<u>17,957</u>	<u>(21,044)</u>	<u>20,930</u>	
<u>Consolidated statements of comprehensive income</u>				
Currency translation differences of subsidiaries	5,619	(2,212)	4,548	
	<u>23,576</u>	<u>(23,256)</u>	<u>25,478</u>	
	30 June 2017	30 June 2016	30 June 2015	1 July 2014
	RM'000	RM'000	RM'000	RM'000
<u>Consolidated statements of financial position</u>				
Biological assets	137,159	105,767	132,767	96,687
Deferred tax liabilities	<u>(38,845)</u>	<u>(31,029)</u>	<u>(34,774)</u>	<u>(24,172)</u>
	<u>98,314</u>	<u>74,738</u>	<u>97,993</u>	<u>72,515</u>
<u>Equity</u>				
Exchange reserves	7,319	1,700	3,911	(637)
Retained earnings	89,316	71,721	92,237	70,061
Non-controlling interests	1,679	1,317	1,845	3,091
	<u>98,314</u>	<u>74,738</u>	<u>97,993</u>	<u>72,515</u>

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NOTES TO THE FINANCIAL STATEMENTS
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52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

a) Transition from FRS to MFRS (continued)

(ii) MFRS 141 "Agriculture" (continued)

	COMPANY			
	<u>2017</u>	<u>2016</u>	<u>2015</u>	
	RM'000	RM'000	RM'000	
<u>Company statements of profit or loss</u>				
Operating expenses	19,359	(16,313)	1,567	
Tax (expense)/ credit	<u>(4,646)</u>	<u>3,915</u>	<u>124</u>	
	<u>30 June 2017</u>	<u>30 June 2016</u>	<u>30 June 2015</u>	<u>1 July 2014</u>
	RM'000	RM'000	RM'000	RM'000
<u>Company statements of financial position</u>				
Biological assets	54,580	35,221	51,534	49,967
Deferred tax liabilities	<u>(13,099)</u>	<u>(8,453)</u>	<u>(12,368)</u>	<u>(12,492)</u>
<u>Equity</u>				
Retained earnings	<u>41,481</u>	<u>26,768</u>	<u>39,166</u>	<u>37,475</u>

b) Early adoption of MFRS 15 "Revenue from Contracts with Customers" ("MFRS 15")

Prior to the adoption of MFRS 15, the Group's revenue from sale of goods and performance of services are recognised at the fair value of the consideration received or receivable upon delivery of goods or performance of services, net of discounts, allowances and indirect taxes.

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contract with customer. For contracts where sale of agricultural produce and refined palm oil related products are bundled with freight services, the sale of goods and provision of freight are accounted for as separate performance obligations. The transaction price is allocated to each performance obligation based on the stand-alone selling prices of the goods and services. Transaction price allocated to the provision of freight is deferred and recognised as revenue in the accounting period in which the services are rendered. The effects arising from deferral of revenue from provision of freight is disclosed in Note 52(d).

c) Reclassification

Certain revenue streams have been reclassified from other operating income/expenses to revenue to reflect a comparable presentation. The reclassifications which have no impact on the reported statements of profit or loss or statements of comprehensive income for the respective financial years are as disclosed in Note 52(d).

Company No.

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NOTES TO THE FINANCIAL STATEMENTS

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52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation

The transition to the MFRS framework and early adoption of MFRS 15 have resulted in changes to the Group's and Company's accounting policies when compared to those policies adopted in applying the FRS issued by the Malaysian Accounting Standards Board ("MASB"). The effects arising from these changes on the Group's and Company's statements of profit or loss, statements of comprehensive income and statements of financial position are set out in the reconciliations below:

Reconciliation of profit or loss for the financial year ended 30 June 2017

GROUP 30 June 2017	If reported under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As presented under MFRS RM'000
Revenue	14,806,088	-	(26,707)	-	14,779,381
Operating expenses	(13,039,612)	23,391	25,198	-	(12,991,023)
Other operating income	2,671,005	-	-	-	2,671,005
Other gains and losses	78,507	-	-	-	78,507
Operating profit	4,515,988	23,391	(1,509)	-	4,537,870
Share of results of joint ventures	(76,606)	-	-	-	(76,606)
Share of results of associates	(5,929)	-	-	-	(5,929)
Profit before interest and tax	4,433,453	23,391	(1,509)	-	4,455,335
Finance income	47,486	-	-	-	47,486
Finance costs	(471,858)	-	-	-	(471,858)
Profit before tax	4,009,081	23,391	(1,509)	-	4,030,963
Tax expense	(473,619)	(5,434)	-	-	(479,053)
Profit for the financial year	3,535,462	17,957	(1,509)	-	3,551,910
Profit for the financial year attributable to:					
- equity holder of the Company	3,491,013	17,595	(1,509)	-	3,507,099
- Perpetual Sukuk	2,724	-	-	-	2,724
- non-controlling interests	41,725	362	-	-	42,087
	3,535,462	17,957	(1,509)	-	3,551,910
	sen	sen	sen	sen	sen
Basic/diluted earnings per share attributable to equity holder of the Company	581.84	2.93	(0.25)	-	584.52

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of comprehensive income for the financial year ended 30 June 2017

GROUP 30 June 2017	If reported under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As presented under MFRS RM'000
Profit for the financial year	3,535,462	17,957	(1,509)	-	3,551,910
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences:					
- subsidiaries	208,961	5,619	-	-	214,580
- joint ventures	11,385	-	-	-	11,385
Available-for-sale investments					
- changes in fair value	(1,983)	-	-	-	(1,983)
Cash flow hedge					
- changes in fair value	6,763	-	-	-	6,763
- transfers to profit or loss	25,430	-	-	-	25,430
Tax expenses relating to components of other comprehensive income	(7,034)	-	-	-	(7,034)
	<u>243,522</u>	<u>5,619</u>	<u>-</u>	<u>-</u>	<u>249,141</u>
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gain on defined benefit plans	17,230	-	-	-	17,230
Share of other comprehensive income of joint ventures	(8,179)	-	-	-	(8,179)
Tax expenses relating to components of other comprehensive income	(4,292)	-	-	-	(4,292)
	<u>4,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,759</u>
Total other comprehensive income for the financial year	<u>248,281</u>	<u>5,619</u>	<u>-</u>	<u>-</u>	<u>253,900</u>
Total comprehensive income for the financial year	<u>3,783,743</u>	<u>23,576</u>	<u>(1,509)</u>	<u>-</u>	<u>3,805,810</u>
Total comprehensive income for the financial year attributable to:					
- equity holder of the Company	3,742,404	23,214	(1,509)	-	3,764,109
- Perpetual Sukuk	2,724	-	-	-	2,724
- non-controlling interests	38,615	362	-	-	38,977
	<u>3,783,743</u>	<u>23,576</u>	<u>(1,509)</u>	<u>-</u>	<u>3,805,810</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 30 June 2017

GROUP 30 June 2017	If reported under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As presented under MFRS RM'000
Non-current assets	23,794,526	-	-	-	23,794,526
Current assets	5,339,598	137,159	-	-	5,476,757
Non-current assets held for sale	183,594	-	-	-	183,594
Total assets	29,317,718	137,159	-	-	29,454,877
Share capital	600,000	-	-	-	600,000
Reserves	11,762,958	96,635	(1,509)	-	11,858,084
Attributable to equity holder of the Company	12,362,958	96,635	(1,509)	-	12,458,084
Perpetual Sukuk	2,231,384	-	-	-	2,231,384
Non-controlling interests	432,208	1,679	-	-	433,887
Total equity	15,026,550	98,314	(1,509)	-	15,123,355
Non-current liabilities	9,267,041	38,845	-	-	9,305,886
Current liabilities	5,008,732	-	1,509	-	5,010,241
Liabilities directly associated with non-current assets held for sale	15,395	-	-	-	15,395
Total liabilities	14,291,168	38,845	1,509	-	14,331,522
Total equity and liabilities	29,317,718	137,159	-	-	29,454,877

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52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of profit or loss for the financial year ended 30 June 2016

GROUP 30 June 2016	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Revenue	11,892,557	-	(6,613)	60,520	11,946,464
Operating expenses	(11,128,107)	(25,825)	6,609	16,412	(11,130,911)
Other operating income	408,034	-	-	(76,932)	331,102
Other gains and losses	121,303	-	-	-	121,303
Operating profit	1,293,787	(25,825)	(4)	-	1,267,958
Share of results of joint ventures	(1,883)	-	-	-	(1,883)
Share of results of associates	(6,706)	-	-	-	(6,706)
Profit before interest and tax	1,285,198	(25,825)	(4)	-	1,259,369
Finance income	43,763	-	-	-	43,763
Finance costs	(464,093)	-	-	-	(464,093)
Profit before tax	864,868	(25,825)	(4)	-	839,039
Tax credit	158,964	4,932	-	-	163,896
Profit for the financial year	1,023,832	(20,893)	(4)	-	1,002,935
Profit for the financial year attributable to:					
- equity holder of the Company	987,548	(20,365)	(4)	-	967,179
- non-controlling interests	36,284	(528)	-	-	35,756
	1,023,832	(20,893)	(4)	-	1,002,935
	sen	sen	sen	sen	sen
Basic/diluted earnings per share attributable to equity holder of the Company	164.59	(3.39)	-	-	161.20

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of comprehensive income for the financial year ended 30 June 2016

GROUP 30 June 2016	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Profit for the financial year	1,023,832	(20,893)	(4)	-	1,002,935
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences:					
- subsidiaries	423,654	(2,363)	-	-	421,291
- joint ventures	31,774	-	-	-	31,774
Available-for-sale investments					
- changes in fair value	18,438	-	-	-	18,438
Cash flow hedge					
- changes in fair value	(37,343)	-	-	-	(37,343)
- transfers to profit or loss	9,293	-	-	-	9,293
Tax credit relating to components of other comprehensive income	5,445	-	-	-	5,445
	<u>451,261</u>	<u>(2,363)</u>	<u>-</u>	<u>-</u>	<u>448,898</u>
Items that will not be reclassified subsequently to profit or loss:					
Actuarial gain on defined benefit plans	446	-	-	-	446
Share of other comprehensive income of joint ventures	5,573	-	-	-	5,573
Tax expenses relating to components of other comprehensive income	(113)	-	-	-	(113)
	<u>5,906</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,906</u>
Total other comprehensive income for the financial year	<u>457,167</u>	<u>(2,363)</u>	<u>-</u>	<u>-</u>	<u>454,804</u>
Total comprehensive income for the financial year	<u>1,480,999</u>	<u>(23,256)</u>	<u>(4)</u>	<u>-</u>	<u>1,457,739</u>
Total comprehensive income for the financial year attributable to:					
- equity holder of the Company	1,409,698	(22,728)	(4)	-	1,386,966
- non-controlling interests	71,301	(528)	-	-	70,773
	<u>1,480,999</u>	<u>(23,256)</u>	<u>(4)</u>	<u>-</u>	<u>1,457,739</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 30 June 2016

GROUP 30 June 2016	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Non-current assets	23,732,635	-	-	-	23,732,635
Current assets	4,594,845	105,767	-	-	4,700,612
Non-current assets held for sale	3,862	-	-	-	3,862
Total assets	28,331,342	105,767	-	-	28,437,109
Share capital	600,000	-	-	-	600,000
Reserves	8,918,760	73,421	(3)	-	8,992,178
Attributable to equity holder of the Company	9,518,760	73,421	(3)	-	9,592,178
Non-controlling interests	453,642	1,317	-	-	454,959
Total equity	9,972,402	74,738	(3)	-	10,047,137
Non-current liabilities	14,829,378	31,029	-	-	14,860,407
Current liabilities	3,529,562	-	3	-	3,529,565
Total liabilities	18,358,940	31,029	3	-	18,389,972
Total equity and liabilities	28,331,342	105,767	-	-	28,437,109

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of profit or loss for the financial year ended 30 June 2015

GROUP 30 June 2015	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Revenue	10,286,413	-	(20,922)	38,550	10,304,041
Operating expenses	(9,254,072)	30,601	20,579	17,638	(9,185,254)
Other operating income	389,332	-	-	(56,188)	333,144
Other gains and losses	(5,753)	124,739	-	-	118,986
Operating profit	1,415,920	155,340	(343)	-	1,570,917
Share of results of joint ventures	(33,774)	-	-	-	(33,774)
Share of results of associates	457	-	-	-	457
Profit before interest and tax	1,382,603	155,340	(343)	-	1,537,600
Finance income	85,517	-	-	-	85,517
Finance costs	(307,194)	-	-	-	(307,194)
Profit before tax	1,160,926	155,340	(343)	-	1,315,923
Tax expense	(274,806)	(9,671)	-	-	(284,477)
Profit for the financial year	886,120	145,669	(343)	-	1,031,446
Profit for the financial year attributable to:					
- equity holder of the Company	850,541	146,915	(343)	-	997,113
- non-controlling interests	35,579	(1,246)	-	-	34,333
	886,120	145,669	(343)	-	1,031,446
	sen	sen	sen	sen	sen
Basic/diluted earnings per share attributable to equity holder of the Company	141.76	24.49	(0.06)	-	166.19

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of comprehensive income for the financial year ended 30 June 2015

GROUP 30 June 2015	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Profit for the financial year	886,120	145,669	(343)	-	1,031,446
Items that will be reclassified subsequently to profit or loss:					
Currency translation differences:					
- subsidiaries	647,781	(120,191)	-	-	527,590
- joint ventures	5,223	-	-	-	5,223
Available-for-sale investments					
- changes in fair value	(16,587)	-	-	-	(16,587)
Cash flow hedge					
- changes in fair value	(3,500)	-	-	-	(3,500)
- transfers to profit or loss	(7,342)	-	-	-	(7,342)
Tax credit relating to components of other comprehensive income	3,792	-	-	-	3,792
	629,367	(120,191)	-	-	509,176
Items that will not be reclassified subsequently to profit or loss:					
Actuarial loss on defined benefit plans	(7,494)	-	-	-	(7,494)
Share of other comprehensive loss of joint ventures	(20,857)	-	-	-	(20,857)
Tax credit relating to components of other comprehensive income	1,954	-	-	-	1,954
	(26,397)	-	-	-	(26,397)
Total other comprehensive income for the financial year	602,970	(120,191)	-	-	482,779
Total comprehensive income for the financial year	1,489,090	25,478	(343)	-	1,514,225
Total comprehensive income for the financial year attributable to:					
- equity holder of the Company	1,428,708	26,724	(343)	-	1,455,089
- non-controlling interests	60,382	(1,246)	-	-	59,136
	1,489,090	25,478	(343)	-	1,514,225

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 30 June 2015

GROUP 30 June 2015	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Non-current assets	22,040,542	-	-	-	22,040,542
Current assets	5,307,185	132,767	(6)	-	5,439,946
Non-current assets held for sale	10,712	-	-	-	10,712
Total assets	27,358,439	132,767	(6)	-	27,491,200
Share capital	600,000	-	-	-	600,000
Reserves	8,209,062	96,148	2	-	8,305,212
Attributable to equity holder of the Company	8,809,062	96,148	2	-	8,905,212
Non-controlling interests	558,996	1,845	-	-	560,841
Total equity	9,368,058	97,993	2	-	9,466,053
Non-current liabilities	6,998,202	34,774	-	-	7,032,976
Current liabilities	10,992,179	-	(8)	-	10,992,171
Total liabilities	17,990,381	34,774	(8)	-	18,025,147
Total equity and liabilities	27,358,439	132,767	(6)	-	27,491,200

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 1 July 2014

GROUP 1 July 2014	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Non-current assets	13,175,198	-	-	-	13,175,198
Current assets	3,973,144	96,687	(24)	-	4,069,807
Total assets	17,148,342	96,687	(24)	-	17,245,005
Share capital	600,000	-	-	-	600,000
Reserves	7,380,354	69,424	345	-	7,450,123
Attributable to equity holder of the Company	7,980,354	69,424	345	-	8,050,123
Non-controlling interests	490,893	3,091	-	-	493,984
Total equity	8,471,247	72,515	345	-	8,544,107
Non-current liabilities	2,656,551	24,172	-	-	2,680,723
Current liabilities	6,020,544	-	(369)	-	6,020,175
Total liabilities	8,677,095	24,172	(369)	-	8,700,898
Total equity and liabilities	17,148,342	96,687	(24)	-	17,245,005

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of profit or loss for the financial year ended 30 June 2017

COMPANY 30 June 2017	If reported under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As presented under MFRS RM'000
Revenue	4,238,223	-	(138)	-	4,238,085
Operating expenses	(3,335,861)	54,580	-	-	(3,281,281)
Other operating income	2,424,808	-	-	-	2,424,808
Other gains and losses	(215,479)	-	-	-	(215,479)
Profit before interest and tax	3,111,691	54,580	(138)	-	3,166,133
Finance income	18,950	-	-	-	18,950
Finance costs	(444,606)	-	-	-	(444,606)
Profit before tax	2,686,035	54,580	(138)	-	2,740,477
Tax expenses	(132,044)	(13,099)	-	-	(145,143)
Profit for the financial year	2,553,991	41,481	(138)	-	2,595,334
Profit for the financial year attributable to:					
- equity holder of the Company	2,551,267	41,481	(138)	-	2,592,610
- Perpetual Sukuk	2,724	-	-	-	2,724

Reconciliation of comprehensive income for the financial year ended 30 June 2017

Profit for the financial year	2,553,991	41,481	(138)	-	2,595,334
Other comprehensive income/(loss)					
Items that will be reclassified subsequently to profit or loss:					
Available-for-sale investments					
- changes in fair value	8,010	-	-	-	8,010
Cash flow hedge					
- changes in fair value	40,553	-	-	-	40,553
- transfer to profit and loss	513	-	-	-	513
Tax expenses relating to components of other comprehensive income	(8,088)	-	-	-	(8,088)
	40,988	-	-	-	40,988
Total comprehensive income for the financial year	2,594,979	41,481	(138)	-	2,636,322
Total comprehensive income for the financial year attributable to:					
- the equity holder of the Company	2,592,255	41,481	(138)	-	2,633,598
- Perpetual Sukuk	2,724	-	-	-	2,724

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 30 June 2017

COMPANY 30 June 2017	If reported under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	As presented under MFRS RM'000
Non-current assets	19,215,759	-	-	19,215,759
Current assets	1,131,542	54,580	-	1,186,122
Non-current assets held for sale	108,107	-	-	108,107
Total assets	20,455,408	54,580	-	20,509,988
Share capital	600,000	-	-	600,000
Reserves	8,016,027	41,481	(138)	8,057,370
Perpetual Sukuk	2,231,384	-	-	2,231,384
Attributable to equity holder of the Company	10,847,411	41,481	(138)	10,888,754
Non-current liabilities	6,559,066	(13,099)	-	6,545,967
Current liabilities	3,075,129	-	138	3,075,267
Total equity and liabilities	20,481,606	28,382	-	20,509,988

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of profit or loss for the financial year ended 30 June 2016

COMPANY 30 June 2016	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Revenue	3,535,492	-	(86)	67,058	3,602,464
Operating expenses	(2,768,789)	(16,313)	-	-	(2,785,102)
Other operating income	155,259	-	-	(67,058)	88,201
Other gains and losses	(135,088)	-	-	-	(135,088)
Profit before interest and tax	786,874	(16,313)	(86)	-	770,475
Finance income	23,699	-	-	-	23,699
Finance costs	(436,740)	-	-	-	(436,740)
Profit before tax	373,833	(16,313)	(86)	-	357,434
Tax expenses	(56,075)	3,915	-	-	(52,160)
Profit for the financial year	<u>317,758</u>	<u>(12,398)</u>	<u>(86)</u>	<u>-</u>	<u>305,274</u>
Profit for the financial year attributable to:					
- equity holder of the Company	<u>317,758</u>	<u>(12,398)</u>	<u>(86)</u>	<u>-</u>	<u>305,274</u>

Reconciliation of comprehensive income for the financial year ended 30 June 2016

Profit for the financial year	<u>317,758</u>	<u>(12,398)</u>	<u>(86)</u>	<u>-</u>	<u>305,274</u>
Other comprehensive income/(loss)					
Items that will be reclassified subsequently to profit or loss:					
Available-for-sale investments					
- changes in fair value	1,079	-	-	-	1,079
Cash flow hedge					
- changes in fair value	(38,355)	-	-	-	(38,355)
- transfer to profit and loss	2,807	-	-	-	2,807
Tax credit relating to components of other comprehensive income	7,476	-	-	-	7,476
	<u>(26,993)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(26,993)</u>
Total comprehensive income for the financial year	<u>290,765</u>	<u>(12,398)</u>	<u>(86)</u>	<u>-</u>	<u>278,281</u>
Total comprehensive income for the financial year attributable to:					
- equity holder of the Company	<u>290,765</u>	<u>(12,398)</u>	<u>(86)</u>	<u>-</u>	<u>278,281</u>

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 30 June 2016

COMPANY 30 June 2016	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	As restated under MFRS RM'000
Non-current assets	19,472,241	-	-	19,472,241
Current assets	980,824	35,221	148	1,016,193
Total assets	20,453,065	35,221	148	20,488,434
Share capital	600,000	-	-	600,000
Reserves	6,297,628	26,768	(624)	6,323,772
Attributable to equity holder of the Company	6,897,628	26,768	(624)	6,923,772
Non-current liabilities	11,754,439	8,453	154	11,763,046
Current liabilities	1,800,998	-	618	1,801,616
Total equity and liabilities	20,453,065	35,221	148	20,488,434

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of profit or loss for the financial year ended 30 June 2015

COMPANY 30 June 2015	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	Reclass- ification RM'000	As restated under MFRS RM'000
Revenue	3,314,857	-	(48)	53,511	3,368,320
Operating expenses	(2,676,179)	1,567	-	-	(2,674,612)
Other operating income	155,145	-	-	(53,511)	101,634
Other gains and losses	(4,643)	-	-	-	(4,643)
Profit before interest and tax	789,180	1,567	(48)	-	790,699
Finance income	26,203	-	-	-	26,203
Finance costs	(312,395)	-	-	-	(312,395)
Profit before tax	502,988	1,567	(48)	-	504,507
Tax expenses	(59,049)	124	-	-	(58,925)
Profit for the financial year	443,939	1,691	(48)	-	445,582
Profit for the financial year attributable to:					
- equity holder of the Company	443,939	1,691	(48)	-	445,582

Reconciliation of comprehensive income for the financial year ended 30 June 2015

Profit for the financial year	443,939	1,691	(48)	-	445,582
Other comprehensive income/(loss)					
Items that will be reclassified subsequently to profit or loss:					
Available-for-sale investments					
- changes in fair value	(10,324)	-	-	-	(10,324)
Cash flow hedge					
- changes in fair value	(2,363)	-	-	-	(2,363)
- transfer to profit and loss	(3,113)	-	-	-	(3,113)
Tax credit relating to components of other comprehensive income	1,323	-	-	-	1,323
	(14,477)	-	-	-	(14,477)
Total comprehensive income for the financial year	429,462	1,691	(48)	-	431,105
Total comprehensive income for the financial year attributable to:					
- the equity holder of the Company	429,462	1,691	(48)	-	431,105

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

52. FIRST-TIME ADOPTION OF MFRS FRAMEWORK AND EARLY ADOPTION OF MFRS 15 (CONTINUED)

d) Reconciliation (continued)

Reconciliation of financial position and equity as at 30 June 2015

COMPANY 30 June 2015	Previously stated under FRS RM'000	Effects of transition to MFRS RM'000	Effects of MFRS 15 RM'000	As restated under MFRS RM'000
Non-current assets	18,908,113	-	-	18,908,113
Current assets	2,063,147	51,534	128	2,114,809
Total assets	20,971,260	51,534	128	21,022,922
Share capital	600,000	-	-	600,000
Reserves	6,706,862	39,166	(537)	6,745,491
Attributable to equity holder of the Company	7,306,862	39,166	(537)	7,345,491
Non-current liabilities	4,772,530	12,368	133	4,785,031
Current liabilities	8,891,868	-	532	8,892,400
Total equity and liabilities	20,971,260	51,534	128	21,022,922

Reconciliation of financial position and equity as at 1 July 2014

COMPANY 1 July 2014				
Non-current assets	12,975,011	-	-	12,975,011
Current assets	1,498,340	49,967	116	1,548,423
Total assets	14,473,351	49,967	116	14,523,434
Share capital	600,000	-	-	600,000
Reserves	6,872,588	37,475	(489)	6,909,574
Attributable to equity holder of the Company	7,472,588	37,475	(489)	7,509,574
Non-current liabilities	1,685,342	12,492	121	1,697,955
Current liabilities	5,315,421	-	484	5,315,905
Total equity and liabilities	14,473,351	49,967	116	14,523,434

e) Consolidated and Company statements of cash flows

The transition to MFRS framework has no impact on the net changes on cash flows generated from operating, investing and financing activities by the Group and the Company.

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

(i) Subsidiaries which are active as at 30 June 2017 are as follows:

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Chartquest Sdn Bhd	Malaysia	61.1	61.1	61.1	61.1	1	Cultivation of oil palm
Chermang Development (Malaya) Sdn Bhd	Malaysia	83.9	83.9	83.9	83.9	1	Investment holding
Consolidated Plantations Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Golden Hope Overseas Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Guthrie Industries Malaysia Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel
Guthrie International Investments (L) Ltd	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Kumpulan Jelei Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Mostyn Palm Processing Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Sanguine (Malaysia) Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Cultivation of oil palm
Sime Darby Agri-Bio Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Manufacturing of rat baits and trading of agricultural related products
Sime Darby Austral Holdings Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(i) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Sime Darby Austral Sdn Bhd	Malaysia	60.0	60.0	60.0	60.0	1	Processing of palm oil and palm kernel oil
Sime Darby Biodiesel Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Production and sale of biodiesel and related products
Sime Darby Biotech Laboratories Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Provision of oil palm tissue culture services
Sime Darby Consulting Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Sime Darby Foods & Beverages Marketing Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Distribution and marketing of cooking oil, tocotrienols, guava juices and palm related products
Sime Darby Futures Trading Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Trading of crude palm oil and palm oil products and sub-marketing agent of refined products
Sime Darby Global Berhad	Malaysia	100.0	-	-	-	1	Special purpose vehicle for the issue of securities programme
Sime Darby Global Trading (Labuan) Limited	Malaysia	100.0	-	-	-	1	Trading of commodity
Sime Darby Plantation IT Sdn Bhd (formerly known as Sime Darby Jomalina Sdn Bhd)	Malaysia	100.0	100.0	100.0	100.0	1	Provision of information technology related matters
Sime Darby Kempas Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Processing of edible oil and related products
Sime Darby Latex Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Investment property holding
Sime Darby Plantation (Sabah) Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel
Sime Darby Plantation (Sarawak) Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(i) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Sime Darby Plantation Childcare Centre Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Provision of childcare services to employees based in Ara Damansara
Sime Darby Plantation Intellectual Property Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Registered holder of commercial patents, trademarks, copyrights, trade security and intellectual property rights
Sime Darby Plantation Thailand Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Investment holding
Sime Darby Research Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Research and development services to group companies in relation to tropical agriculture
Sime Darby Seeds & Agricultural Services Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Agricultural research and advisory services, production and sale of oil palm seeds and seedlings
Sime Darby Technology Centre Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Research and development services in biotechnology and agriculture
The China Engineers (Malaysia) Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Cultivation of oil palm and processing of palm oil and palm kernel
Wangsa Mujur Sdn Bhd	Malaysia	72.5	72.5	72.5	72.5	1	Cultivation of oil palm and processing of palm oil and palm kernel
PT Aneka Intipersada	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Aneka Sawit Lestari	Indonesia	100.0	100.0	100.0	100.0	2	Production and sale of oil palm planting materials
PT Anugerah Sumbermakmur	Indonesia	100.0	100.0	100.0	100.0	2	Investment holding

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(j) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
PT Asricipta Indah	Indonesia	90.0	90.0	90.0	90.0	2	Investment holding
PT Bahari Gembira Ria	Indonesia	99.0	99.0	99.0	99.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Bersama Sejahtera Sakti	Indonesia	91.1	91.1	91.1	91.1	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Bhumireksa Nusasejati	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Bina Sains Cemerlang	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Budidaya Agro Lestari	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm
PT Golden Hope Nusantara	Indonesia	100.0	100.0	100.0	100.0	2	Processing of palm oil products
PT Guthrie Pecconina Indonesia	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Indo Sukses Lestari Makmur	Indonesia	95.0	95.0	95.0	95.0	2	Development of rubber plantation
PT Indotruba Tengah	Indonesia	50.0	50.0	50.0	50.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Kartika Inti Perkasa	Indonesia	60.0	60.0	60.0	60.0	2	Investment holding
PT Kridatama Lancar	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(i) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
PT Ladangrumpun Suburabadi	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Laguna Mandiri	Indonesia	88.6	88.6	88.6	88.6	2	Cultivation of oil palm and processing of palm oil, palm kernel and palm kernel oil
PT Lahan Tani Sakti	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Langgeng Muaramakmur	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Minamas Gemilang	Indonesia	100.0	100.0	100.0	100.0	2	Investment holding
PT Mitra Austral Sejahtera	Indonesia	65.0	65.0	65.0	65.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Muda Perkasa Sakti	Indonesia	100.0	100.0	100.0	100.0	2	Investment holding
PT Padang Palma Permai	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Paripurna Swakarsa	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Perkasa Subur Sakti	Indonesia	100.0	100.0	100.0	100.0	2	Processing of palm oil and palm kernel
PT Perusahaan Perkebunan Industri dan Niaga Sri Kuala	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm
PT Sajang Heulang	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(i) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
PT Sangika Natapalma	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Sime Agri Bio	Indonesia	100.0	100.0	100.0	100.0	2	Trading of agricultural related products
PT Sime Indo Agro	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Sritijaya Abaditama	Indonesia	60.0	60.0	60.0	60.0	2	Investment holding
PT Swadaya Andika	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Tamaco Graha Krida	Indonesia	90.0	90.0	90.0	90.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Teguh Sempurna	Indonesia	100.0	100.0	100.0	100.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Tunggal Mitra Plantations	Indonesia	60.0	60.0	60.0	60.0	2	Cultivation of oil palm and processing of palm oil and palm kernel
PT Timbang Deli Indonesia	Indonesia	49.0	49.0	49.0	-	2	Oil palm seed production and cultivation of rubber
Kula Palm Oil Limited	Papua New Guinea	100.0	100.0	100.0	-	2	Cultivation of oil palm and processing of palm oil, palm kernel and palm kernel oil
New Britain Palm Oil Limited	Papua New Guinea	100.0	100.0	100.0	-	2	Cultivation of oil palm and processing of palm oil, palm kernel and palm kernel oil
Poliamba Limited	Papua New Guinea	100.0	100.0	100.0	-	2	Cultivation of oil palm and processing of palm oil, palm kernel and palm kernel oil

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(i) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Ramu Agri-Industries Limited	Papua New Guinea	100.0	100.0	100.0	-	2	Cultivation of oil palm and growing canes, cattle rearing, processing and sale of palm oil, palm kernel oil, sugar, ethanol and beef
Guadalcanal Plains Palm Oil Limited	Solomon Islands	80.0	80.0	80.0	-	3	Cultivation of oil palm and processing of palm oil, palm kernel and palm kernel oil
New Britain Plantation Services Pte Ltd	Singapore	100.0	100.0	100.0	-	2	Investing and managing oil palm plantations and seed production ventures
Ultra Oleum Pte Limited	Singapore	100.0	100.0	100.0	-	2	Investment holding
Verdant Bioscience Pte Ltd	Singapore	52.0	52.0	52.0	-	2	Agriculture science and research
New Britain Oils Limited	United Kingdom	100.0	100.0	100.0	-	2	Processing of edible oil and related products
Sime Darby Edible Products Limited	Singapore	100.0	100.0	100.0	100.0	2	Marketing of edible oil and related products
Sime Darby Plantation Europe Ltd	Singapore	100.0	100.0	100.0	100.0	2	Investment holding
Sime Darby Plantation Investment (Liberia) Private Limited	Singapore	100.0	100.0	100.0	100.0	2	Investment holding
Sime Darby China Oils And Fats Company Limited	Hong Kong SAR	100.0	100.0	100.0	100.0	2	Investment holding
Sime Darby Hong Kong Nominees Limited	Hong Kong SAR	100.0	100.0	100.0	100.0	2	Investment holding
Sime Darby Edible Products India Private Limited	India	100.0	100.0	100.0	100.0	2	Providing market support services
Industrial Enterprises Co., Ltd	Thailand	99.9	99.9	99.9	-	2	Processing of soya bean oil and related products

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(i) Subsidiaries which are active as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Morakot Industries Public Company Limited	Thailand	99.9	99.9	99.9	99.9	2	Processing and marketing of edible oil and related products
Sime-Morakot Holdings (Thailand) Limited	Thailand	100.0	100.0	100.0	100.0	2	Investment holding
The China Engineers (Thailand) Limited	Thailand	99.9	99.9	99.9	99.9	2	Investment holding
Golden Hope-Nha Be Edible Oils Co Ltd	Vietnam	51.0	51.0	51.0	51.0	2	Processing and marketing of edible oil and related products
Sime Darby International Investments Limited	Cayman Islands	100.0	100.0	100.0	100.0	4	Investment holding
Sime Darby Plantation Holdings (Asia Pacific)	Cayman Islands	100.0	100.0	100.0	100.0	4	Investment holding
Sime Darby Plantation Holdings (Cayman Islands)	Cayman Islands	100.0	100.0	100.0	100.0	4	Investment holding
Sime Darby Plantation (Liberia) Inc	Liberia	100.0	100.0	100.0	100.0	3	Cultivation of oil palm and rubber
Golden Hope Overseas Capital	Mauritius	100.0	100.0	100.0	100.0	2	Investment holding
Mulligan International B.V.	Netherlands	100.0	100.0	100.0	100.0	2	Investment holding
Sime Darby Netherlands B.V.	Netherlands	100.0	100.0	100.0	100.0	2	Investment holding
Sime Darby Unimills B.V.	Netherlands	100.0	100.0	100.0	100.0	2	Processing and marketing of edible oil and related products
Sime Darby Hudson And Knight (Proprietary) Limited	South Africa	100.0	100.0	100.0	100.0	3	Processing and marketing of edible oil and related products

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(ii) Joint ventures which are active as at 30 June 2017 are as follows:

<u>Name of company</u>	<u>Country of incorporation/ Principal place of business</u>	<u>Group's effective interest (%)</u>				<u>Auditors</u>	<u>Principal activities</u>
		<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>		
Emery Oleochemicals (M) Sdn Bhd	Malaysia	50.0	50.0	50.0	50.0	3	Investment holding, production of fatty acids, fatty alcohols, refined glycerine, oilfield chemicals, ozone acids, plastic additives methyl esters and other oleochemical derivatives
Emery Specialty Chemicals Sdn Bhd	Malaysia	50.0	50.0	50.0	50.0	3	Investment holding
Mybiomass Sdn Bhd	Malaysia	30.0	30.0	30.0	30.0	3	Develop and pioneer high value green chemicals biorefinery through a coordinated aggregation
Sime Darby TNBES Renewable Energy Sdn Bhd	Malaysia	51+	51+	51+	-	1	Production and sale of renewable energy using palm oil effluents
Guangzhou Keylink Chemicals Co., Ltd	China	50.0	50.0	50.0	50.0	3	Manufacturing of surface active agents
Rizhao Sime Darby Oils & Fats Co. Ltd	China	45.0	45.0	45.0	100.0	2	Storage and marketing of palm oil related products

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(iii) Associates which are active as at 30 June 2017 are as follows:

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Barlow Bulking Sdn Bhd	Malaysia	32.0	32.0	32.0	32.0	3	Provision of bulking and marketing facilities for edible oil producers and millers
Nescaya Maluri Sdn Bhd	Malaysia	40.0	40.0	40.0	40.0	3	Investment holding and quarry licensing
Muang Mai Guthrie Public Company Limited	Thailand	49.0	49.0	49.0	49.0	3	Processing of rubber
Thai Eastern Trat Co., Ltd	Thailand	40.0	40.0	40.0	40.0	2	Processing of palm oil and palm kernel
Verdezyne, Inc.	United States of America	36.01	36.35	30.0	30.0	3	Produce drop-in alternatives to petroleum-derived chemicals from palm-based products and by-products

(iv) Subsidiaries which are dormant/inactive as at 30 June 2017 are as follows:

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Kwang Joo Seng (Malaysia) Private Limited	Singapore	100.0	100.0	100.0	100.0	2	Dormant
Derawan Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Kumpulan Jerai Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Kumpulan Linggi Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Kumpulan Sua Betong Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Kumpulan Tebong Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Kumpulan Temiang Sendirian Berhad	Malaysia	100.0	100.0	100.0	100.0	1	Dormant

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(iv) Subsidiaries which are dormant/inactive as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Sahua Enterprise Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Sime Darby Beverages Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Sime Darby Bukit Talang Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Sime Darby Oils & Fats Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
Sime Darby Plantation (Peninsular) Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	1	Dormant
PT Guthrie Abdinusa Industri	Indonesia	70.0	70.0	70.0	70.0	2	Dormant
PT Sime Darby Commodities Trading	Indonesia	100.0	100.0	100.0	100.0	2	Dormant
Dami Australia Pty Ltd	Australia	100.0	100.0	100.0	-	2	Dormant
Golden Hope-Nhabe (Cambodia) Import & Export Co Ltd	Cambodia	51.0	51.0	51.0	51.0	4	Dormant
Sime Darby CleanerG B.V.	Netherlands	100.0	100.0	100.0	100.0	2	Dormant
Sime Darby Oils Europe B.V. (Formerly known as Sime Darby Commodities Europe B.V.)	Netherlands	100.0	100.0	100.0	-	2	Dormant
Sime Darby Edible Products Tanzania Limited	Tanzania	100.0	100.0	100.0	100.0	4	Dormant
Trolak Estates Limited	Scotland	100.0	100.0	100.0	100.0	3	Dormant
Dusun Durian Plantations Limited	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)

53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(iv) Subsidiaries which are dormant/inactive as at 30 June 2017 are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Kinta Kellas Rubber Estate Plc	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant
Malaysian Estates Plc	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant
The Kuala Selangor Rubber Plc	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant
The London Asiatic Rubber and Produce Company Limited	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant
The Pataling Rubber Estates Limited	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant
The Straits Plantations Limited	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant
The Sungei Bahru Rubber Estates Plc	United Kingdom	100.0	100.0	100.0	100.0	3	Dormant

(v) Subsidiaries placed under members' voluntary liquidation/deregistered during the financial year are as follows:

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Eminent Platform Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Golden Hope Agrotech Consultancy Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Golden Hope Fruit Industries Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
H.R.U Sdn Bhd	Malaysia	-	100.0	100.0	100.0	4	Dissolved on 14 March 2017
Nature Ambience Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Sharikat Hadapan Berhad	Malaysia	-	100.0	100.0	100.0	4	Dissolved on 14 March 2017

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53. LIST OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (CONTINUED)

(v) Subsidiaries placed under members' voluntary liquidation/deregistered during the financial year are as follows (continued):

Name of company	Country of incorporation/ Principal place of business	Group's effective interest (%)				Auditors	Principal activities
		2017	2016	2015	2014		
Sime Darby Biogenic Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Sime Darby Genomics Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	Dissolved on 5 August 2017
Sime Darby Julau Plantation Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Sime Darby Plantation Academy Sdn Bhd	Malaysia	-	100.0	100.0	100.0	4	Dissolved on 14 March 2017
Sime Darby Plantation Indonesia Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	Dissolved on 5 August 2017
Sincere Outlook Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	Dissolved on 5 August 2017
Vertical Drive Sdn Bhd	Malaysia	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Sime Darby Plantations (Deutschland) GmbH	Germany	-	100.0	100.0	100.0	4	Dissolved on 18 April 2017
Sime Darby Plantation Cameroon Ltd	Cameroon	100.0	100.0	100.0	100.0	4	In members' voluntary liquidation
Sime Darby Investments (Europe) S.à.r.l	Luxembourg	-	100.0	100.0	100.0	4	Dissolved on 8 July 2016

Notes:

- Subsidiaries, joint ventures and associates which are audited by PricewaterhouseCoopers, Malaysia.
- Subsidiaries, joint ventures and associates which are audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia.
- Subsidiaries, joint ventures and associates which are audited by firms other than member firms of PricewaterhouseCoopers International Limited.
- No legal requirement to appoint statutory auditors.

+ Notwithstanding that the Group holds more than 50% equity interest in Sime Darby TNBES Renewable Energy Sdn Bhd, the investment is classified as a joint venture (and not a subsidiary) as significant decisions require unanimous consent from all its shareholders.

SIME DARBY PLANTATION BERHAD

(Incorporated in Malaysia)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017 (CONTINUED)****54. SIGNIFICANT EVENTS AFTER REPORTING PERIOD**

In addition to the significant subsequent events mentioned in Note 1 to the financial statements, set out below are the other significant events after reporting date:

- (i) On 1 August 2017, the Company entered into an agreement for the supply of palm oil mill effluent produced by the Company from Tennamaram palm oil mill located in Mukim Batang Berjuntai, Selangor to SD Industrial Power Systems Sdn Bhd ("SD Industrial Power Systems"), a wholly-owned subsidiary of SDB, for the purpose of operating the power plant of SD Industrial Power Systems for a term of 16 years from the commercial operation date.
- (ii) On 1 August 2017, the Company entered into an agreement to grant tenancy to SD Industrial Power Systems on part of the land located in Mukim Batang Berjuntai, Selangor measuring approximately 1.6 hectares for a term of 3 years from the date of fulfilment of the conditions precedent under the agreement, and rental of equipment over the land by the Company to SD Industrial Power Systems for the purpose of operating the power plant of SD Industrial Power Systems for a term of 16 years from the commercial operation date.
- (iii) In conjunction with the Proposed Listing as disclosed in Note 1 to the financial statements, the Company had on 25 August 2017 entered into the following conditional agreements with the companies within the SDB Group, to govern certain commercial arrangements or transactions between the parties:
 - (a) Call option agreements with SD Property, a wholly-owned subsidiary of SDB whereby SD Property was granted call options to purchase the identified parcels of lands, at any time during the option period of 5 years (with an option to extend for another 3 years) commencing from the listing date of SD Property at a purchase price to be determined by an agreed independent valuer.
 - (b) Master services agreement with Sime Darby Global Services Centre Sdn Bhd to provide centralised operational support and shared services for a period of 3 years commencing from the listing date of the Company.
 - (c) Donation agreement with Yayasan Sime Darby ("YSD"), a company limited by guarantee founded by SDB, whereby the Company is obligated to pay an annual cash donation of RM40 million to YSD, for a term of 5 years with effect from the listing date of the Company.
 - (d) Broker services agreement with Sime Darby Lockton Insurance Brokers Sdn Bhd, a subsidiary of SDB, for insurance broking services for a term of 3 years commencing from the listing date of the Company.

In addition to the above, SDB Group's announcement on 25 August 2017 indicated that the Group intends to enter into a trademark and brand license agreement with Sime Darby Malaysia Berhad, a wholly-owned subsidiary of SDB, allowing the Company the rights to use the relevant trademarks for a term of 5 years from the listing date of the Company.

- (iv) In July 2017, PT Sajang Heulang ("SHE") received a tax assessment letter and a tax collection letter confirming the underpayment of value added tax for the fiscal year 2012/2013 including penalties totalling IDR41 billion (equivalent to approximately RM13.1 million) in relation to KKPA program. These amounts have been paid on 3 August 2017. SHE is in the process of lodging an objection to the Indonesian Tax Office.

55. APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 August 2017.

Company No.

647766 V

SIME DARBY PLANTATION BERHAD
(Incorporated in Malaysia)

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

We, Tan Sri Dato' A. Ghani Othman and Tan Sri Dato' Seri Mohd Bakke Salleh, two of the Directors of Sime Darby Plantation Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 7 to 271 are drawn up, in accordance with the Malaysian Financial Reporting Standards issued by the Malaysian Accounting Standards Board, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia, so as to give a true and fair view of the financial position of the Group and Company as at 30 June 2017 and of the financial performance of the Group and Company for the financial year ended on that date.

Signed in accordance with a resolution of the Board of Directors dated 25 August 2017.



TAN SRI DATO' A. GHANI OTHMAN
DIRECTOR



TAN SRI DATO' SERI MOHD BAKKE
SALLEH
DIRECTOR

Selangor
25 August 2017

STATUTORY DECLARATION PURSUANT TO
SECTION 251(1)(b) OF THE COMPANIES ACT, 2016

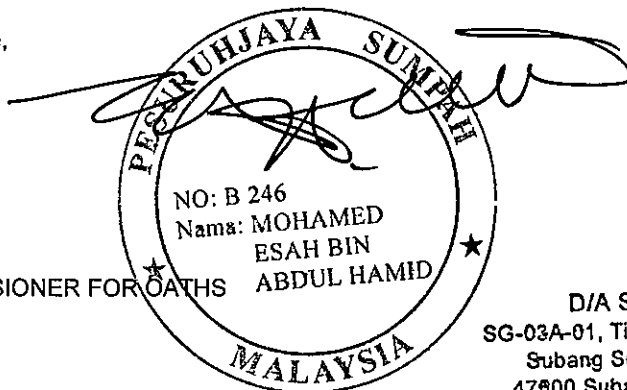
I, Renaka Ramachandran, the Officer primarily responsible for the financial management of Sime Darby Plantation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 7 to 271 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



RENAKA RAMACHANDRAN
OFFICER

Subscribed and solemnly declared by the abovenamed Renaka Ramachandran at Selangor, Malaysia on 25 August 2017.

Before me,



COMMISSIONER FOR OATHS

D/A Shah, Rina & Co
SG-03A-01, Tingkat 1, Shopping Gallery,
Subang Square, Jalan SS15/4G,
47600 Subang Jaya, Selangor D.E.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SIME DARBY PLANTATION BERHAD
(Incorporated in Malaysia)
(Company No. 647766 V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Sime Darby Plantation Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position of the Group and of the Company as at 30 June 2017, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 7 to 271.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the audit of the financial statements" section of our report.

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

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SIME DARBY PLANTATION BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 647766 V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SIME DARBY PLANTATION BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 647766 V)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or Company to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



INDEPENDENT AUDITORS' REPORT
TO THE MEMBER OF SIME DARBY PLANTATION BERHAD (CONTINUED)
(Incorporated in Malaysia)
(Company No. 647766 V)

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 53 to the financial statements.

OTHER MATTERS

This report is made solely to the member of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

A handwritten signature in black ink, appearing to read 'Price Waterhouse Coopers', written in a cursive style.

PRICEWATERHOUSECOOPERS
(No. AF: 1146)
Chartered Accountants

A handwritten signature in black ink, appearing to read 'Loh Lay Choon', written in a cursive style.

LOH LAY CHOON
(No. 2497/03/18 (J))
Chartered Accountant

Kuala Lumpur
25 August 2017