STATEMENT ON DIRECTORS' RESPONSIBILITY

For Preparing The Annual Financial Statements

The Board of Directors is required by the Companies Act 2016 ("the Act") to prepare financial statements which give a true and fair view of the state of affairs of the Group and the Company at the end of every financial year and of the results and cash flows of the Group and the Company for every financial year.

As required by the Act, the financial statements have been prepared in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act 2016 of Malaysia. The Directors have considered that in preparing the financial statements for the financial year ended 31 December 2022, appropriate accounting policies have been adopted and are consistently applied and supported by reasonable and prudent judgements and estimates. These estimates and judgements in applying the accounting policies of the Group and the Company are based on the Directors' best knowledge of current events and actions.

The Directors have the responsibility to ensure that the Group and the Company maintain proper accounting records which disclose with reasonable accuracy the financial position and performance of the Group and the Company and also to ensure that the financial statements comply with the Act.

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

The Statement was approved by the Board of Directors on 24 March 2023.

FINANCIAL STATEMENTS

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2022.

Principal activities

The Company is principally engaged in investment holding while the principal activities of the subsidiaries are stated in Note 6 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 6 to the financial statements.

Results

	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	96,712,708	93,198,004
Non-controlling interests	628,328	-
	97,341,036	93,198,004

Reserves and provisions

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

Dividend

Since the end of the previous financial year, the amount of dividends paid or declared by the Company were as follows:

i) in respect of the financial year ended 31 December 2021 as reported in the Directors' Report of that year;
   a) a second interim single-tier exempt dividend of 10 sen per ordinary share totaling RM27,903,220 declared on 26 November 2021 and paid on 25 January 2022; and
   b) a third interim single-tier exempt dividend of 5 sen per ordinary share totaling RM13,951,610 declared on 23 February 2022 and paid on 29 March 2022.

ii) in respect of the financial year ended 31 December 2022;
   a) a first interim single-tier exempt dividend of 5 sen per ordinary share totaling RM13,951,610 declared on 20 May 2022 and paid on 24 June 2022; and
   b) a second interim single-tier exempt dividend of 10 sen per ordinary share totaling RM27,903,220 declared on 29 November 2022 and paid on 19 January 2023.

The Directors do not recommend any final dividend to be paid for the financial year under review.

Directors of the Company

Directors who served during the financial year until the date of this report are:

Datuk Amar Abdul Hamed Bin Sepawi*
Dato Wong Kuo Hea*
Hasmawati Binti Sapawi
Datu Haji Soedirman Bin Haji Aini*
Brig Gen (R) Dato' Muhammad Daniel Bin Abdullah
Dato Chia Chu Fatt
Dato Awang Bemee Bin Awang Ali Basah

* These Directors are also directors of the Company's respective subsidiaries.

The names of the other directors of the Company's respective subsidiaries are:

Datu Haji Mohammed Sepuan Bin Anu
Datu Haji Abdul Hadi Bin Abdul Kadir
Rakayah Binti Hamdan
Datu Monaliza Binti Zaidel
Sebastian Anak Baya
Iswandi Bin Ayub
Koay Bee Eng
Philip @ Tilip Matau

Directors' interests in shares

The interests and deemed interests in the shares of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouses or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows:

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Direct interests in the Company				
Datuk Amar Abdul Hamed Bin Sepawi	200,000	-	-	200,000
Dato Wong Kuo Hea	1,027,600	-	270,000	757,600
Datu Haji Soedirman Bin Haji Aini	42,000	-	-	42,000
Deemed interests in the Company				
Datuk Amar Abdul Hamed Bin Sepawi	84,969,024	143,600	3,060,000	82,052,624
Dato Wong Kuo Hea	89,986,324	358,600	3,560,000	86,784,924

By virtue of their interests in the shares of the Company, Datuk Amar Abdul Hamed Bin Sepawi and Dato Wong Kuo Hea are also deemed interested in the shares of the subsidiaries during the financial year to the extent that Sarawak Plantation Berhad has an interest.

Directors' interests in shares (continued)

	Number of ordinary shares			
	At 1.1.2022	Bought	Sold	At 31.12.2022
Deemed interests in SPB Pelita Suai Sdn. Bhd.:				
Datuk Amar Abdul Hamed Bin Sepawi	1,596,000	-	-	1,596,000
Dato Wong Kuo Hea	1,596,000	-	-	1,596,000

	At 1.1.2022	Increased/ Bought	Sold	At 31.12.2022
Deemed interests in SPB PPES Karabungan Plantation Sdn. Bhd.:				
Datuk Amar Abdul Hamed Bin Sepawi	7,000,000	-	-	7,000,000
Dato Wong Kuo Hea	7,000,000	-	-	7,000,000

None of the other Directors holding office at 31 December 2022 had any interest in the shares of the Company and of its related corporations during the financial year.

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than those shown below) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, other than certain Directors who have significant financial interests in companies which traded with certain companies in the Group in the ordinary course of business (as disclosed in Note 31 to the financial statements).

The directors' benefits paid to or receivable by directors in respect of the financial year ended 31 December 2022 are as follows:

	From the Company RM	From subsidiary companies RM
Directors' of the Company		
- Fees	661,050	138,000
- Short-term employee benefits (including estimated benefit-in-kind)	122,130	3,705,159
- Post employment benefits	2,036	27,341
	785,216	3,870,500

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Issue of shares and debentures

There were neither changes in the issued and paid-up capital of the Company, nor issuances of debentures by the Company during the financial year.

Options granted over unissued shares

No options were granted to any person to take up unissued shares of the Company during the financial year.

Indemnity and insurance costs

During the financial year, Sarawak Plantation Berhad and its subsidiaries, were covered under Directors' and Officers' Liability Insurance. The total amount of insurance effected for the Directors' and Officers' is RM10,000,000. The insurance premium for the Company was RM17,500. There is no indemnity given or insurance effected for its auditors during the year.

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

i) all known bad debts have been written off and adequate provision made for doubtful debts, and

ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or

ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate, or

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

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

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

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

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

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2022 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.

DIRECTORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year are RM240,500 and RM68,000 respectively.

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

....

Dato Wong Kuo Hea
Director

....

Hasmawati Binti Sapawi
Director

Kuching,

Date: 24 March 2023

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Assets					
Property, plant and equipment	3	262,663,885	263,811,037	751	1,045
Bearer plants	4	330,168,969	330,646,840	-	-
Right-of-use assets	5	95,226,136	95,135,212	-	-
Investment in subsidiaries	6	-	-	343,557,407	343,557,407
Investment properties	7	5,223,708	5,456,452	-	-
Total non-current assets		693,282,698	695,049,541	343,558,158	343,558,452
Biological assets	8	56,828,405	63,998,383	-	-
Inventories	9	18,181,870	19,522,749	-	-
Trade and other receivables	10	13,458,786	13,735,151	324,845	512,543
Prepayments and other assets	11	7,379,977	6,931,061	378,780	114,790
Other investments	12	35,560,278	61,825,321	34,310,278	60,025,321
Cash and cash equivalents	13	125,984,873	113,620,884	96,570,520	33,405,909
Total current assets		257,394,189	279,633,549	131,584,423	94,058,563
Total assets		950,676,887	974,683,090	475,142,581	437,617,015
Equity					
Share capital	14.1	340,968,951	340,968,951	340,968,951	340,968,951
Reserves		371,032,569	330,126,301	96,916,722	59,525,158
Total equity attributable to owners of the Company		712,001,520	671,095,252	437,885,673	400,494,109
Non-controlling interests	6	(6,045,771)	(6,524,099)	-	-
Total equity		705,955,749	664,571,153	437,885,673	400,494,109
Liabilities					
Deferred tax liabilities	15	123,007,000	126,013,000	-	-
Loans and borrowings	16	1,315,065	1,905,066	-	-
Lease liabilities		2,433,888	2,277,556	-	-
Total non-current liabilities		126,755,953	130,195,622	-	-
Trade and other payables	17	64,927,812	69,428,651	9,195,234	9,219,686
Loans and borrowings	16	10,279,161	64,846,661	-	-
Lease liabilities		39,206	231,917	-	-
Current tax payable		14,815,786	17,505,866	158,454	-
Dividend payable	27	27,903,220	27,903,220	27,903,220	27,903,220
Total current liabilities		117,965,185	179,916,315	37,256,908	37,122,906
Total liabilities		244,721,138	310,111,937	37,256,908	37,122,906
Total equity and liabilities		950,676,887	974,683,090	475,142,581	437,617,015

The notes on pages 90 to 167 are an integral part of these financial statements.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Revenue	18	710,912,149	790,524,187	93,350,000	48,000,000
Cost of sales		(505,738,845)	(578,962,732)	-	-
Gross profit		205,173,304	211,561,455	93,350,000	48,000,000
Other income		2,477,144	1,517,008	-	-
Distribution expenses		(47,550,353)	(44,459,942)	-	-
Administrative expenses		(21,591,352)	(20,923,768)	(1,785,339)	(1,376,844)
Net gain/(loss) on impairment on financial instruments		-	5,433	-	(2,133)
Results from operating activities	19	138,508,743	147,700,186	91,564,661	46,621,023
Other non-operating income	20	-	21,402,364	-	-
Other non-operating expenses	21	(6,763,646)	(1,989,047)	-	-
Finance income	22	3,231,563	2,088,788	2,130,301	1,664,066
Finance costs	23	(763,593)	(811,052)	-	-
Net finance income		2,467,970	1,277,736	2,130,301	1,664,066
Profit before tax		134,213,067	168,391,239	93,694,962	48,285,089
Taxation	24	(36,872,031)	(40,102,218)	(496,958)	(400,950)
Profit and total comprehensive income for the financial year		97,341,036	128,289,021	93,198,004	47,884,139
Profit and total comprehensive income attributable to:					
Owners of the Company		96,712,708	127,825,817	93,198,004	47,884,139
Non-controlling interests	6	628,328	463,204	-	-
Profit and total comprehensive income for the financial year		97,341,036	128,289,021	93,198,004	47,884,139
Basic and diluted earnings per ordinary share (sen)	26	34.66	45.81		

The notes on pages 90 to 167 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to owners of the Company						
		Non-distributable			*Distributable*			
Group	**Note**	**Share capital RM**	**Equity reserve RM**	**Treasury shares RM**	**Retained earnings RM**	**Total RM**	**Non-controlling interests RM**	**Total equity RM**
At 1 January 2021		340,968,951	493,560	(2,104,242)	245,765,996	585,124,265	(9,987,273)	575,136,992
Profit and total comprehensive income for the financial year		-	-	-	127,825,817	127,825,817	463,204	128,289,021
Allotment of shares to non-controlling interests		-	-	-	-	-	2,999,970	2,999,970
Dividends to owners of the Company	27	-	-	-	(41,854,830)	(41,854,830)	-	(41,854,830)
At 31 December 2021/ 1 January 2022		340,968,951	493,560	(2,104,242)	331,736,983	671,095,252	(6,524,099)	664,571,153
Profit and total comprehensive income for the financial year		-	-	-	96,712,708	96,712,708	628,328	97,341,036
Dividends to owners of the Company	27	-	-	-	(55,806,440)	(55,806,440)	-	(55,806,440)
Dividends to non-controlling interest		-	-	-	-	-	(150,000)	(150,000)
At 31 December 2022		340,968,951	493,560	(2,104,242)	372,643,251	712,001,520	(6,045,771)	705,955,749
		(Note 14.1)	(Note 14.2)	(Note 14.3)				

STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

		Attributable to owners of the Company			
		Non-distributable		Distributable	
Company	**Note**	**Share capital RM**	**Treasury shares RM**	**Retained earnings RM**	**Total equity RM**
At 1 January 2021		340,968,951	(2,104,242)	55,600,091	394,464,800
Profit and total comprehensive income for the financial year		-	-	47,884,139	47,884,139
Dividends to owners of the Company	27	-	-	(41,854,830)	(41,854,830)
At 31 December 2021/1 January 2022		340,968,951	(2,104,242)	61,629,400	400,494,109
Profit and total comprehensive income for the financial year		-	-	93,198,004	93,198,004
Dividends to owners of the Company	27	-	-	(55,806,440)	(55,806,440)
At 31 December 2022		340,968,951	(2,104,242)	99,020,964	437,885,673
		(Note 14.1)	(Note 14.3)		

The notes on pages 90 to 167 are an integral part of these financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities					
Profit before tax		134,213,067	168,391,239	93,694,962	48,285,089
Adjustments for:					
Change in fair value of biological assets	8	6,763,646	(21,402,364)	-	-
Depreciation of property, plant and equipment	3	17,602,119	16,762,120	294	294
Depreciation of bearer plants	4	22,056,210	22,413,657	-	-
Depreciation of right-of-use assets	5	1,990,807	1,756,344	-	-
Depreciation of investment properties	7	232,744	232,744	-	-
Dividend income from subsidiaries	18	-	-	(93,350,000)	(48,000,000)
Gain on disposal of property, plant and equipment	19	(40,865)	-	-	-
Impairment losses on financial instruments	19	-	-	-	2,133
Bad debts recovered	19	-	(5,443)	-	-
Finance income	22	(3,231,563)	(2,088,788)	(2,130,301)	(1,664,066)
Finance costs	23	763,593	811,052	-	-
Inventories written off	9	3,271	202,330	-	-
Impairment loss on property, plant and equipment	21	-	978,773	-	-
Impairment loss on bearer plants	21	-	1,010,274	-	-
Property, plant and equipment written off	19	954,615	2,579,378	-	-
Property, plant and equipment expensed off		20,652	367,864	-	-
Operating profit/(loss) before changes in working capital		181,328,296	192,009,180	(1,785,045)	(1,376,550)

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from operating activities (continued)					
Change in inventories		1,743,940	(2,460,727)	-	-
Change in trade and other receivables, prepayments and other assets		(121,293)	(5,346,530)	(7,314)	(1,124)
Change in trade and other payables		(9,435,579)	18,540,614	(24,450)	(1,202)
Cash generated from/(used in) operations		173,515,364	202,742,537	(1,816,809)	(1,378,876)
Net tax paid		(42,568,111)	(28,041,057)	(338,504)	(587,202)
Interest/Profit paid		(1,539,447)	(2,898,548)	-	-
Interest received		3,180,305	1,873,936	2,061,321	1,477,153
Hire purchase facility profit paid		(221,081)	(314,878)	-	-
Net cash from/(used in) operating activities		132,367,030	173,361,990	(93,992)	(488,925)
Cash flows from investing activities					
Acquisition of property, plant and equipment	(ii)	(13,613,021)	(10,012,608)	-	-
Dividends received		-	-	93,350,000	48,000,000
Net movement of deposits with original maturities exceeding three months		26,265,043	(45,538,562)	25,715,043	(43,738,562)
Bearer plants (net of depreciation of property, plant and equipment and right-of-use assets)	(iii)	(19,532,272)	(20,212,421)	-	-
Proceeds from disposal of:					
- property, plant and equipment		41,000	-	-	-
Net cash (used in)/from investing activities		(6,839,250)	(75,763,591)	119,065,043	4,261,438

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Cash flows from financing activities					
Proceeds from shares in a subsidiary issued to non-controlling interest		-	1,925,558	-	-
Net repayment of revolving credits	(iv)	-	(5,200,000)	-	-
Net repayment of term loans	(iv)	(54,000,000)	(29,789,171)	-	-
Repayment of hire purchase facilities	(iv)	(3,189,161)	(5,052,125)	-	-
Dividends paid to non-controlling interest		(150,000)	-	-	-
Dividends paid to owners of the Company	27	(55,806,440)	(27,903,220)	(55,806,440)	(27,903,220)
Amount due from subsidiaries		-	-	-	2,415,290
Payment of lease liabilities	(iv)	(18,190)	-	-	-
Net cash used in financing activities		(113,163,791)	(66,018,958)	(55,806,440)	(25,487,930)
Net increase/(decrease) in cash and cash equivalents		12,363,989	31,579,441	63,164,611	(21,715,417)
Cash and cash equivalents at beginning of financial year		113,620,884	82,041,443	33,405,909	55,121,326
Cash and cash equivalents at end of financial year	13	125,984,873	113,620,884	96,570,520	33,405,909

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Notes:

(i) Cash outflows for leases as a lessee included in net cash from operating activities

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Payment relating to short-term leases	19	103,220	82,942	360	-

(ii) Acquisition of property, plant and equipment

	Note	Group 2022 RM	Group 2021 RM
Paid in cash		13,613,021	10,012,608
Payables		2,909,125	452,561
In the form of hire purchase	(iv)	2,031,660	3,087,120
Total acquisitions	3	18,553,806	13,552,289

(iii) Acquisition of bearer plants (net of depreciation of property, plant and equipment and right-of-use assets, finance cost and lease liabilities interest capitalised)

	Group 2022 RM	Group 2021 RM
Paid in cash	19,532,272	20,212,421

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

Notes: (continued)

(iv) Reconciliation of movements of liabilities to cash flows arising from financing activities

	At 1.1.2021 RM	Net changes from financing cash flows RM	Acquisition of hire purchase RM	Changes in other payables RM	At 31.12.2021/ 1.1.2022 RM	Net changes from financing cash flows RM	Acquisition of hire purchase RM	Changes in other payables RM	At 31.12.2022 RM
Group									
Revolving credit (Islamic)	13,200,000	(5,200,000)	-	-	8,000,000	-	-	-	8,000,000
Islamic term loan	83,789,171	(29,789,171)	-	-	54,000,000	(54,000,000)	-	-	-
Hire purchase facilities	6,716,732	(5,052,125)	3,087,120	-	4,751,727	(3,189,161)	2,031,660	-	3,594,226
Lease liabilities	2,543,081	-	-	(33,608)	2,509,473	(18,190)	-	(18,189)	2,473,094
Total liabilities from financing activities	106,248,984	(40,041,296)	3,087,120	(33,608)	69,261,200	(57,207,351)	2,031,660	(18,189)	14,067,320

The notes on pages 90 to 167 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Sarawak Plantation Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Malaysia"). The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business

Lot 1174, Block 9, MCLD, Miri Waterfront, Jalan Permaisuri, 98000 Miri, Sarawak.

Registered office

8th Floor, Wisma Naim, 2½ Miles, Rock Road, 93200 Kuching, Sarawak.

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities"). The financial statements of the Company as at and for the financial year ended 31 December 2022 do not include other entities.

The Company is principally engaged in investment holding activities while the principal activities of the other group entities are stated in Note 6 to the financial statements.

These financial statements were authorised for issue by the Board of Directors on 24 March 2023.

1. Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRS / Amendment / Interpretation	Effective date
MFRS 17, *Insurance Contracts*	1 January 2023
Amendments to MFRS 17, *Insurance Contracts - Initial application of MFRS 17 and MFRS 9 - Comparative Information*	1 January 2023
Amendments to MFRS 101, *Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosures of Accounting Policies*	1 January 2023
Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates*	1 January 2023
Amendments to MFRS 112, *Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023
Amendment to MFRS 16, *Leases - Lease Liability in a Sale and Leaseback*	1 January 2024
Amendment to MFRS 101, *Presentation of Financial Statements - Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*	1 January 2024
Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Yet to be confirmed

1. Basis of preparation (continued)

(a) Statement of compliance (continued)

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments:

- from the annual period beginning on 1 January 2023 for the accounting standard and amendments that are effective for annual periods beginning on or after 1 January 2023, except for MFRS 17 and Amendment to MFRS 17 which are not applicable to the Group and the Company.
- from the annual period beginning on 1 January 2024 for the amendments that are effective for annual periods beginning on or after 1 January 2024.

The initial application of the above accounting standards, interpretations or amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, other than as disclosed in Note 2.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency.

(d) Use of estimates and judgements

The preparation of financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than measurement of biological assets as disclosed in Note 8 of the financial statements.

2. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements and have been applied consistently by the Group entities, unless otherwise stated.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are entities, including structured entities, controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Potential voting rights are considered when assessing control only when such rights are substantive. The Group also considers it has de facto power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs.

(ii) Business combinations

Business combinations are accounted for using the acquisition method from the acquisition date, which is the date on which control is transferred to the Group.

For new acquisitions, the Group measures the cost of goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

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

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

2. Significant accounting policies (continued)

(a) Basis of consolidation (continued)

(iii) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

(iv) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as a financial asset depending on the level of influence retained.

(v) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit or loss and the comprehensive income for the year between non-controlling interests and owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(vi) Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

Unrealised gains arising from transactions with equity-accounted associates are eliminated against the investment to the extent of the Group's interest in the investees. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

2. Significant accounting policies (continued)

(b) Financial instruments

(i) Recognition and initial measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group or the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without significant financing component) or a financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issuance. A trade receivable without a significant financing component is initially measured at the transaction price.

An embedded derivative is recognised separately from the host contract where the host contract is not a financial asset, and accounted for separately if, and only if, the derivative is not closely related to the economic characteristics and risks of the host contract and the host contract is not measured at fair value through profit or loss. The host contract, in the event an embedded derivative is recognised separately, is accounted for in accordance with policy applicable to the nature of the host contract.

(ii) Financial instrument categories and subsequent measurement

Financial assets

Categories of financial assets are determined on initial recognition and are not reclassified subsequent to their initial recognition unless the Group or the Company changes its business model for managing financial assets in which case all affected financial assets are reclassified on the first day of the first reporting period following the change of the business model.

Amortised cost

Amortised cost category comprises financial assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The financial assets are not designated as fair value through profit or loss. Subsequent to initial recognition, these financial assets are measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Interest income is recognised by applying effective interest rate to the gross carrying amount except for credit impaired financial assets [see Note 2(j)(i)] where the effective interest rate is applied to the amortised cost.

Financial assets categorised as amortised costs are subject to impairment assessment [see Note 2(j)(i)].

Financial liabilities

Financial liabilities of the Group and the Company are subsequently measured at amortised cost using the effective interest method.

Interest expense and foreign exchange gains and losses are recognised in the profit or loss. Any gains or losses on derecognition are also recognised in the profit or loss.

2. Significant accounting policies (continued)

(b) Financial instruments (continued)

(iii) Regular way purchase or sale of financial assets

A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date or settlement date accounting in the current year.

Trade date accounting refers to:

(a) the recognition of an asset to be received and the liability to pay for it on the trade date; and

(b) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Settlement date accounting refers to:

(a) the recognition of an asset on the day it is received by the Group or the Company; and

(b) derecognition of an asset and recognition of any gain or loss on disposal on the day that is delivered by the Group or the Company.

Any change in the fair value of the asset to be received during the period between the trade date and the settlement date is accounted in the same way as it accounts for the acquired asset.

Generally, the Group or the Company applies settlement date accounting unless otherwise stated for the specific class of asset.

(iv) Derecognition

A financial asset or a part of it is derecognised when, and only when, the contractual rights to the cash flows from the financial asset expire or transferred or control of the asset is not retained or substantially all of the risks and rewards of ownership of the financial asset are transferred to another party. On derecognition of a financial asset, the difference between the carrying amount of the financial asset and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group or the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2. Significant accounting policies (continued)

(c) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. For qualifying assets, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs. Cost also may include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other income” and “administrative expenses” respectively in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group or the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. Significant accounting policies (continued)

(c) Property, plant and equipment (continued)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Assets under construction are not depreciated until the assets are ready for their intended use.

The estimated useful lives for the current and comparative periods are as follows:

Infrastructure works	Remaining useful live of land
Commercial buildings	50 years
Other buildings	25 years
Furniture, fittings and equipment	5 - 10 years
Plant and machinery	5 - 20 years
Mobile equipment	5 - 20 years

Depreciation methods, useful lives and residual values are reviewed at the end of the reporting period, and adjusted as appropriate.

2. Significant accounting policies (continued)

(d) Leases

(i) Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the customer has the right to direct the use of the asset. The customer has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the customer has the right to direct the use of the asset if either the customer has the right to operate the asset; or the customer designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

(ii) Recognition and initial measurement

(a) As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the respective Group entities' incremental borrowing rate. Generally, the Group entities use their incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments less any incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Group is reasonably certain to exercise; and
- penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

2. Significant accounting policies (continued)

(d) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

The Group excludes variable lease payments that linked to future performance or usage of the underlying asset from the lease liability. Instead, these payments are recognised in profit or loss in the period in which the performance or use occur.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(b) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease.

If an arrangement contains lease and non-lease components, the Group applies MFRS 15 to allocate the consideration in the contract based on the stand-alone selling prices.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(iii) Subsequent measurement

(a) As a lessee

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a revision of in-substance fixed lease payments, or if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2. Significant accounting policies (continued)

(d) Leases (continued)

(iii) Subsequent measurement (continued)

(b) As a lessor

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of "other income".

(e) Bearer plants

Bearer plants are living plants used in the production or supply of agricultural produce; are expected to bear produce for more than one period; and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Bearer plants include mature and immature oil palm plantations. Immature plantations are stated at cost which includes costs incurred for field preparation, planting, fertilising and maintenance, capitalisation of borrowing costs incurred on loans used to finance the developments of immature plantations and an allocation of other indirect costs based on planted areas. Mature plantations are stated at cost less accumulated amortisation and impairment, if any. Mature plantations are amortised on a straight-line basis over 22 years. The expected useful life of the oil palms, is calculated from the time when the palms are declared mature, which is normally 36 months after initial planting. Upon maturity, all subsequent maintenance expenditure is charged to profit or loss.

The carrying values of bearer plants are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The useful life and amortisation method are reviewed at each financial year end to ensure that the amount, method and period of amortisation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

A bearer plant is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer plant is included in the profit or loss in the year the bearer plant is derecognised.

2. Significant accounting policies (continued)

(f) Biological assets

Biological assets comprise produce growing on the bearer plants and living animals.

A gain or loss arising on initial recognition of a biological asset at fair value less costs to sell and from a change in fair value less costs to sell of a biological asset shall be included in profit or loss for the period in which it arises.

(g) Investment properties

(i) Investment property carried at cost

Investment properties are properties which are owned or right-of-use assets held under a lease contract to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Properties that are occupied by the companies in the Group are accounted for as owner-occupied rather than as investment properties.

Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any, consistent with the accounting policy for property, plant and equipment as stated in accounting policy Note 2(c).

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs. Right-of-use asset held under a lease contract that meets the definition of investment property is initially measured similarly as other right-of-use assets.

Depreciation on investment property, comprising solely buildings, is charged to profit or loss on a straight-line basis over its estimated useful life of 50 years.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted as appropriate.

An investment property is derecognised on its disposal, or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. The difference between the net disposal proceeds and the carrying amount is recognised in profit or loss in the period in which the item is derecognised.

(ii) Determination of fair value

The Group exercises its judgement by reference to market information available and/or in consultation with independent valuers where warranted, to estimate the fair value of its investment property.

2. Significant accounting policies (continued)

(h) Inventories

Inventories are measured at the lower of cost and net realisable value.

Cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

Cost of crude palm oil and palm kernel includes direct labour, an appropriate share of production overheads and the fair value attributed to agriculture produce at year end in accordance to MFRS 141. The fair value of biological assets harvested from the Group's own plantation and sold during the year are recorded as part of the biological assets movement (Note 8) and as part of "changes in fair value of biological assets" in determining profit.

Cost of fresh fruit bunches acquired from third parties includes the cost of purchase of the inventory.

Oil palm nursery inventories consist of seedlings remaining in the nursery for eventual field planting. Cost of palm oil seeds and seedlings includes the cost of treatment and cultivation.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(i) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of three months or less, and are used by the Group and the Company in the management of their short-term commitments. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits.

(j) Impairment

(i) Financial assets

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost, debt investments measured at fair value through other comprehensive income and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

The Group and the Company measure loss allowances at an amount equal to lifetime expected credit loss, except for debt securities that are determined to have low credit risk at the reporting date, cash and bank balance and other debt securities for which credit risk has not increased significantly since initial recognition, which are measured at 12-month expected credit loss. Loss allowances for trade receivables and lease receivables are always measured at an amount equal to lifetime expected credit loss.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit loss, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's or the Company's historical experience and informed credit assessment and including forward-looking information, where available.

2. Significant accounting policies (continued)

(j) Impairment (continued)

(i) Financial assets (continued)

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of the asset, while 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date. The maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group and the Company are exposed to credit risk.

The Group and the Company estimate the expected credit losses on trade receivables on individual basis with reference to historical credit loss experience.

An impairment loss in respect of financial assets measured at amortised cost is recognised in profit or loss and the carrying amount of the asset is reduced through the use of an allowance account.

At each reporting date, the Group and the Company assess whether financial assets carried at amortised cost credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

The gross carrying amount of a financial asset is written off (either partially or full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's or the Company's procedures for recovery amounts due.

(ii) Other assets

The carrying amounts of other assets (except for inventories) are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units ("CGU"). The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to a cash-generating unit or a group of cash-generating units that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

2. Significant accounting policies (continued)

(j) Impairment (continued)

(ii) Other assets (continued)

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (group of cash-generating units) and then to reduce the carrying amounts of the other assets in the cash-generating unit (groups of cash-generating units) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to profit or loss in the financial year in which the reversals are recognised.

(k) Equity instruments

Instruments classified as equity are measured at cost on initial recognition and are not remeasured subsequently.

(i) Issue expenses

Costs directly attributable to the issue of instruments classified as equity are recognised as a deduction from equity.

(ii) Ordinary shares

Ordinary shares are classified as equity.

(iii) Repurchase, disposal and reissue of share capital (treasury shares)

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity, and the resulting surplus or deficit on the transaction is presented in share capital.

(iv) Distributions of assets to owners of the Company

The Group measures a liability to distribute assets as a dividend to the owners of the Company at the fair value of the assets to be distributed. The carrying amount of the dividend is remeasured at each reporting period and at the settlement date, with any changes recognised directly in equity as adjustments to the amount of the distribution. On settlement of the transaction, the Group recognises the difference, if any, between the carrying amount of the assets distributed and the carrying amount of the liability in profit or loss.

2. Significant accounting policies (continued)

(l) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) State plans

The Group's contributions to statutory pension funds are charged to profit or loss in the financial year to which they relate. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

(m) Revenue and other income

(i) Revenue from contract with customers

Revenue from sales of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer.

When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

2. Significant accounting policies (continued)

(m) Revenue and other income (continued)

(i) Revenue from contract with customers (continued)

The Group or the Company transfers control of a good or service at a point in time unless one of the following over time criteria is met:

(a) the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;

(b) the Group's or the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

(c) the Group's or the Company's performance does not create an asset with an alternative use and the Group or the Company has an enforceable right to payment for performance completed to date.

(ii) Other income

The following is a description of principal activities from which the Group and the Company generate their other revenue:

(i) Provision of services

Management fee, agronomic fee and consultancy fee are recognised in profit or loss based on services rendered.

(ii) Rental income

Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from sub-leased property is recognised as other income.

(iii) Dividend income

Dividend income is recognised in profit or loss on the date that the Group's or the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

(iv) Interest income

Interest income is recognised in profit or loss as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset which is accounted for in accordance with the accounting policy on borrowing costs.

2. Significant accounting policies (continued)

(n) Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

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

(o) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous financial years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the temporary differences arising from the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unutilised reinvestment allowance and investment tax allowance, being tax incentives that is not a tax base of an asset, is recognised as a deferred tax asset to the extent that it is probable that the future taxable profits will be available against which the unutilised tax incentive can be utilised.

2. Significant accounting policies (continued)

(p) Contingent liabilities

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is not recognised in the statements of financial position and is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(q) Earnings per ordinary share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS").

Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, which comprise convertible notes and share options granted to employees.

(r) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Executive Director of the Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(s) Fair value measurements

Fair value of an asset or a liability, except for share-based payment and lease transactions, is determined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair value is categorised into different levels in a fair value hierarchy based on the input used in the valuation technique as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: unobservable inputs for the asset or liability.

The Group recognises transfers between levels of fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Group	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Cost								
At 1 January 2021	17,683,453	110,087,500	32,722,965	287,066,178	107,805,584	74,236,261	1,691,366	631,293,307
Additions	-	133,850	566,136	-	3,566,808	6,806,250	2,479,245	13,552,289
Write off	-	(30,428)	(2,482,542)	(109,794)	(15,793,612)	(1,020,354)	-	(19,436,730)
Write off-impairment loss	-	(4,690)	-	-	(458,761)	(186,748)	-	(650,199)
Expense off	-	-	-	-	-	-	(367,864)	(367,864)
Transfers	-	604,230	-	815,108	1,275,130	304,972	(2,999,440)	-
Reclassification	727,787	(727,787)	-	-	-	-	-	-
At 31 December 2021/ 1 January 2022	18,411,240	110,062,675	30,806,559	287,771,492	96,395,149	80,140,381	803,307	624,390,803
Additions	-	1,081,911	928,590	487,460	3,367,066	9,660,682	3,028,097	18,553,806
Write off	-	(2,595,028)	(8,657,127)	(623)	(2,541,833)	(9,773,205)	-	(23,567,816)
Disposals	-	-	-	-	-	(489,099)	-	(489,099)
Expense off	-	-	-	-	-	-	(20,652)	(20,652)
Transfers	-	1,471,864	-	93,500	43,985	748,335	(2,357,684)	-
At 31 December 2022	18,411,240	110,021,422	23,078,022	288,351,829	97,264,367	80,287,094	1,453,068	618,867,042

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Depreciation and impairment loss								
At 1 January 2021								
Accumulated depreciation	8,612,354	64,059,531	30,444,479	137,039,267	67,147,639	43,515,916	-	350,819,186
Accumulated impairment loss	-	15,347	9	6,763,229	534,833	192,820	-	7,506,238
	8,612,354	64,074,878	30,444,488	143,802,496	67,682,472	43,708,736	-	358,325,424
Depreciation for the financial year	434,689	1,575,316	653,391	4,787,340	5,085,300	6,386,908	-	18,922,944
Write off	-	(32,934)	(2,474,752)	(108,101)	(13,217,742)	(1,023,823)	-	(16,857,352)
Write off-impairment loss	-	(4,690)	-	-	(458,761)	(186,748)	-	(650,199)
Transfer to investment properties (Note 7)	399,146	(538,970)	-	-	-	-	-	(139,824)
Impairment loss (Note 21)	-	-	-	978,773	-	-	-	978,773
At 31 December 2021								
Accumulated depreciation	9,446,189	65,062,943	28,623,118	141,718,506	59,015,197	48,879,001	-	352,744,954
Accumulated impairment loss	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
	9,446,189	65,073,600	28,623,127	149,460,508	59,091,269	48,885,073	-	360,579,766

3. Property, plant and equipment (continued)

Group (continued)	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Depreciation and impairment loss (continued)								
At 1 January 2022								
Accumulated depreciation	9,446,189	65,062,943	28,623,118	141,718,506	59,015,197	48,879,001	-	352,744,954
Accumulated impairment loss	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
	9,446,189	65,073,600	28,623,127	149,460,508	59,091,269	48,885,073	-	360,579,766
Depreciation for the financial year	432,402	1,608,160	623,609	4,436,513	4,846,325	6,778,547	-	18,725,556
Write off	-	(2,061,863)	(8,619,308)	(623)	(2,459,838)	(9,471,569)	-	(22,613,201)
Disposals	-	-	-	-	-	(488,964)	-	(488,964)
At 31 December 2022								
Accumulated depreciation	9,878,591	64,609,240	20,627,419	146,154,396	61,401,684	45,697,015	-	348,368,345
Accumulated impairment loss	-	10,657	9	7,742,002	76,072	6,072	-	7,834,812
	9,878,591	64,619,897	20,627,428	153,896,398	61,477,756	45,703,087	-	356,203,157

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Group (continued)	Commercial buildings RM	Other buildings RM	Furniture, fittings and equipment RM	Infra-structure works RM	Plant and machinery RM	Mobile equipment RM	Assets under construction RM	Total RM
Carrying amounts								
At 31 December 2021/ 1 January 2022	8,965,051	44,989,075	2,183,432	138,310,984	37,303,880	31,255,308	803,307	263,811,037
At 31 December 2022	8,532,649	45,401,525	2,450,594	134,455,431	35,786,611	34,584,007	1,453,068	262,663,885

3. Property, plant and equipment (continued)

Company	Furniture, fittings and equipment RM
Cost	
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022	7,784
Depreciation	
At 1 January 2021	6,445
Depreciation for the financial year	294
At 31 December 2021/1 January 2022	6,739
Depreciation for the financial year	294
At 31 December 2022	7,033
Carrying amounts	
At 31 December 2021/1 January 2022	1,045
At 31 December 2022	751

3.1 Depreciation

Depreciation charge for the financial year is allocated as follows:

	Note	Group 2022 RM	Group 2021 RM
Amount charged to profit or loss	19	17,602,119	16,762,120
Amount capitalised in bearer plants	4.1	1,123,437	2,160,824
		18,725,556	18,922,944

3.2 Impairment loss - Group

Property, plant and equipment are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

In preparing the financial statements, the Group has evaluated whether the assets are stated in excess of their net recoverable amounts. The net recoverable amounts are determined either by calculating the value in use of the assets via discounting the estimated cash flows from their continuing use to net present values or by estimating their fair values less costs of disposal, an exercise that entails a high degree of estimation uncertainty. An allowance for impairment loss is made if the net recoverable amounts of the assets are lower than their carrying amounts.

3. Property, plant and equipment (continued)

3.2 *Impairment loss - Group* (continued)

3.2.1 *Infrastructure works*

3.2.1.1 *CGU 1*

The Group recognised full impairment losses on infrastructure works amounted to RM4,952,884 in previous years (Note 4.2.1). The allowance for impairment losses was made following disruption of its plantation activities by the local participants in a trust arrangement resulting in no harvesting activity being carried out since April 2010. In 2012, the Group through its subsidiary had initiated litigation against six (6) individuals, seeking injunctive, declaratory relief and claiming damages for various acts of trespassing over the NCR Land which they had given consent for development into an oil palm plantation. The litigation was ongoing over the years. The High Court delivered its Judgement on 23 February 2017 to dismiss the subsidiary's claim. The subsidiary filed a Notice of Appeal on 9 March 2017 and on 24 November 2020, the Court of Appeal allowed the Appeal and set aside the decision of the High Court given on 23 February 2017. The sealed Order of the Court has been received.

3.2.1.2 *CGU 2 & CGU 3*

The Group recognised full impairment loss on infrastructure works amounted to RM1,693,556 in previous years (Note 4.2.2). The allowance for impairment losses was made following continuing inability to harvest fresh fruit bunches from the encumbered areas.

3.2.1.3 *CGU 4*

The Group recognised full impairment loss on infrastructure works amounted to RM1,095,562 in previous years (Note 4.2.3). The allowance for impairment losses was made following continuing inability to harvest fresh fruit bunches from this estate.

3.2.2 *Other property, plant and equipment*

The Group has recognised impairment loss of RM92,810 on property, plant and equipment in previous years.

3.3 *Security - Group*

Buildings with carrying amount of RM10,938,495 (2021: RM11,043,643) are charged to a bank for banking facilities granted to the Group (see Note 16).

4. Bearer plants - Group

	RM
Cost	
At 1 January 2021	575,793,814
Additions	25,230,549
Write off (Derecognised)	(26,576,323)
At 31 December 2021/1 January 2022	574,448,040
Additions	21,578,339
Write off (Derecognised)	(12,699,009)
At 31 December 2022	583,327,370
Depreciation and impairment loss	
At 1 January 2021	
Accumulated depreciation	234,360,482
Accumulated impairment loss	12,593,110
	246,953,592
Depreciation for the financial year (Note 19)	22,413,657
Impairment loss	1,010,274
Write off (Derecognised)	(26,576,323)
At 31 December 2021/1 January 2022	
Accumulated depreciation	230,197,816
Accumulated impairment loss	13,603,384
	243,801,200
Depreciation for the financial year (Note 19)	22,056,210
Write off (Derecognised)	(12,699,009)
At 31 December 2022	
Accumulated depreciation	239,555,017
Accumulated impairment loss	13,603,384
	253,158,401
Carrying amounts	
At 31 December 2021/1 January 2022	330,646,840
At 31 December 2022	330,168,969

4. Bearer plants - Group (continued)

4.1 Bearer plants incurred during the financial year includes:-

	2022 RM	2021 RM
Depreciation of property, plant and equipment (Note 3.1)	1,123,437	2,160,824
Depreciation of right-of-use assets (Note 5.1)	187,722	392,993
Finance costs (Note 23)	713,647	2,250,939
Lease liabilities interest (Note 23)	21,261	213,372
Personnel expenses		
- Contributions to the Employees Provident Fund	75,497	94,622
- Wages, salaries and others	4,301,929	5,615,458
	==========	==========

Included in bearer plants is a carrying amount of RM5,709,600 (2021: RM8,027,827) located on certain leasehold land charged to a bank for banking facilities granted to a subsidiary (Note 16).

4.2 Impairment loss

Bearer plants are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may no longer be recoverable.

In preparing the financial statements, the Group has evaluated whether the assets are stated in excess of their net recoverable amounts. The net recoverable amounts are determined either by calculating the value in use of the assets via discounting the estimated cash flows from their continuing use to net present values or by estimating their fair values less costs of disposal, an exercise that entails a high degree of estimation uncertainty. An allowance for impairment loss is made if the net recoverable amounts of the assets are lower than their carrying amounts.

4.2.1 CGU 1

In earlier financial years, the Group had recognised full impairment losses of RM5,615,216 on its bearer plants due to the Group is not expected to generate any future cash inflows from the entire encumbered estate as a result of inability of the Group to harvest fresh fruit bunches from the estate (see Note 3.2.1.1).

4.2.2 CGU 2 & CGU 3

In earlier financial years, the Group had recognised full impairment losses of RM4,666,244 for CGU 2 and CGU 3 on its bearer plants due to the Group is not expected to generate any future cash inflow from the encumbered areas as a result of inability of the Group to harvest fresh fruit bunches from the areas (see Note 3.2.1.2).

4.2.3 CGU 4

In earlier financial years, the Group has recognised full impairment losses of RM3,321,924 on the bearer plants due to the Group is not expected to generate any future cash inflow from the encumbered areas as a result of the inability of the Group to harvest fresh fruit bunches from the area (see Note 3.2.1.3)

5. Right-of-use assets - Group

	Leasehold land RM	Land use rights RM	Total RM
Cost			
At 1 January 2021/31 December 2021/ 1 January 2022	109,626,713	2,596,950	112,223,663
Addition	2,269,453	-	2,269,453
At 31 December 2022	111,896,166	2,596,950	114,493,116
Depreciation			
At 1 January 2021			
Accumulated depreciation	14,734,680	168,330	14,903,010
Accumulated impairment loss	36,104	-	36,104
	14,770,784	168,330	14,939,114
Depreciation for the financial year	2,056,159	93,178	2,149,337
At 31 December 2021/1 January 2022			
Accumulated depreciation	16,790,839	261,508	17,052,347
Accumulated impairment loss	36,104	-	36,104
	16,826,943	261,508	17,088,451
Depreciation for the financial year	2,085,351	93,178	2,178,529
At 31 December 2022			
Accumulated depreciation	18,876,190	354,686	19,230,876
Accumulated impairment loss	36,104	-	36,104
	18,912,294	354,686	19,266,980
Carrying amounts			
At 31 December 2022/1 January 2022	92,799,770	2,335,442	95,135,212
At 31 December 2022	92,983,872	2,242,264	95,226,136

The Group leases land for 30 years, with an option to renew the lease after that date.

5.1 Depreciation

Depreciation charge for the financial year is allocated as follows:

	2022 RM	2021 RM
Amount charged to profit or loss (Note 19)	1,990,807	1,756,344
Amount capitalised in bearer plants (Note 4.1)	187,722	392,993
	2,178,529	2,149,337

5. Right-of-use assets - Group (continued)

5.2 Extension options

Land use rights contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM	Potential future lease payments not included in lease liabilities (discounted) RM	Historical rate of exercise of extension options %
Land use rights	-	2,564,773	-
	==========	==========	==========

5.3 Significant judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying significant judgement whether it is reasonably certain to exercise the extension options. The Group considers all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term. The Group has opted not to exercise the extension options.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the lease. The Group first determine the closest available borrowing rates before using significant judgement to determine the adjustments required to reflect the term, security, value or economic environment of the lease.

5.4 Restriction imposed by lease

The lease agreement for the land leased by the Group restricts the subsidiary from entering into an Assignment or Sublease Agreement and from charging, mortgaging or otherwise encumbering the said portion of the land with third party interest(s) without the prior consent of the lessor.

5.5 Security - Group

Right-of-use assets with carrying amount of RM257,600 (2021: RM266,349) are charged to a bank for banking facilities granted to the Group (see Note 16).

6. Investment in subsidiaries - Company

	Note	2022 RM	2021 RM
Unquoted shares, at cost		344,879,663	344,879,663
Deemed capital contribution	6.1	1,807,509	1,807,509
Less: Allowance for impairment losses	6.2	(3,129,765)	(3,129,765)
		343,557,407	343,557,407

6.1 Deemed capital contribution

Deemed capital contribution is related to fair value effect of the interest free advances to its subsidiaries recognised in the year ended 31 December 2010.

6.2 Impairment losses

In the previous years, the Company recognised impairment losses of RM3,129,765 based on the estimated recoverable amount of the investment in subsidiaries. The recoverable amount is estimated based on the fair value less costs of disposal with reference to the net tangible assets of the subsidiaries. During the year, the Company reassessed on similar basis and concluded no further impairment to the investment in subsidiaries.

The principal activities of the subsidiaries, all of which are incorporated and principal place of business in Malaysia, and the Company's interests therein are as follows:

Subsidiary	Principal activities	Effective ownership interest and voting interest 2022 %	2021 %
Sarawak Plantation Agriculture Development Sdn. Bhd. ("SPAD")	Cultivation of oil palm and processing of fresh fruit bunches	100	100
Sarawak Plantation Property Holding Sdn. Bhd. ("SPPH")	Property investment	100	100
Sarawak Plantation Services Sdn. Bhd. ("SPSSB")	Provision of management, marketing, agronomic and consultancy services	100	100
SPB Pelita Suai Sdn. Bhd. * ("SP Suai")	Inactive	60	60
Telliana Oil Palm Sdn. Bhd.	Inactive	100	100
SPB PPES Karabungan Plantation Sdn. Bhd.	Cultivation of oil palm	70	70

* *The financial statements of the subsidiary are audited by a firm of Chartered Accountants other than KPMG PLT.*

NOTES TO THE FINANCIAL STATEMENTS

6. Investment in subsidiaries - Company (continued)

Non-controlling interests in subsidiaries

The Group's subsidiaries that have material non-controlling interests ("NCI") are as follows:

Summarised financial information before intra-group elimination

2022	SPB PPES Karabungan Plantation Sdn. Bhd. RM	SPB Pelita Suai Sdn. Bhd. RM	Total RM
NCI percentage of ownership interest and voting interest	30%	40%	
Carrying amount of NCI	3,719,296	(9,765,067)	(6,045,771)
Profit/(Loss) allocated to NCI	633,398	(5,070)	628,328
As at 31 December 2022			
Non-current assets	12,116,469	-	
Current assets	2,889,450	9,545	
Non-current liability	(2,433,887)	-	
Current liabilities	(174,375)	(24,139,721)	
Net assets/(liabilities)	12,397,657	(24,130,176)	
Year ended 31 December 2022			
Profit/(Loss) for the financial year	2,111,323	(12,674)	
Total comprehensive profit/(loss)	2,111,323	(12,674)	
Cash flows from/(used in) operating activities	2,396,988	(12,635)	
Cash flows used in investing activities	(832,984)	-	
Cash flows (used in)/from financing activities	(518,190)	5,371	
Net increase/(decrease) in cash and cash equivalents	1,045,814	(7,264)	

6. Investment in subsidiaries - Company (continued)

Non-controlling interests in subsidiaries (continued)

Summarised financial information before intra-group elimination (continued)

2021	SPB PPES Karabungan Plantation Sdn. Bhd. RM	SPB Pelita Suai Sdn. Bhd. RM	Other subsidiaries with immaterial NCI RM	Total RM
NCI percentage of ownership interest and voting interest	30%	40%		
Carrying amount of NCI	3,235,898	(9,759,997)	-	(6,524,099)
Profit/(Loss) allocated to NCI	510,379	(41,116)	(6,059)	463,204
As at 31 December 2021				
Non-current assets	12,430,339	-		
Current assets	1,270,045	16,810		
Non-current liability	(2,473,093)	(5,668,154)		
Current liabilities	(440,958)	(18,466,157)		
Net assets/(liabilities)	10,786,333	(24,117,501)		
Year ended 31 December 2021				
Profit/(Loss) for the financial year	1,701,265	(102,789)		
Total comprehensive profit/(loss)	1,701,265	(102,789)		
Cash flows from/(used in) operating activities	1,314,431	(102,621)		
Cash flows used in investing activities	(915,647)	-		
Cash flows (used in)/from financing activities	(25,206)	96,413		
Net increase/(decrease) in cash and cash equivalents	373,578	(6,208)		

7. Investment properties - Group

	Buildings RM
Cost	
At 1 January 2021/31 December 2021/1 January 2022/31 December 2022	11,637,190
Depreciation	
At 1 January 2021	5,808,170
Transfer from property, plant and equipment (Note 3)	139,824
Depreciation for the financial year (Note 19)	232,744
At 31 December 2021/1 January 2022	6,180,738
Depreciation for the financial year (Note 19)	232,744
At 31 December 2022	6,413,482
Carrying amounts	
At 31 December 2021/1 January 2022	5,456,452
At 31 December 2022	5,223,708
Estimated fair value	
At 31 December 2021/1 January 2022	21,412,000
At 31 December 2022	22,643,000

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

	2022 RM	2021 RM
Rental income	460,140	581,443
Direct operating expenses:		
- income generating investment properties	(288,729)	(363,070)
- non-income generating investment properties	(76,427)	(49,364)

The operating lease payments to be received are as follows:

	2022 RM	2021 RM
Less than one year	406,700	438,427
One to two years	348,224	144,664
Two to three years	286,823	61,401
	1,041,747	644,492

7. Investment properties - Group (continued)

Determination of fair value

The estimated fair value of investment properties was based on the internal valuation performed by the Group.

Fair value information

Fair value of investment properties are categorised as Level 3, which is estimated using unobservable inputs for the investment properties.

	Level 3 RM
2022	
Investment properties	22,643,000
2021	
Investment properties	21,412,000

Valuation processes applied by the Group for Level 3 fair value

The fair values of investment properties is based on management's valuation and based on the comparative method. The comparative method entails comparing the property with similar properties that are currently being offered for sale in the vicinity. Diligent adjustment are then made for age, size and condition of building, and other relevant factors to arrive at an average and acceptable degree of comparability with the subject property.

8. Biological assets- Group

The biological assets of the Group are as follows:

	Fresh fruit bunches RM	Living livestock RM	Total RM
Fair value			
At 1 January 2021	40,421,127	2,469,382	42,890,509
Disposals	-	(294,490)	(294,490)
Changes in fair value less costs to sell (Note 20)	20,452,334	950,030	21,402,364
At 31 December 2021	60,873,461	3,124,922	63,998,383
At 1 January 2022	60,873,461	3,124,922	63,998,383
Disposals	-	(406,332)	(406,332)
Changes in fair value less costs to sell (Note 21)	(7,806,838)	1,043,192	(6,763,646)
At 31 December 2022	53,066,623	3,761,782	56,828,405

NOTES TO THE FINANCIAL STATEMENTS

8. Biological assets- Group (continued)

8.1 Fresh fruit bunches ("FFB")

The fair value of fresh fruit bunches was measured at fair value less cost to sell model by reference to the actual selling price and the estimated yield of FFB at the point of harvest, net of despatch and harvesting costs.

At 31 December 2022, the Group has total of 14 estates following combined estates (2021: 17 estates) which comprises total mature area of 27,488 hectares (2021: 27,557 hectares).

During the financial year, the Group has harvested approximately 328,450 metric tonnes of FFB (2021: 319,999 metric tonnes). As at 31 December 2022, the quantity of unharvested FFB of the Group included in the fair value of FFB was 75,360 metric tonne (2021: 66,338 metric tonne).

8.2 Living livestock

Living livestock comprise the cattle and goat livestock. The fair value of living livestock for financial year ended 31 December 2022 is based on Group's assessment of estimate market value of the living livestock and actual head count.

During the financial year, the Group has sold 88 head of cattle and Nil goats (2021: 61 head of cattle and Nil goats). As at 31 December 2022, living livestock comprised 919 head of cattle and 6 goats (2021: 826 head of cattle and 6 goats).

8.3 Risk management strategy related to agriculture activities

The Group is exposed to the following risks relating to its oil palm plantations.

i) Regulatory and environmental risk

The Group is exposed to the environmental risk. Nevertheless, the Group has placed the Sustainability and Environmental Policies and health, safety and environmental procedures to create and maintain safe workplace and conservation of the environment at the same time comply with relevant regulations.

ii) Supply and demand risk

The Group is exposed to risks arising from fluctuations in the price and sales volume of fresh fruit bunches. The Group constantly analyse and monitor global palm oil demand patterns and trends to make prompt and informed decisions. The Group also continuously focus on increasing yield and productivity as well as adopting cautious spending to mitigate the price risk.

iii) Climate and other risk

The Group's plantations are exposed to the risk of damages from climatic changes, diseases, forest fires and other natural forces. The Group has in place the processes and procedures aimed at monitoring and mitigating those risks. Such processes include but not limit to close monitoring on harvesting and crop recovery, adequate measures to control pest population, emphasize on proper fire safety procedures and other necessary measures to ensure smooth running of the operation.

8. Biological assets- Group (continued)

8.4 Fair value information

	Level 3 RM
2022	
Fresh fruit bunches	53,066,623
Living livestock	3,761,782
	56,828,405
2021	
Fresh fruit bunches	60,873,461
Living livestock	3,124,922
	63,998,383

Fair value of biological assets is categorised as Level 3, which estimated using unobservable inputs for biological assets.

The fair value less costs to sell measurement of biological assets involves the use of unobservable inputs that are subject to estimation uncertainties that may result in a higher or a lower carrying amounts of biological assets in subsequent reporting periods. As described in accounting policy Note 2(f), any gain or loss in fair value less costs to sell of biological assets is recognised in the profit or loss as "change in fair value less costs to sell of biological assets".

8. Biological assets- Group (continued)

8.4 Fair value information (continued)

Highest and best use

The valuation was based on the highest and best use of the biological assets which is the harvesting of fresh fruit bunches and selling of living livestock.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Fresh fruit bunches ("FFB")	(a) Valuation of the 3 months prior to harvest. b) FFB average selling price is based on forecasted selling price for January 2023 to March 2023. (c) Despatch and harvesting costs are based on actual average cost incurred for Quarter 4 2022.	- Estimated FFB prices - Estimated production volume - Estimated despatch and harvesting costs	The estimated fair value would increase (decrease) if: - the estimated FFB prices were higher (lower); - the estimated production volume were higher (lower); or - the estimated despatch and harvesting costs were lower (higher).
Living livestock	The fair value of living livestock was based on the Group's assessment of estimated market value of the living livestock.	- Estimated market price	The estimated fair value would increase (decrease) if: - the estimated market price were higher (lower)

8. Biological assets- Group (continued)

8.5 Sensitivity analysis

8.5.1 Fresh fruit bunches ("FFB")

The sensitivity analysis below indicates the approximate change in the Group's fair value of FFB and profit for the year that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumption and other variables remained constant.

	2022		2021	
	Increase/ (Decrease) in price and volume	Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM	Increase/ (Decrease) in price and volume	Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM
Selling price	10%	6,159,110	10%	6,803,691
	(10%)	(6,159,110)	(10%)	(6,803,691)
Production volume	10%	5,306,662	10%	6,087,346
	(10%)	(5,306,662)	(10%)	(6,087,346)

8.5.2 Living livestock

The sensitivity analysis below indicates the approximate change in the Group's fair value of living livestock and profit for the year that would arise if the following key estimates and assumptions adopted in the valuation model had changed at the reporting date, assuming all other estimates, assumption and other variables remained constant.

	2022		2021	
	Increase/ (Decrease) in price	Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM	Increase/ (Decrease) in price	Increase/ (Decrease) in fair value of biological assets and profit before tax for the year RM
Selling price	10%	376,180	10%	312,490
	(10%)	(376,180)	(10%)	(312,490)

9. Inventories - Group

	2022 RM	2021 RM
At costs		
Crude palm oil and palm kernel	5,961,088	5,550,634
Stores and consumables	8,055,461	10,428,202
Oil palm nursery	2,879,500	1,132,292
Oil palm seeds	547,013	363,082
Oil palm fresh fruit bunches	738,808	2,048,539
	18,181,870	19,522,749

	2022 RM	2021 RM
Recognised in profit or loss:		
Inventories recognised as part of cost of sales	484,883,969	556,414,087
Inventories written off	3,271	202,330

Oil palm nursery and oil palm seeds incurred during the financial year include:-

	2022 RM	2021 RM
Personnel expenses		
- Contributions to the Employees Provident Fund	38,605	23,834
- Wages, salaries and others	1,373,420	1,422,107

10. Trade and other receivables

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-current					
Non-trade					
Amount due from subsidiaries		-	-	5,668,153	5,668,153
Less: Allowance for impairment losses		-	-	(5,668,153)	(5,668,153)
Non-current total		-	-	-	-
Current					
Trade					
Trade receivables	10.1	12,049,607	13,158,314	-	-
Non-trade					
Other receivables		1,461,227	628,885	324,845	255,864
Less: Allowance for impairment losses		(52,048)	(52,048)	-	-
		1,409,179	576,837	324,845	255,864
Amount due from subsidiaries	10.2	-	-	-	256,679
		1,409,179	576,837	324,845	512,543
Current total		13,458,786	13,735,151	324,845	512,543
Total		13,458,786	13,735,151	324,845	512,543

10.1 Included in trade receivables are amounts of RM3,017,492 (2021: RM3,051,610) due from a substantial corporate shareholder, companies related to a substantial corporate shareholder and companies in which certain Directors have interest.

10.2 Amount due from subsidiaries are unsecured and bore interest at 3.52% to 6.45% per annum in year 2021.

NOTES TO THE FINANCIAL STATEMENTS

11. Prepayments and other assets

	Note	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Non-trade					
Deposit	11.1	4,767,489	5,382,171	-	-
Less: Allowance for impairment losses		(1,862,000)	(1,862,000)	-	-
		2,905,489	3,520,171	-	-
Prepayments		4,360,708	3,296,100	265,000	-
Club membership		113,780	114,790	113,780	114,790
		4,474,488	3,410,890	378,780	114,790
Total		7,379,977	6,931,061	378,780	114,790

11.1 Deposits - Group

Included in deposits is a deposit of RM1,340,614 (2021: RM2,077,614) paid for an acquisition of land.

11.2 Impairment losses - Group

A full impairment loss of RM1,862,000 was made in earlier years following disruption of its plantation activities by the local participants in a trust arrangement resulting in no harvesting activity being carried out since April 2010 (see Note 3.2.1.1).

12. Other investments

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Deposits with original maturities exceeding three months	35,560,278	61,825,321	34,310,278	60,025,321

13. Cash and cash equivalents

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash in hand and at banks	1,934,166	2,416,004	33,450	75,053
Deposits with original maturities not exceeding three months	124,050,707	111,204,880	96,537,070	33,330,856
	125,984,873	113,620,884	96,570,520	33,405,909

14. Capital and reserves - Group and Company

14.1 Share capital

	2022		2021	
	Amount RM	Number of shares	Amount RM	Number of shares
Ordinary shares				
Issued and fully paid shares with no par value classified as equity instruments:				
Opening and closing balances	340,968,951	280,000,000	340,968,951	280,000,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

14.2 Equity reserve

Equity reserve represents the capital contribution by certain shareholders of the Company, in respect of shares granted to employees of a subsidiary, Sarawak Plantation Agriculture Development Sdn. Bhd., in conjunction with the listing of the Company on the Main Market of Bursa Malaysia Securities Berhad in 2007. This entailed the sale of 135,000 ordinary shares in the Company by corporate shareholders, to eligible employees of the subsidiary, on a basis proportionate to their then existing shareholdings in the Company.

14.3 Treasury shares

The shareholders of the Company, at an Annual General Meeting held on 18 June 2008, approved the Company's plan to repurchase its own shares. Such authority was last renewed at the Annual General Meeting held on 27 May 2022. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase its own shares during the year ended 31 December 2022 (31 December 2021: NIL). The number of treasury shares held was 967,800 ordinary shares as at the year ended 31 December 2022 and 31 December 2021.

15. Deferred tax liabilities - Group

Movements in temporary differences during the financial year are as follows:

	At 1.1.2021 RM	Recognised in profit or loss RM	At 31.12.2021/ 1.1.2022 RM	Recognised in profit or loss RM	At 31.12.2022 RM
Property, plant and equipment	51,045,060	(3,394,562)	47,650,498	585,527	48,236,025
Bearer plants	62,662,875	406,760	63,069,635	(1,671,421)	61,398,214
Biological assets	10,266,712	4,906,155	15,172,867	(1,800,106)	13,372,761
Provision - others	-	120,000	120,000	(120,000)	-
	123,974,647	2,038,353	126,013,000	(3,006,000)	123,007,000
		(Note 24)		(Note 24)	

Unrecognised deferred tax assets - Group

Deferred tax assets have not been recognised in respect of the following temporary differences (stated at gross):

	2022 RM	2021 RM
Unutilised capital allowance and agriculture allowances carried forward	11,443,000	10,836,000
Unutilised tax losses carried forward	14,018,000	13,720,000
	25,461,000	24,556,000

Deferred tax assets of RM6,111,000 (2021: RM5,893,000) have not been recognised in the statement of financial position in respect of the temporary differences because it is not probable that future taxable profits will be available against which the affected group entities can utilise the benefits.

Pursuant to the latest tax legislation in Malaysia, unutilised tax losses from year of assessment 2019 onwards can be carried forward for a maximum of 10 years. Unutilised capital allowances and agriculture allowances attributable to group entities incorporated in Malaysia do not expire under the current tax legislation. In the case of a dormant company, such allowances and losses will not be available to the affected group entities if there has been a change of 50% or more in the shareholdings thereof.

Unutilised tax losses of RM11,766,000, RM843,000, RM809,000, RM350,000 and RM250,000 expire in YA2029, YA2030, YA2031, YA2032 and YA2033 respectively under the current tax legislation of Malaysia.

16. Loans and borrowings - Group

	Note	2022 RM	2021 RM
Non-current			
Hire purchase facility - secured	16.3	1,315,065	1,905,066
		1,315,065	1,905,066
Current			
Revolving credit (Islamic) - secured	16.1	8,000,000	8,000,000
Islamic term loan - secured	16.2	-	54,000,000
Hire purchase facility - secured	16.3	2,279,161	2,772,240
Hire purchase facility (Islamic) - secured	16.3	-	74,421
		10,279,161	64,846,661
		11,594,226	66,751,727

One of the subsidiaries has been granted banking facilities comprising one term loan facility of RM150 million (2021: RM150 million) and two revolving credit facilities of RM40 million and RM30 million respectively (2021: RM40 million and RM30 million). The Islamic term loan and revolving credit facilities of RM150 million and RM30 million respectively are Islamic facilities under Bai' Inah contract.

The subsidiary shall maintain a gearing measured by Group's borrowings over Group's shareholders' funds of not more than 1.00 time.

16.1 Revolving credit (Islamic) - secured

The revolving credit are secured by way of legal charges over certain land and buildings of a subsidiary (see Notes 3.3 and 5.5) and a corporate guarantee from the Company.

The effective interest rate of revolving credit ranges from 3.46% to 4.21% (2021: 3.43% to 3.52%) per annum.

16.2 Islamic term loan - secured

The Islam term loan was secured by way of legal charges over certain land and buildings of a subsidiary (see Notes 3.3 and 5.5) and a corporate guarantee from the Company.

The Islamic term loan of RM54,000,000 as at 31 December 2021 bore profit rate of 12% per annum, which was equivalent to effective profit rate of 0.75% per annum above the Bank's i-cost of funds. The Islamic term loan has been fully settled during the year.

NOTES TO THE FINANCIAL STATEMENTS

16. Loans and borrowings - Group (continued)

16.3 Hire purchase facilities are payable as follows:

	Payments RM	Profit RM	Principal RM
2022			
Less than one year	2,396,355	117,194	2,279,161
Between one and five years	1,353,902	38,837	1,315,065
	3,750,257	156,031	3,594,226
2022			
Less than one year (Islamic)	-	-	-
Between one and five years (Islamic)	-	-	-
	-	-	-
2021			
Less than one year	2,938,013	165,773	2,772,240
Between one and five years	1,959,603	54,537	1,905,066
	4,897,616	220,310	4,677,306
2021			
Less than one year (Islamic)	75,554	1,133	74,421
Between one and five years (Islamic)	-	-	-
	75,554	1,133	74,421

Assets under hire purchase are charged to secure the hire purchase facilities (Islamic) of the Group.

Hire purchase facilities carries profit rates fixed at 4.85% to 5.13% (2021: 4.85% to 5.22%) per annum.

17. Trade and other payables

		Group		Company	
	Note	2022 RM	2021 RM	2022 RM	2021 RM
Current					
Trade					
Trade payables	17.1	34,460,024	35,996,579	-	-
Non-trade					
Amount due to a subsidiary	17.2	-	-	129,906	182,777
Accrued expenses		12,704,822	17,732,229	108,706	79,720
Other payables	17.1	17,762,966	15,699,843	8,956,622	8,957,189
		30,467,788	33,432,072	9,195,234	9,219,686
Total		64,927,812	69,428,651	9,195,234	9,219,686

17. Trade and other payables (continued)

17.1 Trade payable and other payables

Included in trade payables and other payables of the Group are:

(a) an amount of RM4,975,523 (2021: RM1,685,666) due to companies in which a Director has interest, a substantial corporate shareholder, companies related to a substantial corporate shareholder, a company in which certain Directors have interest and companies in which persons connected to certain Directors have interest;

(b) an amount of RM428,882 (2021: RM459,285) being construction retention sums mainly for the construction of buildings, infrastructures and plant and machinery; and

(c) an amount of RM8,956,130 (2021: RM8,956,130) being the balance purchase consideration for acquisition of equity interest in a subsidiary.

On 29 November 2021, the Company entered into a deed of settlement with the vendors to return part of the land in the said subsidiary to the vendors. The returned land in the subsidiary shall be transferred to the vendors and the Company shall no longer be required to pay the balance purchase consideration after the completion of the settlement. The completion of the settlement is currently pending the transfer of land to the vendors.

17.2 Amount due to subsidiary

Amount due to a subsidiary is unsecured and repayable on demand.

18. Revenue

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contracts with customers	710,452,010	789,942,744	-	-
Other revenue				
Rental income	460,139	581,443	-	-
Dividend income from subsidiaries	-	-	93,350,000	48,000,000
	710,912,149	790,524,187	93,350,000	48,000,000

The primary geographical market of the Company is in Malaysia

NOTES TO THE FINANCIAL STATEMENTS

18. Revenue (continued)

18.1 Disaggregation of revenue

	Oil palm operation		Management/ Agronomic services		Total	
	2022 RM	2021 RM	2022 RM	2021 RM	2022 RM	2021 RM
Major products and service lines						
Sales of oil palm products	710,061,581	789,632,804	-	-	710,061,581	789,632,804
Management/Agronomic services income	-	-	390,429	309,940	390,429	309,940
	710,061,581	789,632,804	390,429	309,940	710,452,010	789,942,744
Geographical markets						
Malaysia	710,061,581	789,632,804	390,429	309,940	710,452,010	789,942,744
Timing and recognition						
At a point in time	710,061,581	789,632,804	314,529	234,040	710,376,110	789,866,844
Over time	-	-	75,900	75,900	75,900	75,900
	710,061,581	789,632,804	390,429	309,940	710,452,010	789,942,744

18. Revenue (continued)

18.2 Nature of goods and services

The following information reflects the typical transactions of the Group:

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Oil palm products	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Credit period of 4 - 30 days from the receipt of invoice by the buyers.	Not applicable	Not applicable	Not applicable
Management service income	Revenue is recognised over time.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable
Agronomic service income	Revenue is recognised when the services is delivered.	Credit period of 30 days from invoice date.	Not applicable	Not applicable	Not applicable

19. Results from operating activities

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Results from operating activities are arrived at after charging/(crediting):				
Auditors' remuneration:				
- Audit fees:				
- KPMG PLT	240,500	222,000	68,000	60,000
- Other auditors	3,800	3,800	-	-
- Non-audit fees:				
- KPMG PLT	11,000	11,000	11,000	11,000
- Local affiliates of KPMG PLT	85,250	79,750	15,300	14,000
- Other auditors	8,600	8,000	-	-
Material expenses/(income)				
Depreciation of property, plant and equipment (Note 3.1)	17,602,119	16,762,120	294	294
Depreciation of bearer plants (Note 4)	22,056,210	22,413,657	-	-
Depreciation of right-of-use assets (Note 5)	1,990,807	1,756,344	-	-
Depreciation of investment properties (Note 7)	232,744	232,744	-	-
Personnel expenses (including key management personnel):				
- Contributions to the Employees Provident Fund	3,870,083	3,402,152	52,753	78,598
- Wages, salaries and others	75,832,732	62,295,830	1,211,100	911,929
Expenditure relating to short-term leases	103,220	82,942	360	-
Property, plant and equipment written off	954,615	2,579,378	-	-
Property, plant and equipment expensed off	20,652	367,864	-	-
Gain on disposal of property, plant and equipment	(40,865)	-	-	-
Impairment loss on financial instruments	-	-	-	2,133
Bad debts recovered	-	(5,443)	-	-

Included in the personnel expenses of the Company disclosed above are salary costs (including compensations to key management personnel) recharged by a subsidiary.

20. Other non-operating income - Group

Included in other non-operating income of the Group as shown below:

	2022 RM	2021 RM
Changes in fair value of biological assets (Note 8)	-	21,402,364

21. Other non-operating expenses - Group

	2022 RM	2021 RM
Changes in fair value of biological assets (Note 8)	6,763,646	-
Impairment loss on property, plant and equipment (Note 3)	-	978,773
Impairment loss on bearer plant (Note 4)	-	1,010,274
	6,763,646	1,989,047

22. Finance income

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income of financial assets that are not at fair value through profit or loss:				
- receivables	-	-	-	345,726
- deposits with banks/financial institutions	3,231,563	2,088,788	2,130,301	1,318,340
Recognised in profit or loss	3,231,563	2,088,788	2,130,301	1,664,066

23. Finance costs

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest expense/profit payments of financial liabilities that are not at fair value through profit or loss:				
- loans and borrowings	1,498,501	3,275,363	-	-
Amount charged to profit or loss	763,593	811,052	-	-
Amount capitalised in bearer plants (Note 4.1)	734,908	2,464,311	-	-
	1,498,501	3,275,363	-	-

NOTES TO THE FINANCIAL STATEMENTS

24. Taxation

Recognised in profit or loss

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Current tax expense				
Malaysian - current year	41,305,000	40,013,240	505,000	398,240
- prior year	(1,426,969)	(1,949,375)	(8,042)	2,710
	39,878,031	38,063,865	496,958	400,950
Deferred tax expense (Note 15)				
Origination and reversal of temporary differences				
- current year	(3,006,000)	2,038,353	-	-
Total taxation	36,872,031	40,102,218	496,958	400,950

Reconciliation of taxation

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Profit for the financial year	97,341,036	128,289,021	93,198,004	47,884,139
Total taxation	36,872,031	40,102,218	496,958	400,950
Profit excluding tax	134,213,067	168,391,239	93,694,962	48,285,089
Income tax calculated using Malaysian tax rate of 24% (2021: 24%)	32,211,137	40,414,000	22,486,791	11,588,422
Prosperity tax rate differential of 9%	4,415,708	-	-	-
Non-deductible expenses	1,463,963	1,804,593	422,209	329,818
Movements in unrecognised deferred tax assets	218,000	(167,000)	-	-
Non-taxable income	(9,808)	-	(22,404,000)	(11,520,000)
	38,299,000	42,051,593	505,000	398,240
(Over)/Under provision in prior year	(1,426,969)	(1,949,375)	(8,042)	2,710
Total taxation	36,872,031	40,102,218	496,958	400,950

25. Compensations to key management personnel

Compensations to key management personnel are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors:				
- Fees	799,050	642,333	661,050	545,000
- Short-term employee benefits (including estimated benefits-in-kind)	3,827,289	2,660,682	122,130	61,384
- Post employment benefits	29,377	25,357	2,036	1,730
	4,655,716	3,328,372	785,216	608,114
Other key management personnel:				
- Fees	55,000	17,500	-	-
- Short-term employee benefits (including estimated benefits-in-kind)	2,095,298	1,756,609	295,637	307,242
- Post employment benefits	249,671	210,368	34,676	48,070
	2,399,969	1,984,477	330,313	355,312
	7,055,685	5,312,849	1,115,529	963,426

Other key management personnel comprise persons, other than the Directors of the Group entities, having authority and responsibility for planning, directing and controlling the activities of the Group entities either directly or indirectly.

26. Earnings per ordinary share - Group

Basic and diluted earnings per ordinary share

The calculation of basic and diluted earnings per ordinary share at 31 December 2022 and 31 December 2021 was based on the earnings attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding calculated as follows:

	2022 RM	2021 RM
Earnings attributable to ordinary shareholders	96,712,708	127,825,817

26. Earnings per ordinary share - Group (continued)

	2022 RM	2021 RM
Weighted average number of ordinary shares		
Issued ordinary shares at 1 January	280,000,000	280,000,000
Effect of issued ordinary shares repurchased	(967,800)	(967,800)
Weighted average number of ordinary shares at 31 December	279,032,200	279,032,200

The shareholders of the Company, at an Annual General Meeting held on 18 June 2008, approved the Company's plan to repurchase its own shares. Such authority was last renewed at the Annual General Meeting held on 27 May 2022. The Directors of the Company are committed to enhance the value of the Company to its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders.

The Company did not repurchase its own shares during the year ended 31 December 2022 and 31 December 2021. The number of treasury shares held was 967,800 ordinary shares as at the year ended 31 December 2022 and 31 December 2021.

Basic and diluted earnings per ordinary share

	2022 Sen	2021 Sen
Basic and diluted earnings per ordinary share	34.66	45.81

27. Dividends

Dividends recognised by the Company was:

	Sen per share (tax exempt)	Total RM	Date of payment
2022			
Third interim 2021 ordinary	5	13,951,610	29 March 2022
First interim 2022 ordinary	5	13,951,610	24 June 2022
Second interim 2022 ordinary	10	27,903,220	19 January 2023
		55,806,440	
2021			
First interim 2021 ordinary	5	13,951,610	8 July 2021
Second interim 2021 ordinary	10	27,903,220	25 January 2022
		41,854,830	

The Directors do not recommend any final dividend to be paid for the financial year under review.

28. Financial instruments

28.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as amortised cost ("AC").

	Note	Carrying amount RM	AC RM
2022			
Financial assets			
Group			
Trade and other receivables	10	13,458,786	13,458,786
Deposits	11	2,905,489	2,905,489
Other investments	12	35,560,278	35,560,278
Cash and cash equivalents	13	125,984,873	125,984,873
		177,909,426	177,909,426
Company			
Trade and other receivables	10	324,845	324,845
Other investment	12	34,310,278	34,310,278
Cash and cash equivalents	13	96,570,520	96,570,520
		131,205,643	131,205,643
Financial liabilities			
Group			
Loans and borrowings	16	(11,594,226)	(11,594,226)
Trade and other payables	17	(64,927,812)	(64,927,812)
		(76,522,038)	(76,522,038)
Company			
Trade and other payables	17	(9,195,234)	(9,195,234)

28. Financial instruments (continued)

28.1 Categories of financial instruments (continued)

	Note	Carrying amount RM	AC RM
2021			
Financial assets			
Group			
Trade and other receivables	10	13,735,151	13,735,151
Deposits	11	3,520,171	3,520,171
Other investments	12	61,825,321	61,825,321
Cash and cash equivalents	13	113,620,884	113,620,884
		192,701,527	192,701,527
Company			
Trade and other receivables	10	512,543	512,543
Other investment	12	60,025,321	60,025,321
Cash and cash equivalents	13	33,405,909	33,405,909
		93,943,773	93,943,773
Financial liabilities			
Group			
Loans and borrowings	16	(66,751,727)	(66,751,727)
Trade and other payables	17	(69,428,651)	(69,428,651)
		(136,180,378)	(136,180,378)
Company			
Trade and other payables	17	(9,219,686)	(9,219,686)

28. Financial instruments (continued)

28.2 Net gains/(losses) arising from financial instruments

	Group 2022 RM	Group 2021 RM	Company 2022 RM	Company 2021 RM
Net gains/(losses) on:				
Financial assets at amortised cost				
- bad debt recovered	-	5,443	-	-
- impairment loss on trade and other receivables	-	-	-	(2,133)
- interest income from receivables	-	-	-	345,726
- interest income from term deposits	3,231,563	2,088,788	2,130,301	1,318,340
	3,231,563	2,094,231	2,130,301	1,661,933
Financial liabilities at amortised cost				
- interest expense on term loan	(294,330)	(166,842)	-	-
- interest expense on revolving credits	(73,906)	(241,047)	-	-
- lease liabilities	(174,276)	(88,285)	-	-
- profit payments on hire purchase	(221,081)	(314,878)	-	-
	(763,593)	(811,052)	-	-
	2,467,970	1,283,179	2,130,301	1,661,933

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.3 Financial risk management

The Group is exposed to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

28.4 Credit risk

Credit risk is the risk of a financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristics of each customer. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries. There are no significant changes as compared to prior periods.

Trade receivables

Risk management objectives, policies and processes for managing the risk

Management regularly reviews and monitors on an on-going basis by setting appropriate credit limits on trade receivables on a case-by-case basis.

At each reporting date, the Group and the Company assesses whether any of the trade receivables is credit impaired.

The gross carrying amounts of credit impaired trade receivables is written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group or the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. Nevertheless, trade receivables that are written off could still be subject to enforcement activities.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statement of financial position. The credit risk is concentrated to one (2021: one) major customer, who are mainly involved in palm oil refinery as disclosed in Note 32, representing 48% (2021: 68%) of the total trade receivables.

28. Financial instruments (continued)

28.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtor and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days. The Group's debt recovery process is above 30 days past due after credit term, the Group will start to initiate a structured debt recovery process which is monitored by the sales marketing team.

As there are only a few customers, the Group assessed the risk of loss of each customer individually based on their financial information, past trend of payments and external credit ratings, where applicable. All of these customers have low risk of default.

The following table provides information about the exposure to credit risk and ECLs for trade receivables as at the end of the reporting period which are grouped together as they are expected to have similar risk nature.

	Gross carrying amount RM	Loss allowances RM	Net balance RM
2022			
Group			
Current (not past due)	11,244,059	-	11,244,059
1 - 30 days past due	786,032	-	786,032
31 - 60 days past due	13,792	-	13,792
61 - 90 days past due	5,544	-	5,544
More than 90 days past due	180	-	180
	12,049,607	-	12,049,607
Credit impaired			
Individually impaired	-	-	-
Trade receivables	12,049,607	-	12,049,607

28. Financial instruments (continued)

28.4 Credit risk (continued)

Trade receivables (continued)

Recognition and measurement of impairment losses (continued)

	Gross carrying amount RM	Loss allowances RM	Net balance RM
2021			
Group			
Current (not past due)	12,372,212	-	12,372,212
1 - 30 days past due	383,146	-	383,146
31 - 60 days past due	221,074	-	221,074
61 - 90 days past due	163,555	-	163,555
More than 90 days past due	18,327	-	18,327
	13,158,314	-	13,158,314
Credit impaired			
Individually impaired	-	-	-
Trade receivables	13,158,314	-	13,158,314

There is no allowance for impairment in respect of trade receivables during the year.

An allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery is possible, the amount considered irrecoverable is written off against the receivables directly.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

These banks and financial institutions have low credit risks. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other investments

As at the end of the reporting period, the Group has only invested in deposit with original maturities exceeding three months. The maximum exposure to credit risk is represented by the carrying amounts of the deposits in the statement of financial position.

Other receivables

As at the end of reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position.

As at the end of reporting period, there was no indication that the other receivables are not recoverable, other than those on which an allowance for impairment losses has been made (see Note 10).

28. Financial instruments (continued)

28.4 Credit risk (continued)

Other receivables (continued)

The following table provides information about the exposure to credit risk for other receivables.

	Gross carrying amount RM	Impairment loss allowances RM	Net balance RM
2022			
Low credit risk	1,409,179	-	1,409,179
Credit impaired	52,048	(52,048)	-
	1,461,227	(52,048)	1,409,179
2021			
Low credit risk	576,837	-	576,837
Credit impaired	52,048	(52,048)	-
	628,885	(52,048)	576,837

There is no movement on impairment loss during the year.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. There are no significant concentrations of credit risk as at the end of the reporting period.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.4 Credit risk (continued)

Inter-company loans and advances (continued)

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries have low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full;
- The subsidiary's loan or advance is overdue for more than 365 days; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default for these loans and advances individually using internal information available.

The following table provides information about the exposure to credit risk for subsidiaries' loans and advances.

	Gross carrying amount RM	Impairment loss allowance RM	Net balance RM
2022			
Credit impaired	5,668,153	(5,668,153)	-
	==========	==========	==========
2021			
Credit impaired	5,668,153	(5,668,153)	-
	==========	==========	==========

The movement in the allowance of impairment in respect of subsidiary's loans and advances during the year as follows:

	Total RM
Group	
Balance at 1 January 2021	5,666,020
Net remeasurement of loss allowance	2,133
Balance at 31 December 2021/1 January 2022	5,668,153
Net remeasurement of loss allowance	-
31 December 2022	5,668,153
	==========

28. Financial instruments (continued)

28.4 Credit risk (continued)

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to a subsidiary. The Company monitors on an ongoing basis the results of the subsidiary and repayments made by the subsidiary.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to RM8,000,000 (2021: RM62,000,000) representing the outstanding banking facilities of a subsidiary as at the end of the reporting period.

As at the end of the reporting period, there was no indication that the subsidiary would default on repayment.

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' fund.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

28.5 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains a level of cash and cash equivalents and bank facilities deemed adequate by the management to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they fall due.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

NOTES TO THE FINANCIAL STATEMENTS

28. Financial instruments (continued)

28.5 Liquidity risk (continued)

Maturity analysis

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

	Carrying amount RM	Contractual interest rate/ profit rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2022							
Group							
Non-derivative financial liabilities							
Revolving credit (Islamic) - secured	8,000,000	4.47	8,357,600	8,357,600	-	-	-
Hire purchase facility - secured	3,594,226	4.97	3,750,258	2,396,355	1,080,603	273,300	-
Lease liabilities	2,473,094	6.70-7.95	5,497,520	231,917	231,917	695,751	4,337,935
Trade and other payables	64,927,812	-	64,927,812	64,927,812	-	-	-
	78,995,132		82,533,190	75,913,684	1,312,520	969,051	4,337,935
Company							
Non-derivative financial liabilities							
Other payables and accruals	9,195,234	-	9,195,234	9,195,234	-	-	-
Financial guarantees	-	-	8,000,000	8,000,000	-	-	-
	9,195,234		17,195,234	17,195,234	-	-	-

28. Financial instruments (continued)

28.5 Liquidity risk (continued)

Maturity analysis (continued)

	Carrying amount RM	Contractual interest rate/ profit rate %	Contractual cash flows RM	Under 1 year RM	1 - 2 years RM	2 - 5 years RM	More than 5 years RM
2021							
Group							
Non-derivative financial liabilities							
Islamic term loan - secured	54,000,000	3.65	55,971,000	55,971,000	-	-	-
Revolving credit (Islamic) - secured	8,000,000	3.47	8,277,600	8,277,600	-	-	-
Hire purchase facility (Islamic) - secured	74,421	5.18	75,554	75,554	-	-	-
Hire purchase facility - secured	4,677,306	4.97	4,897,616	2,938,013	1,637,149	322,454	-
Lease liabilities	2,509,473	6.70-7.95	5,719,351	231,917	231,917	695,751	4,559,766
Trade and other payables	69,428,651	-	69,428,651	69,428,651	-	-	-
	138,689,851		144,369,772	136,922,735	1,869,066	1,018,205	4,559,766
Company							
Non-derivative financial liabilities							
Other payables and accruals	9,219,686	-	9,219,686	9,219,686	-	-	-
Financial guarantees	-	-	62,000,000	62,000,000	-	-	-
	9,219,686		71,219,686	71,219,686	-	-	-

28. Financial instruments (continued)

28.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

28.6.1 Currency risk

The Group and Company are not exposed to any foreign currency risk as it operates domestically and most of its transactions are denominated in Ringgit Malaysia.

28.6.2 Interest and profit rates risk

The primary interest and profit rates risk to which the Group is exposed relates to the deposits which are fixed rate instruments placed with approved financial institutions. The exposure to a risk of change in their fair value due to changes in interest rates would not be significant as the deposits are usually placed for less than three months.

The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest/profit rates. Short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group monitors its exposure to changes in interest and profit rates on a regular basis.

Borrowings are negotiated with a view to securing the best possible terms, including rates of interest/profit, to the Group.

28. Financial instruments (continued)

28.6 Market risk (continued)

28.6.2 Interest and profit rates risk (continued)

Exposure to interest and profit rates risk

The interest and profit rates profile of the Group's and the Company's significant interest-bearing financial instruments, based on their carrying amounts as at the end of the reporting period are as follows:

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Fixed rate instruments				
Deposits with banks/ financial institutions	159,610,985	173,030,201	130,847,348	93,356,177
Amount due from subsidiaries	-	-	-	256,679
Hire purchase facility - secured	(3,594,226)	(4,751,727)	-	-
Lease liabilities	(2,473,094)	(2,509,473)	-	-
Revolving credits (Islamic) - secured	(8,000,000)	(8,000,000)	-	-
	145,543,665	157,769,001	130,847,348	93,612,856
Floating rate instruments				
Islamic term loan - secured	-	(54,000,000)	-	-

28. Financial instruments (continued)

28.6 Market risk (continued)

28.6.2 Interest and profit rates risk (continued)

Exposure to interest and profit rates risk (continued)

The amount due from subsidiaries of the Company bore: 3.52% to 6.45% per annum in year 2021. The Company bore interest 3.84% to 6.45% per annum for amount due to subsidiaries in year 2021.

The term loan facilities to the Group bore interest at 12.00% per annum, which is equivalent to effective profit rate of 0.75% per annum above the Bank's i-cost of funds.

The secured revolving credit (Islamic) facilities of the Group bears effective interest at 0.60% (2021: 0.6%) per annum above the Bank's cost of funds.

The secured revolving credit facilities of the Group bore effective interest at 1.00% per annum above the Bank's cost of funds.

The deposits placed with licensed banks of the Group and the Company (see Notes 12 and 13) bear interest ranging from 1.25% to 3.75% (2021: 1.25% to 2.20%) per annum.

Hire purchase facilities under loans and borrowings bear interest ranging from 2022: 4.85% to 5.13% (2021: 4.85% to 5.22%) per annum.

Interest and profit rates risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss. The exposure to interest rate risk is consequently not material and hence sensitivity analysis is not presented.

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points ("bp") in interest rates at the end of the reporting period would have increased/(decreased) post-tax profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

	2022 Profit or loss		2021 Profit or loss	
	100bp increase RM	100bp decrease RM	100bp increase RM	100bp decrease RM
Group				
Floating rate instruments	-	-	(410,000)	410,000

28. Financial instruments (continued)

28.7 Fair value information

The carrying amounts of cash and cash equivalents, short term receivables and payables and short term borrowings approximate fair values due to the relatively short term nature of these financial instruments.

The table below analyses financial instruments non-current financial liabilities not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statement of financial position.

	Fair value of financial instruments not carried at fair value Level 3 RM	Total fair value RM	Carrying amount RM
2022			
Financial liabilities			
Hire purchase facility - secured	(1,249,706)	(1,249,706)	(1,315,065)
	(1,249,706)	(1,249,706)	(1,315,065)
2021			
Financial liabilities			
Hire purchase facility - secured	(1,810,384)	(1,810,384)	(1,905,066)
	(1,810,384)	(1,810,384)	(1,905,066)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period.

28. Financial instruments (continued)

28.7 Fair value information (continued)

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and 2 fair values during the financial year (2021: no transfer in either direction).

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The fair value of term loans approximates their carrying amounts as these are variable rate borrowings.

Financial instruments not carried at fair value

Type	Valuation technique	Significant unobservable inputs (%)	Inter-relationship between significant unobservable inputs and fair value measurement
Hire purchase facilities	Discounted cash flows	Interest rate 4.85% to 5.13% (2021: 4.85% to 5.22%)	The estimated fair value would incease (decrease) if the interest rate were lower (higher).

29. Capital management

The Group's objectives when managing capital is to maintain a strong capital base and safeguard the Group's ability to continue as going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The Group is required to maintain a gearing ratio of not more than 1.00 time to comply with a bank covenant, failing which the bank may call an event of default (see Note 16). The Group has not breached this covenant as evident from the following tabulation:

	2022 RM	2021 RM
Total loans and borrowings (Note 16)	11,594,226	66,751,727
Total equity	705,955,749	664,571,153
Debt-to-equity ratio	0.02	0.10

There was no change in the Group's approach to capital management during the financial year.

30. Capital expenditure commitments

	Group 2022 RM	Group 2021 RM
Contracted for but not provided for		
Property, plant and equipment	6,460,883	4,023,901
	==========	==========

31. Related parties

Identity of related parties

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

Related parties also include key management personnel, defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly. The key management personnel include all the Directors of the Group, and certain members of senior management of the Group.

The Group has a related party relationship with:

(i) its subsidiaries;
(ii) key management personnel;
(iii) companies/organisations connected to certain Directors of the Company and/or of its subsidiaries;
(iv) its substantial corporate shareholders; and
(v) companies related to its substantial corporate shareholder.

31. Related parties (continued)

Significant related party transactions

Significant related party transactions of the Group and of the Company, other than compensations to key management personnel (see Note 25) and those disclosed elsewhere in the financial statements, are shown below.

Subsidiaries

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Dividend income	-	-	(93,350,000)	(48,000,000)
Interest income	-	-	-	(345,726)
Administrative fee	-	-	28,889	22,572

Companies in which a Director has interest

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Purchase of oil palm fresh fruit bunches	-	4,232,659	-	-
Rental and annual support for satellite and broadband services	208,115	199,081	-	-
Insurance premium	952,690	771,161	20,080	20,080

A substantial corporate shareholder

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Rental of office	43,200	-	-	-

31. Related parties (continued)

Significant related party transactions (continued)

Companies related to a substantial corporate shareholder

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Sale of oil palm fresh fruit bunches	(47,242,083)	(51,934,547)	-	-
Sales of crude palm oil	(20,928,835)	-	-	-
Sales of palm kernel shell	(2,929,202)	(1,437,853)	-	-
Sale of oil palm seeds	(167,700)	(90,000)	-	-
Sale of oil palm seedling	(140,000)	(725,208)	-	-
Agronomics service fee	(14,258)	(48,895)	-	-
Purchase of oil palm fresh fruit bunches	977,044	1,232,917	-	-
Transport services	314,185	-	-	-
Purchase of material and store item	47,935	201,979	-	-
Field maintenance work and rental of machineries	94,071	72,513	-	-
Purchase of assets	795,800	641,600	-	-
Rental of office	3,810	16,510	-	-
Purchase of parts	13,500	-	-	-
Services of equipment	34,192	-	-	-

Companies in which certain Directors have interest

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Sale of oil palm fresh fruit bunches	-	(676,277)	-	-
Agronomic service fee income	(11,254)	(12,110)	-	-
Purchase of oil palm fresh fruit bunches	5,860,269	4,013,044	-	-
Purchase of materials	3,410,187	727,029	-	-

31. Related parties (continued)

Significant related party transactions (continued)

Companies in which persons connected to certain Directors have interest

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Software support, customisation, maintenance and implementation costs	307,833	569,690	-	-
Purchase of assets	642,912	120,788	-	-
Purchase of spare parts and consumables	7,768,772	5,513,297	-	-
Transport services	332,280	-	-	-

The balances related to the above transactions are shown in Notes 10 and 17. There is no allowance for impairment loss on doubtful receivables provided against the outstanding balances of related parties, other than that provided against the amount due from subsidiaries as disclosed in Note 10.

Related party transactions are based on negotiated terms and the amounts outstanding at the statement of financial position date are unsecured and expected to be settled in cash.

32. Segment reporting

The Group has three reportable segments, as described below, which are the Group's strategic business units. For each of the strategic business units, the Executive Director (being the Chief Operating Decision Maker), reviews internal management reports on a monthly basis. The following describes the operations in each of the Group's reportable segments.

Investment holding	- Investment holding company.
Oil palm operations	- Comprising 2 divisions namely estate operation (Cultivation of oil palm) and mill operation (processing of fresh fruit bunches).
Management services and rental	- Provision of management service and rental of investment properties.

There are varying levels of integration between the reportable segments. Inter-segment pricing is determined on negotiated terms.

Performance is measured based on segment gross profit as included in the internal management reports. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments relative to other entities that operate within these industries.

32. Segment reporting (continued)

	Investment holding RM	Oil palm operations RM	Management services/ Rental RM	Consolidated RM
2022				
Revenue				
Segment revenue	93,350,000	715,016,117	2,072,583	810,438,700
Inter-segment revenue	(93,350,000)	(4,954,536)	(1,222,015)	(99,526,551)
External revenue	-	710,061,581	850,568	710,912,149
Cost of sales				
Segment cost of sales	-	(509,376,712)	(1,642,770)	(511,019,482)
Inter-segment cost of sales	-	5,200,237	80,400	5,280,637
External cost of sales	-	(504,176,475)	(1,562,370)	(505,738,845)
Gross profit/(loss)	-	205,885,106	(711,802)	205,173,304
Distribution cost	-	(47,550,353)	-	(47,550,353)
Segment profit/(loss)	-	158,334,753	(711,802)	157,622,951
Other income including finance income	2,130,301	3,739,769	68,929	5,938,999
Inter-segment	-	(230,292)	-	(230,292)
External other income	2,130,301	3,509,477	68,929	5,708,707
Other expenses including finance costs	(1,785,339)	(20,928,341)	(197,546)	(22,911,226)
Inter-segment	28,889	522,908	4,484	556,281
External other expenses	(1,756,450)	(20,405,433)	(193,062)	(22,354,945)
Changes in fair value of biological assets	-	(6,763,646)	-	(6,763,646)
Profit/(Loss)before tax	373,851	134,675,151	(835,935)	134,213,067
Included in the measure of segment gross profit is:				
Depreciation of property, plant and equipment, right-of-use assets and investment properties	-	17,804,299	839,297	18,643,596

NOTES TO THE FINANCIAL STATEMENTS

32. Segment reporting (continued)

	Investment holding RM	Oil palm operations RM	Management services/ Rental RM	Consolidated RM
2021				
Revenue				
Segment revenue	48,000,000	792,089,780	2,096,042	842,185,822
Inter-segment revenue	(48,000,000)	(2,456,976)	(1,204,659)	(51,661,635)
External revenue	-	789,632,804	891,383	790,524,187
Cost of sales				
Segment cost of sales	-	(580,031,328)	(1,662,557)	(581,693,885)
Inter-segment cost of sales	-	2,650,753	80,400	2,731,153
External cost of sales	-	(577,380,575)	(l,582,157)	(578,962,732)
Gross profit/(loss)	-	212,252,229	(690,774)	211,561,455
Distribution cost	-	(44,459,942)	-	(44,459,942)
Segment profit/(loss)	-	167,792,287	(690,774)	167,101,513
Other income including finance income	1,664,066	2,632,008	326,520	4,622,594
Inter-segment	(345,726)	(481,403)	(184,236)	(1,011,365)
External other income	1,318,340	2,150,605	142,284	3,611,229
Other expenses including finance costs	(1,378,972)	(22,756,655)	(407,876)	(24,543,503)
Inter-segment	24,705	618,577	176,354	819,636
External other expenses	(1,354,267)	(22,138,078)	(231,522)	(23,723,867)
Changes in fair value of biological assets	-	21,402,364	-	21,402,364
(Loss)/Profit before tax	(35,927)	169,207,178	(780,012)	168,391,239
Included in the measure of segment gross profit is:				
Depreciation of property, plant and equipment, right-of-use assets and investment properties	-	16,529,539	876,974	17,406,513

32. Segment reporting (continued)

	2022 RM	2021 RM
Segment assets		
Investment holding	475,142,581	437,617,021
Oil palm operations	780,951,815	842,848,555
Management services/Rental	23,064,303	22,269,929
	1,279,158,699	1,302,735,505
Elimination	(328,481,812)	(328,052,415)
Total assets	950,676,887	974,683,090

Reconciliation of reportable segment revenue, profit or loss, assets and other material items

	2022 RM	2021 RM
Profit or loss		
Total segment profit for reportable segments	157,622,951	167,101,513
Depreciation of tangible assets	(1,182,073)	(1,394,326)
Finance costs	(763,593)	(811,052)
Finance income	3,231,563	2,088,788
Corporate expenses	(1,756,156)	(1,354,267)
Net of other expenses	(16,175,979)	(18,641,781)
Changes in fair value of biological assets	(6,763,646)	21,402,364
Consolidated profit before tax	134,213,067	168,391,239

Segment information is presented in respect of the Group's business segments. As the Group operates within one geographical segment, geographical segment analysis is not applicable.

32. Segment reporting (continued)

Major customers

The following are the major customers with revenue equal or more than 10% of the Group's total revenue:

	Revenue		
	2022 RM	2021 RM	Segment
Customer A	605,029,091	716,507,557	Cultivation of oil palm and processing of fresh fruit bunches
	==========	==========	

The major customer listed above collectively owe RM5,786,717 (2021: RM8,939,985) to the Group, equivalent to 48% (2021: 68%) of the total trade receivables.

33. Material litigations

On 13 July 2016, the Company and SPAD were served with legal proceedings. Amongst other things, the Plaintiffs sought a declaration to the effect that they have acquired native customary rights and/or are the customary owners over land situated at/around all of Kampung Melugu Sri Aman.

The Company and SPAD had on 20 July 2016 entered appearance. On 10 August 2016, an application to strike out the Plaintiffs' Writ and Statement of Claim was filed and served the Plaintiffs. On 17 October 2016, the Court dismissed SPAD's application to strike out the Plaintiff's Statement of Claim. SPAD filed its appeal against the Court's said decision on 9 November 2016.

On 14 July 2017, the Court of Appeal dismissed the Company and SPAD's appeal with costs in the cause.

On 18 July 2017, the parties informed the Court of the verdict of the appeal hearing. The Company and SPAD also informed the Court of their intention to amend the 'Defence of the 1st and 2nd Defendants'. The Court fixed 18 August 2017 as the next mention date to monitor the progress of the application for amendment of the Defence of the 1st and 2nd Defendants.

On 28 August 2017, the Court had allowed the 1st and 2nd Defendants' application for amendment of the Defence. The Court on 20 September 2017 had given directions for the parties to file the bundle of documents and documents pertinent to the trial. The court fixed the case for trial from 21 May 2018 to 25 May 2018.

The Court gave its decision on 16 July 2018 as follows:

i) The Plaintiffs' action against the 1st, 2nd, 3rd and 4th Defendants is dismissed.
ii) Costs of RM40,000.00 is awarded to the 1st & 2nd Defendants and RM40,000.00 to the 3rd and 4th Defendants, all subject to payment of Allocatur fees.

On 3 August 2018, the Plaintiffs filed their appeal against the whole of the Court's decision delivered on 16 July 2018.

33. Material litigations (continued)

At the last hearing date fixed on 21 February 2020, the Court of Appeal adjourned of the matter to be heard on 15 September 2020.

Since 21 February 2020, the case came up to for Case Management on 15 July 2020, 6 August 2020, 6 October 2020, 16 February 2021, 7 July 2021, 24 August 2021 and 13 October 2021.

On 13 October 2021, the Court of Appeal fixed the Appeal for hearing on 10 February 2022.

However, pursuant to a case management fixed on 6 December 2021, the Court of Appeal had rescheduled the hearing to 27 April 2022 and had also fixed another case management on 17 March 2022. Thereafter, the Court of Appeal fixed another case management on 5 April 2022. There was no change to the hearing date of 27 April 2022.

On the 27 April 2022, the Court of Appeal decided to adjourn the hearing of the appeal to 25 August 2022 on the basis that since the appeal concerns NCR rights, a physical hearing is preferred where reference could be made to maps and aerial photographs.

Later, via case management fixed on 15 July 2022, the Court of Appeal rescheduled the hearing date from 25 August 2022 to 22 August 2022, and then fixed a further case management date on 9 August 2022.

On 22 August 2022, the appeal came up for hearing before the Court of Appeal and the Court of Appeal reserved its ruling to 24 August 2022.

On 24 August 2022, the Court of Appeal dismissed the Appeal with costs of RM20,000.00 to the 1st and 2nd Respondent and costs of RM20,000.00 to the 3rd and 4th Respondent. As such, the case has been successfully defended against the appeal.

As of today, the Appellants have not filed any application for leave to appeal to the Federal Court and the time limit for filing it has, in any event lapsed.

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

In the opinion of the Directors, the financial statements set out on pages 81 to 167 are drawn up in accordance with Malaysian Financial Reporting Standards, 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 of the Company as of 31 December 2022 and of their financial performance and cash flows for the financial year then ended.

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

....

Dato Wong Kuo Hea
Director

....

Hasmawati Binti Sapawi
Director

Kuching,
Date: 24 March 2023

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

I, **Koay Bee Eng**, the officer primarily responsible for the financial management of Sarawak Plantation Berhad, do solemnly and sincerely declare that the financial statements set out on pages 81 to 167 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, **Koay Bee Eng**, NRIC: 690102-07-5398, MIA CA12155, at Kuching in the State of Sarawak on 24 March 2023.

....

Koay Bee Eng

Before me:

PESURUHJAYA SUMPAH
Q137
Evelyn Lau Sie Jiong
01.01.2021-31.12.2023
MALAYSIA

EVELYN LAU SIE JIONG
Commissioner for Oaths
No.10, Lot 663, Ground Floor
Lorong 2 Jalan Ong Tiang Swee
93200 Kuching, Sarawak.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)
(INCORPORATED IN MALAYSIA)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sarawak Plantation Berhad, which comprise the statements of financial position as at 31 December 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 167.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 auditors' 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 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' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key Audit Matters

We have determined that there are no key audit matters in the audit of the financial statements of the Group and of the Company to communicate in our auditors' report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

Our opinion on the financial statements of the Group and of the Company does not cover the annual report 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 annual report and, in doing so, consider whether the annual report 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 the annual report, 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 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 ability of the Group and of the Company 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.

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:

- 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.

- 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 internal control of the Group and of the Company.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

- 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 ability of the Group or of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- 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 gives a true and fair view.

- 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.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SARAWAK PLANTATION BERHAD

REGISTRATION NO. 199701035877 (451377-P)
(INCORPORATED IN MALAYSIA)

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 6 to the financial statements.

Other Matter

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

KPMG

KPMG PLT
(LLP0010081–LCA & AF 0758)
Chartered Accountants

Lee Hean Kok
Approval Number: 02700/12/2023 J
Chartered Accountant

Kuching,

Date: 24 March 2023

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

According to the number of securities held in respect of Ordinary Shares:

Size of Shareholdings	No. of Shareholders / Depositors	% of Shareholders / Depositors	No. of Shares Held	% of Issued Capital
1 - 99	21	0.692	766	0.000
100 - 1000	686	22.588	524,643	0.188
1,001 - 10,000	1,704	56.108	7,887,602	2.827
10,001 - 100,000	502	16.529	15,900,039	5.698
100,001 - 13,951,609*	121	3.984	103,449,425	37.074
13,951,610 and above**	3	0.099	151,269,725	54.213
Total	**3,037**	**100.000**	**279,032,200**	**100.000**

* Less than 5% of Issued Shares ** 5% and above of Issued Shares

Top Thirty Shareholders

	Names	Holdings Number	%
1.	State Financial Secretary Sarawak	71,218,101	25.523
2.	Ta Ann Holdings Berhad	40,083,600	14.365
3.	AMSEC Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Ta Ann Holdings Berhad	39,968,024	14.323
4.	Yayasan Sarawak	11,604,939	4.158
5.	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohamad Bolhair Bin Reduan	10,599,285	3.798
6.	Citigroup Nominees (Tempatan) Sdn Bhd Urusharta Jamaah Sdn Bhd	9,241,600	3.312
7.	Amanah Khairat Yayasan Budaya Melayu Sarawak	8,367,284	2.998
8.	Dayak Cultural Foundation	5,019,400	1.798
9.	Lembaga Amanah Kebajikan Masjid Negeri Sarawak	5,000,000	1.791
10.	Palmhead Holdings Sdn Bhd	4,733,300	1.696
11.	CIMB Group Nominees (Tempatan) Sdn Bhd CIMB Islamic Trustee Berhad for Amanah Khairat Yayasan Budaya Melayu Sarawak	3,237,655	1.160

Top Thirty Shareholders (continued)

	Names	Holdings Number	%
12.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Hasmi Bin Hasnan	2,955,700	1.059
13.	Tan Aik Choon	2,373,800	0.850
14.	Teoh Peng Lee	2,189,000	0.784
15.	Baghlaf Alzafer Group Ltd	2,059,900	0.738
16.	Cheng Ah Teck @ Cheng Yik Lai	2,000,000	0.716
17.	Ta Ann Holdings Berhad	2,000,000	0.716
18.	Key Jaya Sdn Bhd	1,913,700	0.685
19.	Lambaian Kukuh Sdn Bhd	1,481,600	0.530
20.	Neoh Choo Ee & Company, Sdn. Berhad	1,455,000	0.521
21.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kiu Kiong (6000710)	1,248,000	0.447
22.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Yap Qwee Beng	834,000	0.298
23.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Law Kiu Kiong	773,100	0.277
24.	Trinity MMM Holdings Sdn Bhd	770,400	0.276
25.	Wong Kuo Hea	757,600	0.271
26.	Maybank Nominees (Tempatan) Sdn Bhd MTrustee Berhad for Tabung Baitulmal Sarawak (Majlis Islam Sarawak)	750,000	0.268
27.	Ladang Sinarmas Sdn Bhd	707,200	0.253
28.	Maybank Nominees (Tempatan) Sdn Bhd Wong Tung Ann	659,100	0.236
29.	CGS-CIMB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Lim Chen Yik (Penang-CI)	536,500	0.192
30.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB For Lim Poh Ean (PB)	492,100	0.176

ANALYSIS OF SHAREHOLDINGS
AS AT 31 MARCH 2023

Substantial Shareholders

Names of Substantial Shareholders	NRIC/ Registration No.	Malaysian/ Foreign	Nationality/ Country of Incorporation	Direct Holdings		Indirect Holdings (excluding bare trustees)	
				No.	%	No.	%
1. State Financial Secretary Sarawak	ORD211948	Malaysian	Malaysia	71,218,101	25.523	-	-
2. Ta Ann Holdings Berhad	419232K	Malaysian	Malaysia	42,083,600	15.082	-	-
3. Amsec Nominees (Tempatan) Sdn Bhd Pledged Securities Account - Ambank (M) Berhad for Ta Ann Holdings Berhad	102918-T	Malaysian	Malaysia	39,968,024	14.323	-	-
4. Datuk Amar Abdul Hamed bin Sepawi	490531-13-5129	Malaysian	Malaysian	200,000	0.072	82,052,624	29.406
5. Dato Wong Kuo Hea	511117-13-5553	Malaysian	Malaysian	1,050,400	0.376	87,284,924	31.281
6. Mountex Sdn Bhd	490017-P	Malaysian	Malaysian	-	-	82,051,624	29.406

Directors' Direct and Indirect Shareholding in the Company

Names of Directors	Designation	Nationality	Direct Holdings		Indirect Holdings	
			No.	%	No.	%
1. Datuk Amar Abdul Hamed bin Sepawi	Executive Chairman	Malaysian	200,000	0.072	82,052,624	29.406
2. Dato Wong Kuo Hea	Executive Director	Malaysian	1,050,400	0.376	87,284,924	31.281
3. Hasmawati binti Sapawi	Non Executive Non Independent Director	Malaysian	-	-	-	-
4. Datu Haji Soedirman Haji Aini	Independent Director	Malaysian	42,000	0.015	-	-
5. Brigadier General Dato' Muhammad Daniel bin Abdullah (Retired)	Independent Director	Malaysian	-	-	-	-
6. Dato Chia Chu Fatt	Independent Director	Malaysian	-	-	-	-
7. Dato Awang Bemee bin Awang Ali Basah	Independent Director	Malaysian	-	-	-	-

OTHER COMPLIANCE INFORMATION

Audit and Non Audit Fees

The amount of audit fees payable to the Company's auditors, KPMG PLT for the Group and the Company amounted to RM240,500 and RM68,000 respectively.

The amount of non audit fees incurred by the Company for services, for example tax compliance services and review of the Statement on Risk Management and Internal Control rendered by the external auditors, KPMG PLT and that of its affiliates to the Company and its subsidiaries during the financial year ended 31 December 2022 amounted to RM96,250 and RM26,300 for the Group and the Company, respectively.

Material Contracts

There were no material contracts of the Company and its subsidiaries involving the Directors and or major shareholders either subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Recurrent Related Party Transactions ('RRPT')

Breakdown of recurrent related party transactions ('RRPT') of a revenue or trading nature conducted with Sarawak Plantation Agriculture Development Sdn. Bhd. (SPAD), the Company's wholly owned subsidiary pursuant to the shareholders' mandate during the financial year are as follows:

Name of related parties	Relationship	Nature of transactions	Aggregated Amount RM
Danawa Resources Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi is a director and shareholder of SPB and also a major shareholder of Danawa Resources Sdn. Bhd.	Rental and support fee for satelite broadband services	208,115
Intuitive Systems Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB. Datuk Amar Abdul Hamed bin Sepawi's sister and Dato Wong Kuo Hea's son are directors and shareholders of Intuitive Systems Sdn. Bhd. Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of Palmhead Holdings Sdn. Bhd, a company who holds 55% equity interest in Intuitive Systems Sdn. Bhd. Palmhead Holdings Sdn. Bhd is a shareholder of SPB.	Software support, customisation and maintenance fee for EMS and purchase of IT equipment	394,245

Recurrent Related Party Transactions ('RRPT') (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated Amount RM
Manis Oil Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 100% equity interest in Manis Oil Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of FFB	27,177,946
Stonehead Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Stonehead Sdn. Bhd	Purchase of Down Crasher Run (DCR) stones	3,410,187
Butrasemari Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Palmhead Holdings Sdn. Bhd., a company who holds 100% equity interest in Butrasemari Sdn. Bhd. Palmhead Holdings Sdn. Bhd. is a shareholder of SPB	Purchase of FFB	1,078,443
Ta Ann Plywood Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 100% equity interest in Ta Ann Plywood Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of services, material and vehicle in relation to estate field activities	94,071

Recurrent Related Party Transactions ('RRPT') (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated Amount RM
Ironhead Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 100% equity interest in Ironhead Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of equipment for estate field activities	795,800
Lik Shen Sawmill Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a company who holds 100% equity interest in Lik Shen Sawmill Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of sawn timber	47,935
TABM Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 100% equity interest in TABM Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of palm kernel shell	2,929,202
TBS Oil Mill Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 55% equity interest in TBS Oil Mill Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of FFB	20,064,137

OTHER COMPLIANCE INFORMATION

Recurrent Related Party Transactions ('RRPT') (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated Amount RM
Mega Bumimas Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 100% equity interest in Mega Bumimas Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of FFB	557,738
Ta Ann Pelita Silas Plantation Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Ta Ann Holdings Berhad, a shareholder of Ta Ann Plantation Sdn. Bhd., a company who holds 60% equity interest in Ta Ann Pelita Silas Plantation Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Purchase of FFB	419,306
Sebubu Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Palmhead Holdings Sdn. Bhd., a company who holds 100% equity interest in Sebubu Sdn. Bhd. Palmhead Holdings Sdn. Bhd. is a shareholder of SPB	Purchase of FFB	728,043
PSS Oil Mill Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Palmhead Holdings Sdn. Bhd., a company who holds 100% equity interest in PSS Oil Mill Sdn. Bhd. Palmhead Holdings Sdn. Bhd. is a shareholder of SPB	Purchase of FFB	4,053,783

Recurrent Related Party Transactions ('RRPT') (continued)

Name of related parties	Relationship	Nature of transactions	Aggregated Amount RM
Key Ta Trading Sdn. Bhd.	Dato Wong Kuo Hea is a director and shareholder of SPB and his brother is a shareholder of Key Ta Trading Sdn. Bhd. His sister is a director of Key Ta Trading Sdn. Bhd.	Purchase of spare parts, lubricants and fertilisers	1,580,202
Key Jaya Trading Sdn. Bhd.	Dato Wong Kuo Hea is a director and shareholder of SPB and his brother is a director and shareholder of Key Jaya Trading Sdn. Bhd.	Purchase of diesel	6,188,570
Acosafe Sdn. Bhd.	Dato Wong Kuo Hea is a director and shareholder of SPB and also a shareholder of Acotop Sdn. Bhd., a company who holds 45% equity interest in Acosafe Sdn. Bhd.	Insurance premium in relation to General (Non Motor) Insurance and Motor Insurance both for the duration of 1 year	908,786
Ta Ann Plywood Sdn. Bhd.	Datuk Amar Abdul Hamed bin Sepawi and Dato Wong Kuo Hea are directors and shareholders of SPB and also directors and shareholders of Tan Ann Holdings Berhad, a company who holds 100% equity interest in Ta Ann Plywood Sdn. Bhd. Ta Ann Holdings Berhad is a substantial shareholder of SPB	Sale of seeds	167,700

TOP 10 PROPERTIES

Registered Owner/Lessee	Estate/Address	Title/Location	Description	Approximate Age of Building (years)
SPAD	Bakau 6KM off KM24 Selangau-Matadeng Road	Lot 12, Blk 13, Bawan LD	Land and Building	1 -10
	Pinji Mewah 45KM off KM53 Miri-Bintulu Road via Beluru Bakong Road	Lot 32, Blk 20, Puyut LD Lot 3, Blk 30, Puyut LD	Land and Building	3 - 7
	Subis 1KM off KM87 Miri-Bintulu Road	Lot 15, 16 and 17, Blk 18, Niah LD, Lot 67 and 74, Blk 17, Niah LD Lot 4, 42, 45 and 47 Blk 8, Bukit Kisi LD	Land and Building	1 - 26
	Ladang Tiga 2KM off KM75 Miri-Bintulu Road	Lot 10 and 18, Blk 5, Bukit Kisi LD Lot 34, 35 and 36, Blk 7, Niah LD Lot 14 and Part of Lot 40, Blk 11, Niah LD Lot 16 and 17, Blk 14, Niah LD Lot 3, Blk 16, Niah LD Lot 65, Blk 17, Niah LD	Land and Building	1 - 26
		Part of Lot 40, Blk 11, Niah LD	Land and Building	1 - 26
	Matadeng 5KM off KM35 Selangau-Matadeng Road	Lot 5, Blk 15, Mukah LD	Land and Building	1 - 9
	Mukah 1 KM12, Selangau- Matadeng Road	Lot 23, 25, 54 & Part of 61 Blk 8, Sikat LD	Land and Building	1 - 26
		Part of Lot 61, Blk 8, Sikat LD	Land and Building	1 - 26
	Peninjau 8KM off KM53 Miri - Bintulu Road	Lot 396, 397, 453, 483, 486 and 489, Blk 2 Bukit Kisi LD	Land and Building	2 - 26
	Bukut 18KM off KM20, Selangau-Matadeng Road	Lot 8 Blk 13 Bawan LD Lot 1 Blk 4 Buloh LD	Land and Building	1 - 9
	Tulai 3KM off KM20 Sibu/Sarikei Road	Lot 619, Blk 5, Tulai LD Lot 25, Tulai LD Lot 1281 Assan LD	Land and Building	5 - 18
Telliana Oil Palm Sdn. Bhd.	Tugau 37KM off KM15, Sibu-Teku Road via Rantau Panjang Road	Lot 76, Blk 5, Retus LD	Land	-

SPAD - Sarawak Plantation Agriculture Development Sdn Bhd   Blk - Block   LD - Land District

TOP 10 PROPERTIES

Year of Acquisition	Tenure/Expiry of Lease	Existing use	Land Area (Ha)	Net book value as at 31 December 2022		
				Land and building (RM)	Bearer Plants & Infrastructure works (RM)	Total (RM)
2009	60 years/ 06.03.2067	Oil palm activities/ residential/ office/store	3,413	14,150,205	69,436,328	83,586,533
2016	60 years/ 23.09.2068/ 07.12.2070	Oil palm activities/ residential/ office/store	1,908	30,854,611	48,024,517	78,879,128
1997	60 years/ 06.05.2043/ 29.11.2057	Oil palm activities/ residential/ ofiice/store	7,153	2,518,787	62,396,708	64,915,495
1997	60 years/ 06.05.2043/ 16.07.2055/ 29.11.2057	Oil palm activities/ residential/ office/store	4,930	5,638,710	38,809,498	44,448,208
	60 years/ 06.05.2043	Mill/residential office/store	19	7,437,268	1,682,092	9,119,360
2009	60 years/ 06.03.2067	Oil palm activities/ residential/ office/store	1,848	9,194,594	40,397,616	49,592,210
1997	60 years/ 11.06.2049	Oil palm activities/ residential/ office/store	3,854	7,610,782	34,426,302	42,037,084
	60 years/ 11.06.2049	Mill/residential/ office/store	23	4,131,775	167,911	4,299,686
1997	60 years/ 06.05.2043/ 29.11.2057	Oil palm activities/ residential/office store/laboratoty	3,959	3,959,620	38,707,355	42,666,975
2009	60 years/ 10.12.2066/ 06.03.2067	Oil palm activities/ residential/ office/store	1,566	5,402,402	32,816,109	38,218,511
1997	60 years/ 07.05.2063/ 10 years/ 31.12.2023	Oil palm activities/ residential/ office/store	2,179	3,978,027	32,204,668	36,182,695
2016	60 years/ 28.09.2075	Vacant	1,553	26,582,768	3,572,633	30,155,401

This Annual Report contains some forward-looking statements in respect of the Company's financial condition, results of operations and business. These forward-looking statements represent the Company's expectations or beliefs concerning future events and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Readers are hereby cautioned that a number of factors could cause actual results to differ, in some instances materially, from those anticipated or implied in any forward-looking statements. In this respect readers must therefore not rely solely on these statements in making investment decisions regarding Sarawak Plantation Berhad. The Board and the Company shall not be responsible for any investment decisions made by the readers in reliance on those forward-looking statements. Forward looking statements speak only as of the date they are made and it should not be assumed that they have been reviewed or updated in the light of new information or future events that would arise between the time of publication of this Annual Report and the time of reading this Annual Report. The Board has however established a Risk Management Committee to mitigate as much as practicably possible the consequences of any uncertainties and contingencies. Further details can be found in the Corporate Governance Overview Statement as set out in this Annual Report.

Cautionary Statement Regarding Forward-looking Statements

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 26th Annual General Meeting (AGM) of Sarawak Plantation Berhad will be held at The Space by iCube Tower B2 Level 4 ICOM Square Jalan Pending 93450 Kuching Sarawak on Friday, 26 May 2023 at 10am to transact the following businesses:

AGENDA:

Ordinary Business

1.	To receive the Audited Financial Statements for the year ended 31 December 2022 together with the Directors' and Auditors' Reports thereon	**Please refer to Explanatory Note 1**
2.	To approve payment of Directors' Fees up to an amount of RM696,000 in respect of the financial year ending 31 December 2023	**Resolution 1**
3.	To approve payment of Director's benefits up to an amount of RM214,100 from 26 May 2023 up to the date of the next AGM	**Resolution 2**
4.	In accordance with Article 91 of the Company's Constitution, the following directors retire from the Board and being eligible offer themselves for re-election:	
	Dato Wong Kuo Hea	**Resolution 3**
	Hasmawati binti Sapawi	**Resolution 4**
	Dato Chia Chu Fatt	**Resolution 5**
5.	To re-appoint Messrs. KPMG PLT as auditors for the Company and authorise the Directors to fix their remuneration	**Resolution 6**

SPECIAL BUSINESSES

To consider and if thought fit, to pass the following as Ordinary Resolutions:

6. AUTHORITY TO ALLOT AND ISSUE SHARES **Resolution 7**

"THAT pursuant to Section 76 of the Companies Act 2016 and subject always to approval of the relevant authorities, the Directors of the Company be and are hereby empowered to issue and allot shares in the Company from time to time and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to the resolution does not exceed 10% of the Issued Share Capital of the Company for the time being AND THAT the Directors be and are hereby empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation for the additional shares so issued AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company."

7. PROPOSED RENEWAL OF EXISTING SHAREHOLDERS' MANDATE AND PROPOSED NEW SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS (RRPT) OF A REVENUE OR TRADING NATURE **Resolution 8**

"THAT approval be and is hereby given to the Company and its subsidiaries to enter into RRPT of a Revenue or Trading Nature as set out in Appendix 1 of the Circular to Shareholders dated 20 April 2023 ("Circular") with the related parties mentioned therein which are necessary for the Group's day to day operations, subject to the following:

(a) That the RRPT are entered into on generally acceptable commercial terms not more favourable to the mandated related parties, they are at arm's length and are not prejudicial to the interests of the minority shareholders; and

(b) A disclosure of the aggregate amount of RRPT conducted pursuant to the Proposed Renewal and New Shareholders' Mandate shall be made in the Annual Report, including a breakdown of the aggregate value of the RRPT made during the financial year, amongst others, based on the following information:

 (i) The type of recurrent transactions made; and
 (ii) The names of the related parties involved in each type of recurrent transaction made and their relationship with the Company

AND THAT such approval shall continue to be in force until:

(i) The conclusion of the next AGM of the Company;
(ii) The expiration of the period within which the next AGM of the Company subsequent to this date is required to be held pursuant to Section 340(2) of the Companies Act 2016 (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Companies Act 2016); or
(iii) Revoked or varied by resolution passed by the shareholders in general meeting;

Whichever is the earlier

AND THAT the Directors of the Company be authorised to complete and do all such acts and things as they may consider expedient or necessary to give effect to the Proposed Shareholders' Mandate for the period from this AGM to the next AGM."

8. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE OWN SHARES **Resolution 9**

"THAT subject always to the Companies Act 2016 and all other applicable laws, guidelines, rules and regulations, the Directors of the Company be and are hereby unconditionally authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit, necessary and expedient in the interest of the Company provided that:

(a) The aggregate number of shares to be purchased and / or held pursuant to this resolution does not exceed 10% of the total number of issued shares of the Company as quoted on Bursa Securities as at the point of purchase;

(b) An amount not exceeding the Company's retained profits based on the latest audited financial statements be allocated for the proposed share buy back;

8. PROPOSED RENEWAL OF AUTHORITY TO PURCHASE OWN SHARES (continued) **Resolution 9**

(c) The Directors of the Company may decide in their discretion to cancel and / or retain the ordinary shares in the Company as Treasury Shares and subsequently distribute them as dividends, transfer the shares for the purposes of or under an employee share scheme that has been approved by the shareholders, transfer the shares as purchase consideration or resold on Bursa Malaysia Securities Berhad or be cancelled;

AND THAT authority be and is hereby given to the Directors of the Company to act and to take all such steps and to do all things as are necessary or expedient to implement and finalise and give effect to the proposed share buy back;

AND THAT such authority conferred by this resolution will commence immediately and shall continue to be in force until the conclusion of the next AGM of the Company following the passing of this ordinary resolution, unless revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting."

9. TO TRANSACT ANY OTHER BUSINESS OF WHICH DUE NOTICE SHALL HAVE BEEN GIVEN

BY ORDER OF THE BOARD
TRINA TAN YANG LI (0666-KT032)
SSM Practicing Certificate No. 202008004432
Company Secretary
Kuching Sarawak
Dated this 20 April 2023

DIRECTOR TO RETIRE AT 26TH ANNUAL GENERAL MEETING

Pursuant to the Article 91 of the Company's Constitution, Datu Haji Soedirman bin Haji Aini will be retiring at the 26th Annual General Meeting. He had advised that he does not wish to seek re-election at the 26th Annual General Meeting.

NOTES:

1. A Member including authorised nominees as defined under the provisions of the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote on his behalf at this AGM. Such proxy need not be a Member of the Company.
2. If a Member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If the appointer is a corporation, the proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy must be in writing and deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01 Level 32 Tower A Vertical Business Suite Avenue 3 Bangsar South No. 8 Jalan Kerinchi 59200 Kuala Lumpur not less than 48 hours before the time set for holding this AGM or any adjournment thereof.
   If there is any alteration to the instrument appointing a proxy, the same must be initialed.
5. In respect of deposited securities, only Members whose names appear in the Record of Depositors as at 19 May 2023 shall be eligible to attend, participate, speak and vote at this AGM.
6. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad's Main Market Listing Requirements, all resolutions in this Notice of AGM will be put to vote on a poll.

EXPLANATORY NOTES:

1. Audited Financial Statements

Pursuant to Section 340(1) of the Companies Act 2016, the Audited Financial Statements are meant for discussion only and do not require the shareholders' formal approval. Hence this item on the Agenda is not put forward for voting.

2. Resolutions 3, 4 and 5 - Re-election of Directors

The profile of the Directors seeking re-election can be found in the Board of Directors' section of the Annual Report 2022.

Dato Wong Kuo Hea is our Executive Director, Hasmawati binti Sapawi is our Non Independent Non Executive Director and Dato Chia Chu Fatt is our Independent Non Executive Director.

The Nomination Committee assessed the performance of all Directors, in terms of their character and integrity, their experience and competence and their time spent together with their level of commitment to the affairs of the Company. An assessment of the independence of the Independent Directors were also carried out.

The Nomination Committee is satisfied with the performance of all the Directors seeking re-election and recommended their re-appointment to the Board for approval. The Board supports the Nomination Committee's recommendation that Dato Wong Kuo Hea, Hasmawati binti Sapawi and Dato Chia Chu Fatt be reappointed as the Executive Director, Non Independent Non Executive Director and Independent Non Executive Director respectively.

All these 3 Directors abstained from deliberations at the Board Meeting regarding their eligibility to stand for re-election and re-appointment.

3. Resolution 7 - Authority to Allot and Issue New Shares

This proposed resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares from the unissued capital of the Company up to an aggregate amount not exceeding 10% of the issued share capital of the Company for the time being, for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company in general meeting, expire at the next AGM.

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

As at the date of this Notice, no new shares in the Company were issued pursuant to the general mandate granted to the Directors at the 25th AGM held on 27 May 2022.

4. Resolution 8 - Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature

This ordinary resolution, if passed, will authorise the Company and its subsidiaries to transact with mandated related parties for the period from this AGM till the next AGM. Please refer to Part I of the Circular to Shareholders dated 20 April 2023 for further details.

5. Resolution 9 - Proposed Renewal of Authority to Purchase Own Shares

Please refer to Part II of the Statement to Shareholders dated 20 April 2023 for further details.

No. of shares:	
CDS Account no.:	

SARAWAK PLANTATION BERHAD
Registration No. 199701035877 (451377-P)
Incorporated in Malaysia

FORM OF PROXY

I / We ....

NRIC No. / ID No. / Company No .... (new) .... (old)

of ....

being a member of SARAWAK PLANTATION BERHAD, hereby appoint ....

NRIC No. / ID No. .... (new) .... (old)

of ....

or failing which the Chairman of the Meeting as my / our proxy / proxies to vote for me / us on my / our behalf at the 26th Annual General Meeting (AGM) of Sarawak Plantation Berhad which will be held at The Space by iCube Tower B2 Level 4 ICOM Square Jalan Pending 93450 Kuching Sarawak on Friday, 26 May 2023 at 10am or at any adjournment thereof, in the manner as indicated below:

RESOLUTIONS		FOR	AGAINST
Resolution 1	Approval of Directors' Fees for financial year ending 31 December 2023		
Resolution 2	Approval of Directors' Benefits from 26 May 2023 up to the date of the next AGM		
Resolution 3	Re-election of Director: Dato Wong Kuo Hea		
Resolution 4	Re-election of Director: Hasmawati binti Sapawi		
Resolution 5	Re-election of Director: Dato Chia Chu Fatt		
Resolution 6	Re-appointment of Auditors		
Special Businesses:			
Resolution 7	Authority to Allot and Issue Shares		
Resolution 8	Proposed Renewal of Existing Shareholders' Mandate and Proposed New Shareholders' Mandate for Recurrent Related Party Transactions (RRPT) of a Revenue or Trading Nature		
Resolution 9	Proposed Renewal of Authority to Purchase Own Shares		

(Please indicate with an "X" in the spaces above how you wish your votes to be casted on the resolutions specified in the Notice of Meeting. If no specific direction as to the voting is indicated, the proxy / proxies will vote or abstain from voting as he / she / they think fit.)

NOTES:

1. A Member including authorised nominees as defined under the provisions of the Securities Industry (Central Depositories) Act 1991 and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote on his behalf at this AGM. Such proxy need not be a Member of the Company.
2. If a Member appoints more than 1 proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy.
3. If the appointer is a corporation, this proxy form must be executed under its common seal or under the hand of an officer or attorney duly authorised.
4. To be valid, the instrument appointing a proxy must be in writing and deposited at the office of the Share Registrar, Tricor Investor & Issuing House Services Sdn. Bhd. at Unit 32-01 Level 32 Tower A Vertical Business Suite Avenue 3 Bangsar South No. 8 Jalan Kerinchi 59200 Kuala Lumpur not less than 48 hours before the time set for holding this AGM or any adjournment thereof.

   If there is any alteration to the instrument appointing a proxy, the same must be initialed.
5. In respect of deposited securities, only Members whose names appear in the Record of Depositors as at 19 May 2023 shall be eligible to attend, participate, speak and vote at this AGM.

Where proxies are appointed, percentage of shareholdings to be requested are:

	No. of Shares	Pecentage
Proxy 1		
Proxy 2		
Total		100%

Dated this .... day of 2023

....
Signature of Shareholder(s) / Common Seal

Fold line

STAMP

The Company Secretary

SARAWAK PLANTATION BERHAD

8th Floor, Wisma NAIM, 2½ Mile, Rock Road
93200 Kuching, Sarawak.
Tel: 082-233550 Email: spb@spbgroup.com.my

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