KULIM (MALAYSIA) BERHAD
197501001832 (23370-V)

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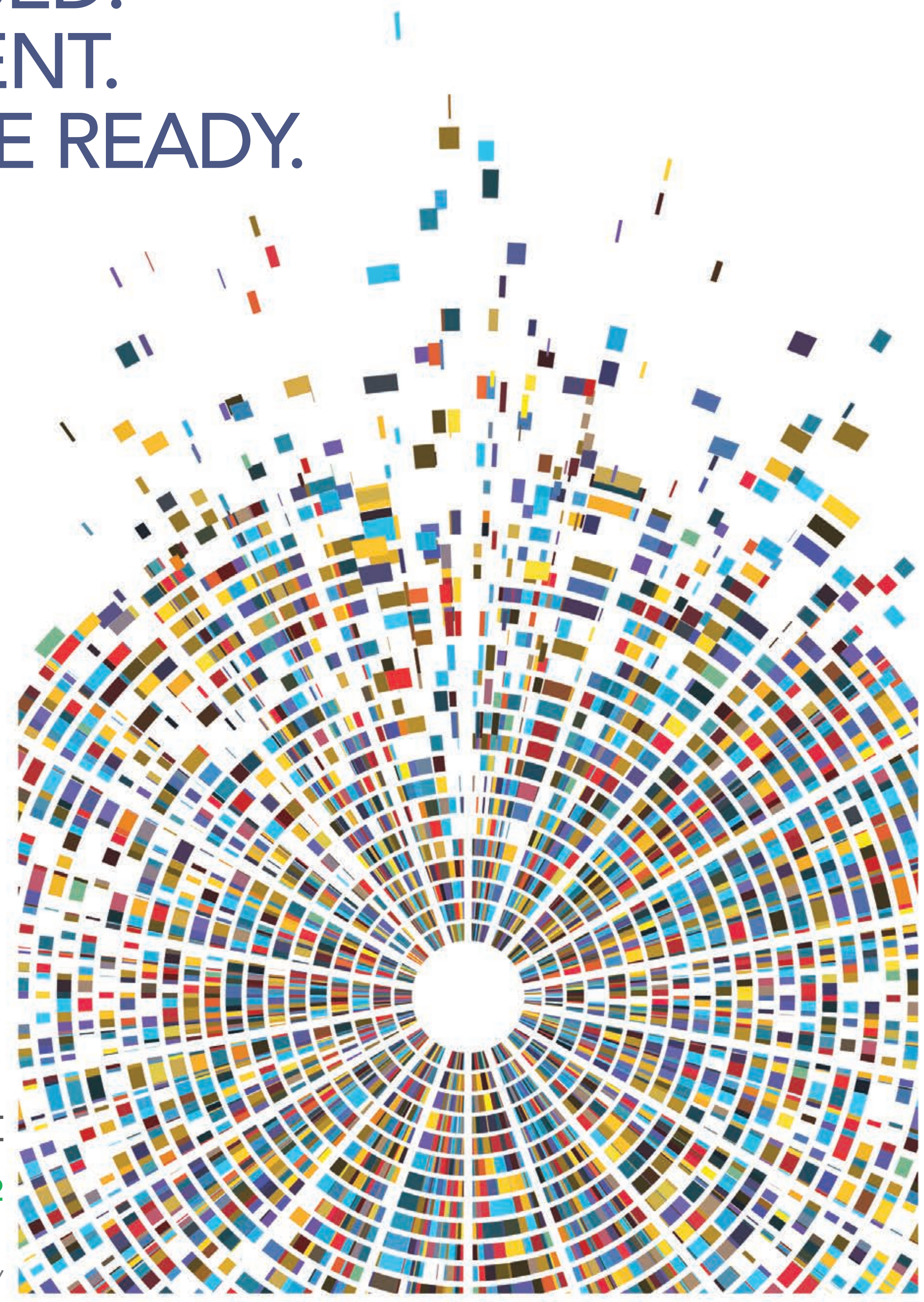
KULIM (MALAYSIA) BERHAD 197501001832 (23370-V)

FINANCIAL REPORT 2022

KULIM

FOCUSED. RESILIENT. FUTURE READY.



FINANCIAL
REPORT
2022

A JCORP Company

About Our Report

This Integrated Report covers the activities of Kulim (Malaysia) Berhad ("Kulim") for the Financial Year Ended 31 December 2022 ("FY2022") up to 28 February 2023, being the last practicable date before the printing of this report.

SCOPE AND BOUNDARY OF REPORTING

Reporting Period

Our report is produced and published annually. It provides material information relating to our strategy and business model, operating landscape, material risks, stakeholder needs and concerns, performance, governance and prospects, covering FY2022 up to 28 February 2023.

Operating Businesses

The report includes the primary activities of the Group, our business clusters, key support areas and subsidiaries.

Financial and Non-Financial Reporting

The report extends beyond financial reporting and includes non-financial performance, including opportunities, risks and outcomes attributable to, or associated with key stakeholders who have a significant influence on our ability to create value.

TARGETED READERS

This report aims to meet the information needs of long-term investors and provides relevant information on how we generate, protect, and maximise value for other important stakeholders, such as employees, clients, regulators, and society.

REPORTING FRAMEWORKS

Kulim's Integrated Report, and the contents of this report are guided by the principles and requirements of the following:

- International Integrated Reporting Framework ("IIRF")
- Malaysian Code on Corporate Governance 2021 ("MCCG 2021")

Our Financial Statements for the FY2022 have been prepared in accordance with:

- Malaysian Financial Reporting Standards
- International Financial Reporting Standards
- Companies Act 2016

For our Sustainability Statement:

- Kulim has reported in accordance with the Global Reporting Initiatives ("GRI") Standards for the period from January 2022 up to 28 February 2023 as per GRI 101: Foundation requirements
- We have also incorporated the United Nations' Sustainable Development Goals ("UN SDGs") in our approach to sustainability

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Integrated Report 2022

INTEGRATED REPORT 2022

Primary source of information on our Group's financial and non-financial performance across our operations in Malaysia and Indonesia.

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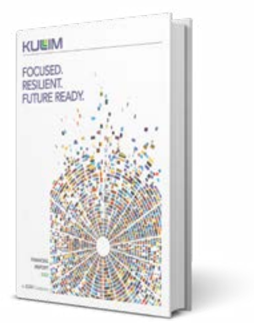
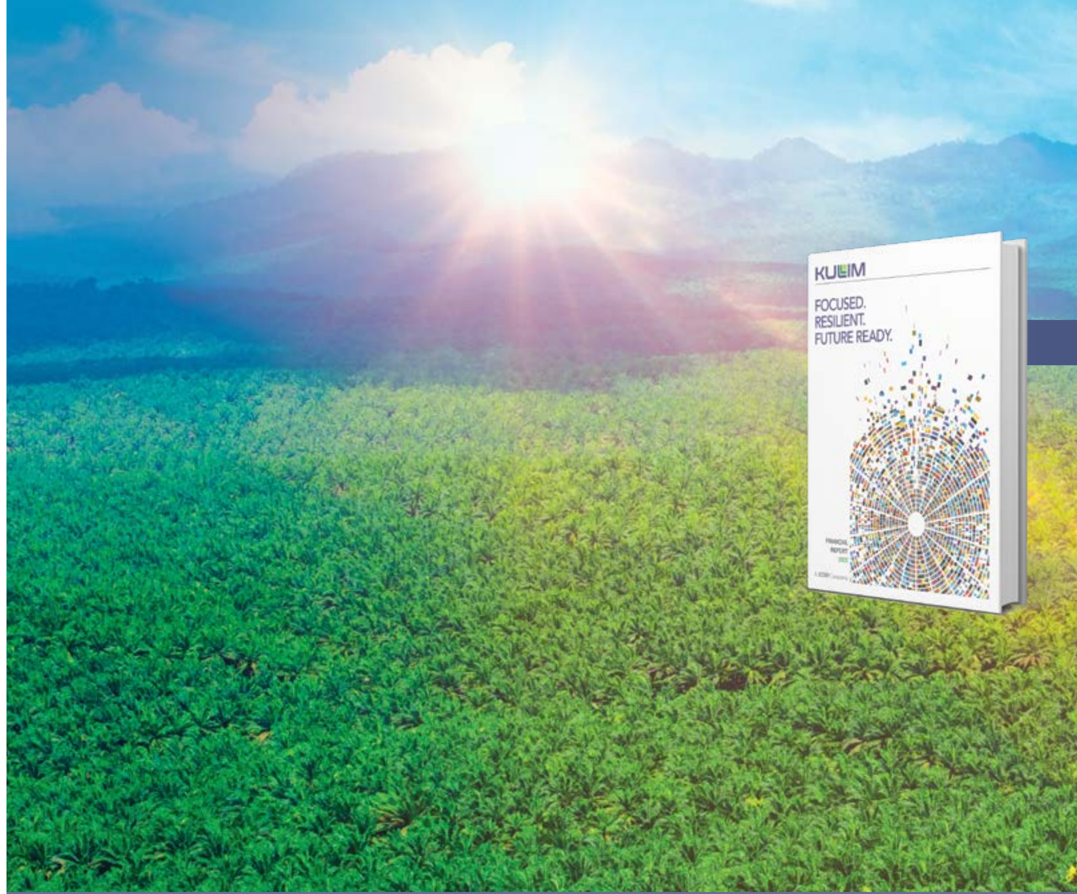


Financial Report 2022

FINANCIAL REPORT 2022

Provides a full account of Kulim's audited financial statements for FY2022.



What's Inside

COVER RATIONALE

FOCUSED. RESILIENT. FUTURE READY.

Kulim is on a strategic mission to become a prominent integrated Agribusiness player, serving not only Johor but the entire nation, by 2025. To achieve this, we are embarking on a transformative journey to achieve our goal.

Remaining focused, we align our strategies with long-term objectives. By strengthening our core businesses through partnerships and acquisitions, we optimise our operations and enhance our market position. This focused approach enables us to navigate challenges and seize opportunities, propelling us towards our goal of Agribusiness leadership.

Our resilience is evident in adapting to changing dynamics. Creating new growth avenues, enhancing efficiencies, and streamlining operations ensure stability and sustainable growth, even in evolving market conditions.

Being future-ready, we embrace digitalisation and mechanisation. By leveraging technology and automation, we remain at the forefront of industry advancements, increasing productivity and optimising resource utilisation.

By focusing on core businesses, diversifying offerings, embracing digitalisation, and staying resilient in the face of challenges, Kulim is poised to realise our vision and solidify our position as a prominent player in the Agribusiness industry.

The cover design features plant genome sequencing which provides valuable insights into plant biology, facilitates genetic improvement of crops, aids in conservation efforts, and supports sustainable agricultural practices. Kulim is committed to pushing the boundaries and enhancing the quality of life for future generations.

Directors' Report

DIRECTORS' REPORT

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

PRINCIPAL ACTIVITIES

The Company is principally engaged in oil palm plantation, investment holding and property investment in Malaysia whilst the principal activities of the subsidiaries are as stated in Note 16 to the financial statements. There has been no significant change in the nature of these activities during the financial year.

RESULTS

	Group RM'000	Company RM'000
Profit for the financial year from continuing operations	439,950	530,430
Profit for the financial year from discontinued operations	34,641	171,949
Profit for the financial year	474,591	702,379
Profit for the financial year attributable to:		
Owners of the Company	464,857	702,379
Non-controlling interests	9,734	–
	474,591	702,379

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than the effects arising from the classification of the assets and liabilities of the subsidiaries presented as held for sale as disclosed in Note 24 of the financial statements.

DIVIDENDS

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

In respect of the financial year ended 31 December 2022:	RM'000
Final dividend in respect of the financial year ended 31 December 2021, of 875 sen per share on 4,000,000 ordinary shares, declared on 8 April 2022 and paid on 8 June 2022	35,000
First interim dividend of 2,500 sen per share on 4,000,000 ordinary shares, declared on 17 August 2022 and paid in tranches on 30 August 2022, 31 August 2022 and 1 September 2022	100,000
Second interim dividend of 1,875 sen per share on 4,000,000 ordinary shares, declared on 22 November 2022 and paid on 9 December 2022	75,000
	210,000

Directors' Report

DIRECTORS

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

Tan Sri Dr. Ismail bin Bakar	Appointed on 10 May 2022
Tan Sri Dr. Ali bin Hamsa	Deceased on 21 April 2022
Dato' Sr. Hisham bin Jafrey	
Mohd Faris Adli bin Shukery^	
Shamsul Anuar bin Abd Majid	
Mohd Nordin bin Jamaludin	
Abdullah bin Abu Samah^	
Fawzi bin Ahmad	
Mohd Fazillah bin Kamaruddin	
Nina Sapura binti Rahmat (Alternate director to Shamsul Anuar bin Abd Majid)^	
Kandasamy a/l Kanny	Resigned on 29 November 2022

^ Director of the Company and certain subsidiaries

The list of the directors of the Company's subsidiary/(ies) since the beginning of the financial year to the date of this report, excluding directors who are also directors of the Company:

Duli Yang Amat Mulia Tunku Ismail Idris Ibni Sultan Ibrahim
Dato' Mohd Redza Shah bin Abdul Wahid
Datuk Mohd Nasir bin Ali
Abd Rahman bin Md Dawi
Abdul Azmin bin Abdul Halim
Ahmad Fauzi bin Nordin
Ahmad Zaki bin Johor
Amran bin Zakaria
Azhar bin Ahmad
Aziah binti Ahmad
Fairuz bin Ismail
Ir Dr Noshah Hafeez bin Shuib
Ismail bin Hashim
Lokman Izam bin Abd Aziz
Mahmud bin Saidoo
Maziah binti Mahmod
Mohamad Yami bin Bakar
Mohd Khir bin Tamby
Mohd Shahreen Zainooreen bin Madros
Mohd Shahrir bin Suboh
Mohd Sha'zani bin Abdul Karim
Murad bin Siabu
New Kok Ho
Noor Effendy bin Mohd Ali
Rozan bin Mohd Sa'at
Siti Haminah binti Sarnadi
Siti Rokiah binti Ahmad
Syed Aiman Kifli bin Syed Jaafar
Wan Adlin bin Wan Mahmood
Zahari bin Mohamad
Zamarul Haidah binti Abu Bakar
Zarina binti Ismail
Zulkornain bin Abu Hassan

Directors' Report

DIRECTORS (CONTINUED)

Appointed since the beginning of the financial year to the date of this report:

Ahmad Fauzi bin Nordin	Appointed on 1 January 2023
Azhar bin Ahmad	Appointed on 1 January 2023
Fairuz bin Ismail	Appointed on 1 January 2022
Lokman Izam bin Abd Aziz	Appointed on 1 January 2022
Muhammad Khairi bin Ramli	Appointed on 1 January 2022

Resigned since the beginning of the financial year to the date of this report:

Azlan Rudy bin Mustaza	Appointed on 1 January 2022 and resigned on 1 January 2023
Azimin bin Abdullah	Resigned on 1 January 2023
Azli bin Mohamed	Resigned on 1 January 2023
Azman bin Miskon	Resigned on 1 January 2023
Dahniar binti Abd Rahman	Resigned on 1 January 2023
Dinalita binti Ahmad Rauthi	Resigned on 1 January 2022
Juharudin bin Ahmad	Resigned on 1 January 2022
Kamaroulzaman bin Thith	Resigned on 1 January 2022
Kamarulzaman bin Othman	Resigned on 1 January 2022
Khairi bin Tohiran	Resigned on 1 January 2022
Mariyam binti Mohd Yusof	Resigned on 1 January 2022
Methal bin Ahmad	Resigned on 1 January 2022
Mohammed Izuddin bin Rosli	Resigned on 1 January 2022
Mohd Hussni bin Osman	Resigned on 1 January 2022
Mohd Isa bin Zainol Abidin	Resigned on 1 January 2022
Mohd Khairudin bin Idris	Resigned on 1 January 2022
Mohd Radzi bin Mohamed	Resigned on 1 January 2022
Nuraliza binti A.Rahman	Resigned on 1 January 2022
Rohaime bin Rospiluji	Resigned on 1 January 2022
Rosfazihan bin Baharoom	Resigned on 1 January 2022
Rosnah binti Basok	Resigned on 1 January 2022
Rostam bin Othman	Resigned on 1 January 2022
Salasah binti Elias	Resigned on 1 January 2022
Shamshulkamal bin Sabtu	Resigned on 1 January 2022
Syed Hashim bin Syed Hassan	Resigned on 1 January 2022
Wan Mohd Zulkifli bin Wan Yusof	Resigned on 1 January 2022
Zainuriah binti Abdullah	Resigned on 1 January 2022
Zazry bin Zainon	Resigned on 1 January 2022
Mohd Akhir bin Wanteh	Resigned on 15 June 2022

Directors' Report

DIRECTORS' BENEFITS

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

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

DIRECTORS' INTERESTS

According to the Register of Directors' Shareholdings, the interests of a Director in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

	Number of ordinary shares			
	1 January 2022	Acquired	Disposed	31 December 2022
In related companies				
E.A. Technique (M) Berhad				
Direct interest				
Nina Sapura binti Rahmat	2,000	–	–	2,000
KPJ Healthcare Berhad				
Direct interest				
Nina Sapura binti Rahmat	2,000	–	–	2,000

None of the other Directors in office at the end of the financial year had any interest in shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES AND DEBENTURES

There were changes in the issued and paid-up capital of the Company during the financial year. There were no debentures issued during the financial year.

Directors' Report

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

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

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

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

(f) In the opinion of the Directors:

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

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report except as disclosed in Note 35 of the financial statements, which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

ULTIMATE HOLDING CORPORATION

The Company's ultimate holding corporation is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4, 1968 (As amended by the Enactment No. 5, 1995).

Directors' Report

DIRECTORS' REMUNERATION

Details of Directors' remuneration as required by the Fifth schedule of the Companies Act 2016 are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	**2022 RM'000**	2021 RM'000
Managing Director:				
– Salaries, allowances and bonuses	**866**	666	**866**	666
– Estimated money value of benefits-in-kind	**83**	64	**83**	64
– Defined contribution plan	**130**	86	**130**	86
– Other emoluments	**144**	–	**144**	–
	1,223	816	**1,223**	816
Non-Independent Executive Director:				
– Salaries, allowances and bonuses	**365**	–	**–**	–
– Estimated money value of benefits-in-kind	**29**	–	**–**	–
– Defined contribution plan	**55**	–	**–**	–
	449	–	**–**	–
Non-Independent Non-executive Directors:				
– Fees	**160**	149	**160**	149
– Salaries, allowances and bonuses	**72**	72	**72**	72
	232	221	**232**	221
Independent Non-executive Directors:				
– Fees	**254**	246	**254**	246
– Salaries, allowances and bonuses	**106**	80	**106**	80
	360	326	**360**	326
	2,264	1,363	**1,815**	1,363

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

During the financial year, the Directors and officers of the Group and of the Company are covered under the Directors' and Officers' Liability Insurance ("DOLI") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, the Directors and officers of the Group and of the Company subject to the terms of the DOLI policy procured by Johor Corporation, its holding corporation, for its group of companies. The total amount of coverage effected for the Directors and officers was RM100,000,000 and the total insurance premium incurred by the Company was RM57,489.

Directors' Report

SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

Significant events during and subsequent to financial year end are disclosed in Note 35 of the financial statements.

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 as follows:

	Group RM'000	Company RM'000
Statutory audit		
– KPMG PLT	1,277	100
– Other auditors	444	–
	1,721	100

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 February 2023.

TAN SRI DR. ISMAIL BIN BAKAR
Director

MOHD FARIS ADLI BIN SHUKERY
Director

Statements of Profit or Loss and Other Comprehensive Income

for the financial year ended 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 Restated RM'000
Continuing operations					
Revenue	4	**1,858,901**	1,647,486	**188,256**	303,148
Cost of sales		**(1,102,313)**	(1,011,251)	**(8,118)**	(10,657)
Gross profit		**756,588**	636,235	**180,138**	292,491
Other income		**26,173**	48,465	**367,757**	34,130
Administrative expenses		**(152,993)**	(129,996)	**(22,800)**	(4,247)
Other expenses		**(49,968)**	(73,087)	**(3,474)**	(15,038)
Profit from operating activities		**579,800**	481,617	**521,621**	307,336
Finance income	5	**26,059**	21,785	**25,287**	22,710
Finance costs	6	**(75,643)**	(69,181)	**(10,426)**	(8,886)
Net finance (cost)/income		**(49,584)**	(47,396)	**14,861**	13,824
Share of results of associates and joint venture, net of impairment		**442**	(407)	**–**	–
Profit before tax and zakat from continuing operations	7	**530,658**	433,814	**536,482**	321,160
Tax expense	9	**(84,268)**	(140,295)	**(1,902)**	(5,158)
Zakat	10	**(6,440)**	(4,115)	**(4,150)**	–
Profit for the financial year from continuing operations		**439,950**	289,404	**530,430**	316,002
Discontinued operations					
Profit/(Loss) for the financial year from discontinued operations	24	**34,641**	(145,956)	**171,949**	(5,174)
Profit for the financial year		**474,591**	143,448	**702,379**	310,828
Other comprehensive (loss)/income					
Item which may be reclassified to profit or loss in subsequent periods					
Foreign currency translation of foreign operations		**(1,531)**	2,207	**–**	–
Items that will not be reclassified to profit or loss					
Fair value loss on investment properties		**–**	(1,300)	**–**	–
Net gain on financial assets measured at fair value through other comprehensive income		**12,040**	8,195	**4,647**	3,469
Other comprehensive income for the financial year, net of tax		**10,509**	9,102	**4,647**	3,469
Total comprehensive income for the financial year		**485,100**	152,550	**707,026**	314,297

The notes on pages 19 to 130 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'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 Restated RM'000
Profit attributable to:					
Owners of the Company		**464,857**	237,444	**702,379**	310,828
Non-controlling interests		**9,734**	(93,996)	**–**	–
Profit for the financial year		**474,591**	143,448	**702,379**	310,828
Total comprehensive income attributable to:					
Owners of the Company		**475,378**	247,722	**707,026**	314,297
Non-controlling interests		**9,722**	(95,172)	**–**	–
Total comprehensive income for the financial year		**485,100**	152,550	**707,026**	314,297

The notes on pages 19 to 130 are an integral part of these financial statements.

Statement of Financial Position
as at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Assets					
Property, plant and equipment	11	**2,616,330**	2,579,735	**128,992**	992,282
Right-of-use assets	12	**1,619,512**	1,640,145	**11,908**	365,827
Investment properties	13	**40,020**	64,205	**26,305**	50,770
Inventories	14	**–**	14,510	**–**	14,510
Intangible assets	15	**–**	–	**–**	–
Investments in subsidiaries	16	**–**	–	**1,772,055**	492,883
Investments accounted for using the equity method	17	**4,500**	4,058	**–**	–
Financial assets at fair value through other comprehensive income	18	**43,894**	43,065	**33,864**	32,756
Financial assets at fair value through profit or loss	19	**10,122**	13,268	**10,012**	13,124
Trade and other receivables	20	**63,955**	63,953	**–**	–
Finance lease receivables		**516**	–	**–**	–
Total non-current assets		**4,398,849**	4,422,939	**1,983,136**	1,962,152
Financial assets at fair value through other comprehensive income and other investments	18	**58,791**	49,259	**10,549**	22,545
Trade and other receivables	20	**432,539**	489,366	**513,742**	425,011
Inventories	21	**133,584**	89,946	**71,398**	69,518
Biological assets	22	**52,434**	69,388	**–**	17,740
Current tax assets		**30,678**	2,660	**–**	880
Cash and cash equivalents	23	**166,453**	115,107	**120,555**	94,879
		874,479	815,726	**716,244**	630,573
Assets of disposal group classified as held for sale	24	**705,885**	722,290	**91,257**	7,543
Total current assets		**1,580,364**	1,538,016	**807,501**	638,116
Total assets		**5,979,213**	5,960,955	**2,790,637**	2,600,268
Liabilities					
Trade and other payables	25	**217,393**	249,405	**954,027**	155,050
Current tax liabilities		**14,974**	32,097	**1,583**	–
Lease liabilities	26	**3,589**	1,056	**575**	962
Borrowings	27	**282,072**	115,647	**101,200**	58,107
		518,028	398,205	**1,057,385**	214,119
Liabilities of disposal group classified as held for sale	24	**365,015**	441,810	**–**	–
Total current liabilities		**883,043**	840,015	**1,057,385**	214,119
Net current assets/(liabilities)		**697,321**	698,001	**(249,884)**	423,997

The notes on pages 19 to 130 are an integral part of these financial statements.

Statement of Financial Position

as at 31 December 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Trade and other payables		**664**	–	**–**	–
Lease liabilities	26	**3,137**	639	**202**	639
Borrowings	27	**1,587,646**	1,762,984	**–**	965,042
Retirement benefit obligations	28	**6,666**	8,081	**–**	2,309
Deferred tax liabilities	29	**473,890**	586,715	**12,011**	194,146
Total non-current liabilities		**2,072,003**	2,358,419	**12,213**	1,162,136
Total liabilities		**2,955,046**	3,198,434	**1,069,598**	1,376,255
Net assets		**3,024,167**	2,762,521	**1,721,039**	1,224,013
Equity					
Share capital	30	**1,000**	1,000	**1,000**	1,000
Reserves	31	**(101,685)**	(15,154)	**9,693**	10,511
Retained earnings	32	**3,107,259**	2,852,402	**1,704,881**	1,212,502
Total equity attributable to owners of the Company		**3,006,574**	2,838,248	**1,715,574**	1,224,013
Reserves of disposal group classified as held for sale	24	**(2,829)**	(3,260)	**5,465**	–
		3,003,745	2,834,988	**1,721,039**	1,224,013
Non-controlling interests		**20,422**	(72,467)	**–**	–
Total equity		**3,024,167**	2,762,521	**1,721,039**	1,224,013
Total equity and liabilities		**5,979,213**	5,960,955	**2,790,637**	2,600,268

The notes on pages 19 to 130 are an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2022

		Attributable to the equity holders of the Company									
Group 2022	**Note**	**Share capital RM'000**	**Translation reserve RM'000**	**Fair value reserve RM'000**	**Other reserve RM'000**	**Equity transaction reserves RM'000**	**Reserve classified as held for sale RM'000**	**Retained earnings RM'000**	**Total RM'000**	**Non-controlling interests RM'000**	**Total equity RM'000**
At 1 January 2022		**1,000**	**(2,834)**	**1,441**	**(6,108)**	**(7,653)**	**(3,260)**	**2,852,402**	**2,834,988**	**(72,467)**	**2,762,521**
Foreign currency translation differences for foreign operations		–	(1,519)	–	–	–	–	–	(1,519)	(12)	(1,531)
Fair value adjustment for financial assets measured at other comprehensive income		–	–	12,040	–	–	–	–	12,040	–	12,040
Total other comprehensive (loss)/ income for the financial year		–	(1,519)	12,040	–	–	–	–	10,521	(12)	10,509
Profit for the financial year		–	–	–	–	–	–	464,857	464,857	9,734	474,591
Total comprehensive income for the financial year		–	(1,519)	12,040	–	–	–	464,857	475,378	9,722	485,100
Contributions by and distributions to owners of the Company											
Acquisition of subsidiaries		–	–	–	(11,176)	–	–	–	(11,176)	–	(11,176)
Acquisition of additional interest in subsidiaries from non-controlling interests	16	–	418	–	–	(84,485)	(1,378)	–	(85,445)	83,278	(2,167)
Dividends paid to shareholders	42	–	–	–	–	–	–	(210,000)	(210,000)	–	(210,000)
Dividends paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	–	–	(111)	(111)
Total transactions with owners of the Company		–	418	–	(11,176)	(84,485)	(1,378)	(210,000)	(306,621)	83,167	(223,454)
Reclassification arising from disposal group held for sale		–	3,656	–	(5,465)	–	1,809	–	–	–	–
At 31 December 2022		**1,000**	**(279)**	**13,481**	**(22,749)**	**(92,138)**	**(2,829)**	**3,107,259**	**3,003,745**	**20,422**	**3,024,167**

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2022

<----------------------------------- Attributable to the equity holders of the Company ----------------------------------->

Group 2021	Note	Share capital RM'000	Translation reserve RM'000	Fair value reserve RM'000	Other reserve RM'000	Equity transaction reserves RM'000	Reserve classified as held for sale RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021		1,000	(9,477)	(6,754)	(4,808)	(7,636)	–	2,729,958	2,702,283	22,911	2,725,194
Foreign currency translation differences for foreign operations		–	3,383	–	–	–	–	–	3,383	(1,176)	2,207
Revaluation of property, plant and equipment upon transfer of properties to investment properties		–	–	–	(1,300)	–	–	–	(1,300)	–	(1,300)
Fair value adjustment for financial assets measured at other comprehensive income		–	–	8,195	–	–	–	–	8,195	–	8,195
Total other comprehensive income/(loss) for the financial year		–	3,383	8,195	(1,300)	–	–	–	10,278	(1,176)	9,102
Profit for the financial year		–	–	–	–	–	–	237,444	237,444	(93,996)	143,448
Total comprehensive income for the financial year		–	3,383	8,195	(1,300)	–	–	237,444	247,722	(95,172)	152,550
Contributions by and distributions to owners of the Company											
Issue of shares to non-controlling interests	16	–	–	–	–	–	–	–	–	675	675
Acquisition of additional interest in subsidiaries from non-controlling interests		–	–	–	–	(17)	–	–	(17)	(482)	(499)
Dividends paid to shareholders	42	–	–	–	–	–	–	(115,000)	(115,000)	–	(115,000)
Dividends paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	–	–	(399)	(399)
Total transactions with owners of the Company		–	–	–	–	(17)	–	(115,000)	(115,017)	(206)	(115,223)
Reserve attributable to disposal group classified as held for sale		–	3,260	–	–	–	(3,260)	–	–	–	–
At 31 December 2021		1,000	(2,834)	1,441	(6,108)	(7,653)	(3,260)	2,852,402	2,834,988	(72,467)	2,762,521

The notes on pages 19 to 130 are an integral part of these financial statements.

Statement of Changes in Equity

for the financial year ended 31 December 2022

<---------------- Attributable to the equity holders of the Company ---------------->

Company 2022	Note	Share capital RM'000	Fair value reserves RM'000	Other reserves RM'000	Reserve classified as held for sale RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2022		**1,000**	**881**	**9,630**	**–**	**1,212,502**	**1,224,013**
Fair value adjustment for financial assets measured at other comprehensive income		–	4,647	–	–	–	4,647
Profit for the financial year		–	–	–	–	702,379	702,379
Total comprehensive income for the financial year		–	4,647	–	–	702,379	707,026
Contributions distributions to owners of the Company							
Dividends paid	42	–	–	–	–	(210,000)	(210,000)
Total transaction with owners of the Company		–	–	–	–	(210,000)	(210,000)
Reserve attributable to disposal group classified as held for sale		–	–	(5,465)	5,465	–	–
At 31 December 2022		**1,000**	**5,528**	**4,165**	**5,465**	**1,704,881**	**1,721,039**

<---------------- Attributable to the equity holders of the Company ---------------->

Company 2021	Note	Share capital RM'000	Fair value reserves RM'000	Other reserves RM'000	Reserve classified as held for sale RM'000	Retained earnings RM'000	Total RM'000
At 1 January 2021		1,000	(2,588)	9,630	–	1,016,674	1,024,716
Fair value adjustment for financial assets measured at comprehensive income		–	3,469	–	–	–	3,469
Profit for the financial year		–	–	–	–	310,828	310,828
Total comprehensive income for the financial year		–	3,469	–	–	310,828	314,297
Contributions distributions to owners of the Company							
Dividends paid	42	–	–	–	–	(115,000)	(115,000)
Total transaction with owners of the Company		–	–	–	–	(115,000)	(115,000)
At 31 December 2021		1,000	881	9,630	–	1,212,502	1,224,013

The notes on pages 19 to 130 are an integral part of these financial statements.

Statements of Cash Flows

for the financial year ended 31 December 2022

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash flows from operating activities				
Profit before tax and zakat from continuing operations	**530,658**	433,814	**536,482**	321,160
Profit/(Loss) before tax from discontinued operations	**35,108**	(145,513)	**11,821**	4,549
Adjustments for:				
Fair value loss/(gain) on:				
– financial assets at fair value through profit or loss	**3,146**	1,778	**3,112**	1,759
– derivatives	**–**	(1,490)	**–**	(1,070)
– biological assets	**14,557**	(10,970)	**(781)**	4,526
– investment properties	**(133)**	(1,225)	**(835)**	(1,290)
Loss on impairment of:				
– receivables	**3,169**	2,801	**1,322**	1,011
– investments in subsidiaries	**–**	–	**16,808**	13,113
– property, plant and equipment	**8,290**	146,343	**–**	–
– right-of-use assets	**–**	13,134	**–**	–
– inventories	**–**	214	**–**	–
– assets classified as held for sale	**–**	16,700	**–**	–
Reversal of impairment loss of:				
– receivables	**(66)**	(7,654)	**(738)**	(15,091)
– investments in subsidiaries	**–**	–	**(58,668)**	–
– property, plant and equipment	**(17,749)**	–	**–**	–
Amortisation and depreciation of:				
– intangible assets	**–**	14	**–**	–
– property, plant and equipment	**118,798**	132,093	**12,914**	15,137
– right-of-use assets	**30,774**	39,343	**3,709**	3,946
Dividend income	**(2,860)**	(2,157)	**(183,232)**	(288,755)
(Gain)/Loss on disposal of:				
– property, plant and equipment	**(87)**	(8)	**–**	–
– subsidiaries	**–**	–	**(295,174)**	–
– assets classified as held for sale	**(2,181)**	12,215	**–**	–
Gain on lease modification	**–**	(982)	**–**	–
(Gain)/Loss on lease derecognition	**(22)**	56	**–**	–
Share of results of associate and joint venture, net of impairment	**(442)**	407	**–**	–
Interest expenses	**83,409**	79,614	**39,854**	40,009
Interest income	**(26,283)**	(21,912)	**(25,287)**	(22,710)
Unrealised foreign exchange loss/(gain), net	**4,157**	4,135	**(12,354)**	(6,741)
Write off of:				
– property, plant and equipment	**250**	10,615	**(62)**	6
– intangible assets	**–**	108	**–**	–
– planting development expenditure	**8,474**	–	**8,474**	–
Retirement benefit obligations	**601**	500	**–**	64

Statements of Cash Flows

for the financial year ended 31 December 2022

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash flows from operating activities (continued)				
Operating profit before changes in working capital	**791,568**	701,973	**57,365**	69,623
Changes in working capital:				
– biological assets	**(6,526)**	(14,203)	**11,648**	(9,189)
– inventories	**(29,965)**	4,467	**684**	6,797
– payables – third parties	**(143,751)**	(113,991)	**(5,432)**	(10,268)
– payables – holding corporation	**(2,584)**	(966)	**(2,245)**	260
– payables – related companies	**(3,723)**	(1,877)	**(2,423)**	(1,689)
– receivables – third parties	**7,472**	(30,204)	**(8,334)**	9,086
– receivables – holding corporation	**45,625**	2,045	**24,122**	(2,313)
– receivables – related companies	**3,008**	1,549	**2,255**	3,849
– receivables – subsidiaries	**–**	–	**175,066**	35,451
Cash generated from operations	**661,124**	548,793	**252,706**	101,607
Tax paid	**(250,756)**	(115,722)	**(21,446)**	(8,820)
Tax refunds	**7,440**	796	**–**	–
Zakat paid	**(6,440)**	(4,115)	**(4,150)**	–
Retirement benefits obligations paid	**(2,369)**	(1,261)	**(241)**	(165)
Net cash generated from operating activities	**408,999**	428,491	**226,869**	92,622
Cash flows from investing activities				
Acquisition of subsidiaries, net cash in flows	**1,228**	–	**–**	–
Disposal of plantation assets, net cash out flows	**–**	–	**(13,544)**	–
Dividends received	**2,860**	2,157	**–**	194,046
Interest received	**4,178**	2,453	**25,287**	3,406
Additions of:				
– property, plant and equipment	**(129,061)**	(150,789)	**(18,188)**	(20,022)
– equity interest in subsidiaries	**–**	–	**(12,610)**	(15,946)
Additions of fixed deposits placed with licensed bank	**(1,356)**	(802)	**–**	–
Proceeds from:				
– disposal of property, plant and equipment	**260**	–	**–**	–
– disposal of assets classified as held for sale	**82,533**	24,082	**–**	–
Acquisition of additional interest in subsidiaries from non-controlling interests	**(2,167)**	(499)	**–**	–
Advances to subsidiaries	**–**	–	**–**	(36,072)
Net cash flows (used in)/generated from investing activities	**(41,525)**	(123,347)	**(19,055)**	125,412

Statements of Cash Flows

for the financial year ended 31 December 2022

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash flows from financing activities				
Dividends paid to:				
– owners of the Company	**(210,000)**	(115,000)	**(210,000)**	(115,000)
– non-controlling interests of subsidiaries	**(111)**	–	**–**	–
Issuance of shares to non-controlling interests	**–**	675	**–**	–
Acquisition of additional interest in subsidiaries from non-controlling interests	**–**	–	**(300)**	–
Proceeds from borrowings, net of transaction fees	**397,664**	208,653	**380,000**	67,652
Withdrawal of/(additions to) pledged deposits	**1,679**	3,013	**14,908**	(335)
Settlement of derivatives	**–**	(2,300)	**–**	(1,814)
Repayment of borrowings	**(408,424)**	(322,329)	**(327,785)**	(193,977)
Repayment of lease liabilities	**(1,613)**	(9,542)	**(1,075)**	(942)
Interest paid:				
– continuing operations	**(75,140)**	(68,741)	**(9,085)**	(7,314)
– discontinued operations	**(7,617)**	(9,448)	**(29,428)**	(31,123)
Advances from subsidiaries	**–**	–	**–**	67,200
Net cash flows used in financing activities	**(303,562)**	(315,019)	**(182,765)**	(215,653)
Net increase/(decrease) in cash and cash equivalents	**63,912**	(9,875)	**25,049**	2,381
Cash and cash equivalents at 1 January	**115,695**	125,570	**94,879**	92,498
Cash and cash equivalents at 31 December (Note 23)	**179,607**	115,695	**119,928**	94,879

The notes on pages 19 to 130 are an integral part of these financial statements.

Notes to the Financial Statements

– 31 December 2022

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

Principal place of business	**Registered office**
Ulu Tiram Estate	Level 11, Menara KOMTAR
81800 Ulu Tiram, Johor	Johor Bahru City Centre
	80000 Johor Bahru, Johor

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") and the Group interests in associates and joint venture.

The Company is principally engaged in oil palm plantation, investment holding and property investment in Malaysia. The principal activities of the subsidiaries are described in Note 16. There have been no significant changes in the nature of the principal activities during the financial year, other than as disclosed in Note 16.

The Company's ultimate holding corporation during the financial year is Johor Corporation, a body corporate established under the Johor Corporation Enactment No. 4 of 1968 (As amended by the Enactment No. 5 of 1995) in Malaysia.

These financial statements were authorised for issue by the Board of Directors on 28 February 2023.

2. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), 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:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2023

- MFRS 17, *Insurance Contracts*
- Amendments to MFRS 17, *Insurance Contracts – Initial application of MFRS 17* and *MFRS 9 – Comparative Information*
- Amendments to MFRS 101, *Presentation of Financial Statements – Disclosures of Accounting Policies*
- Amendments to MFRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates*
- Amendments to MFRS 112, *Income Taxes – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- Amendment to MFRS 16, *Leases – Lease Liability in a Sale and Leaseback*
- Amendment to MFRS 101, *Presentation of Financial Statements – Non-current Liabilities with Covenants and Classification of Liabilities as Current or Non-current*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- 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*

Notes to the Financial Statements
– 31 December 2022

2. 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 amendments 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 abovementioned accounting standards, interpretations and amendments are not expected to have any material financial impact to the current period and prior year period financial statements of the Group and the Company.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below in Note 3.

The Company has a net current liability of RM249.9 million, thereby indicating the existence of material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The Company has prepared and considered prospective financial information based on assumptions and events that may occur for at least 12 months from the date of approval of the financial statements and the possible actions to be taken by the Company. The Directors have considered the availability of cash and cash equivalents which is mainly from dividend pay out from the subsidiaries of the Company in the next 12 months of the date of this report.

Based on these forecasts, the Directors consider that the Company has adequate resources to continue in business for the foreseeable future. For this reason, the Directors consider that the Company has adequate resources to continue to adopt the going concern basis in preparing the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Group and the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the 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 disclosed in the following notes:

- Note 11 – Property, plant and equipment
- Note 16 – Investments in subsidiaries
- Note 22 – Biological assets
- Note 24 – Discontinued operations and disposal group classified as held for sale

Notes to the Financial Statements
– 31 December 2022

3. 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 Group entities, unless otherwise stated.

(a) Revenue and other income

(i) Revenue is measured based on the consideration specified in a contract with a customer in exchange for transferring goods or services to a customer, excluding amounts collected on behalf of third parties. The Group or the Company recognises revenue when (or as) it transfers control over a product or service to customer. An asset is transferred when (or as) the customer obtains control of the asset.

The Group or the Company transfers control of a good or service at a point in time unless one of the following overtime 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) 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 "revenue".

(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 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.

(b) 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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) 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 following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting 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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 3(k)(i), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held with the objective to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, 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 difference 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.

(d) Discontinued operations

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale or distribution, or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative statement of profit or loss and other comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative period.

(e) 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 Chief Executive Officer 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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) 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.

(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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation (continued)

(iv) Acquisitions from entities under common control

Business combinations arising from transfers of interests in entities that are under the control of the shareholder that controls the Group are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established; for this purpose comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group controlling shareholder's consolidated financial statements. The components of equity of the acquired entities are added to the same components within Group's equity and any resulting gain or loss is recognised directly in equity.

(v) 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.

(vi) Associates

Associates are entities, including unincorporated entities, in which the Group has significant influence, but not control, over the financial and operating policies.

Investments in associates are accounted for in the consolidated financial statements using the equity method less any impairment losses. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the associates, after adjustments if any, to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its interest in an associate, the carrying amount of that interest including any long-term investments is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the associate.

When the Group ceases to have significant influence over an associate, any retained interest in the former associate at the date when significant influence is lost is measured at fair value and this amount is regarded as the initial carrying amount of a financial asset. The difference between the fair value of any retained interest plus proceeds from the interest disposed of and the carrying amount of the investment at the date when equity method is discontinued is recognised in the profit or loss.

When the Group's interest in an associate decreases but does not result in a loss of significant influence, any retained interest is not remeasured. Any gain or loss arising from the decrease in interest is recognised in profit or loss. Any gains or losses previously recognised in other comprehensive income are also reclassified proportionately to the profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses. The cost of investment includes transaction costs.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Basis of consolidation (continued)

(vii) Joint arrangements

Joint arrangements are arrangements of which the Group has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the arrangements' returns.

Joint arrangements are classified and accounted for as follows:

- A joint arrangement is classified as "joint operation" when the Group or the Company has rights to the assets and obligations for the liabilities relating to an arrangement. The Group and the Company account for each of its share of the assets, liabilities and transactions, including its share of those held or incurred jointly with the other investors, in relation to the joint operation.
- A joint arrangement is classified as "joint venture" when the Group or the Company has rights only to the net assets of the arrangements. The Group accounts for its interest in the joint venture using the equity method. Investments in joint venture 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.

(viii) 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.

(ix) 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.

(g) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies are not retranslated at the end of the reporting date, except for those that are measured at fair value which are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Foreign currency (continued)

(i) Foreign currency transactions (continued)

Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on the retranslation of equity instruments where they are measured at fair value through other comprehensive income or a financial instrument designated as a cash flow hedge, which are recognised in other comprehensive income.

In the consolidated financial statements, when settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item are considered to form part of a net investment in a foreign operation and are recognised in other comprehensive income, and are presented in the foreign currency translation reserve ("FCTR") in equity.

(ii) Operations denominated in functional currencies other than Ringgit Malaysia

The assets and liabilities of operations denominated in functional currencies other than RM, including goodwill and fair value adjustments arising on acquisition, are translated to RM at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to RM at exchange rates at the dates of the transactions.

Foreign currency differences are recognised in other comprehensive income and accumulated in the FCTR in equity. However, if the operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the FCTR related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

(h) 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.

(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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial assets (continued)

(a) 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 3(q)(i)) where the effective interest rate is applied to the amortised cost.

(b) Fair value through other comprehensive income

Equity investments

This category comprises investment in equity that is not held for trading, and the Group and the Company irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of investment. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are not reclassified to profit or loss.

(c) Fair value through profit or loss

All financial assets not measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. On initial recognition, the Group or the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets categorised as fair value through profit or loss are subsequently measured at their fair value. Net gains or losses, including any interest or dividend income, are recognised in the profit or loss.

All financial assets, except for those measured at fair value through profit or loss and equity investments measured at fair value through other comprehensive income, are subject to impairment assessment (see Note 3(q)(i)).

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(ii) Financial instrument categories and subsequent measurement (continued)

Financial liabilities

The category of financial liabilities at initial recognition is as follows:

Amortised cost

Other financial liabilities not categorised as fair value through profit or loss 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.

(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 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 consideration received (including any new asset obtained less any new liability assumed) 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. A financial liability is also derecognised when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability based on modified terms is recognised at fair value. 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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Financial instruments (continued)

(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.

(i) 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 "other 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.

(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. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Property, plant and equipment (continued)

(iii) Depreciation (continued)

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

• bearer plant (oil palm)	22 years from year of maturity
• buildings	5 – 50 years
• vessels, plant and machinery	3 – 25 years
• furniture and equipment	2 – 15 years
• motor vehicles	3 – 5 years

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

(j) 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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (continued)

(ii) Recognition and initial measurement (continued)

(a) As a lessee (continued)

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

- fixed payments, including in-substance fixed payments less any incentives receivable; and
- 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.

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 occurs.

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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(j) Leases (continued)

(iii) Subsequent measurement (continued)

(a) As a lessee (continued)

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.

(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 "revenue".

(k) Investment property

(i) Investment property carried at fair value

Investment properties are properties which are owned 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.

Investment properties which are owned are measured initially at cost. 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.

Subsequently, investment properties are measured at fair value with any changes therein recognised in profit or loss for the period in which they arise. Where the fair value of the investment property under construction is not reliably determinable, the investment property under construction is measured at cost until either its fair value becomes reliably determinable or construction is complete, whichever is earlier.

The fair value of investment properties held by the Group as a right-of-use asset reflects the expected cash flows. Accordingly, where valuation obtained for a property is net of all payments expected to be made, the Group added back any recognised lease liability to arrive at the carrying amount of the investment property using the fair value model.

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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(k) Investment property (continued)

(ii) Reclassification to/from investment property

When an item of property, plant and equipment is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognised directly in equity as a revaluation of property, plant and equipment. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in profit or loss. Upon disposal of an investment property, any surplus previously recorded in equity is transferred to retained earnings; the transfer is not made through profit or loss.

When the use of a property changes such that it is reclassified as property, plant and equipment or inventories, its fair value at the date of reclassification becomes its cost for subsequent accounting.

(l) Inventories

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

(i) Land held for development (Non-current)

Land held for development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

Cost associated with the acquisition of land includes the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development are classified as current assets when the construction of the relevant properties commences unless the construction period of the relevant property development project is expected to complete beyond normal operating cycle.

(ii) Other inventories

The cost of inventories is calculated using the weighted average or first-in, first-out 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 work-in-progress and finished goods, cost includes an appropriate share of production overheads based on normal operating capacity.

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.

(m) Intangible assets

(i) Goodwill

Goodwill arises on business combinations is measured at cost less any accumulated impairment losses. In respect of equity-accounted associates and joint venture, the carrying amount of goodwill is included in the carrying amount of the investment and an impairment loss on such an investment is not allocated to any asset, including goodwill, that forms part of the carrying amount of the equity-accounted associates and joint venture.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(m) Intangible assets (continued)

(i) Goodwill (continued)

The cash-generating unit to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired, by comparing the carrying amount of the cash-generating unit, including the allocated goodwill, with the recoverable amount of the cash-generating unit. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods. See accounting policy on impairment of non-financial assets as set out in Note 3(q)(ii).

(n) Non-current asset held for sale or distribution to owners

Non-current assets, or disposal group comprising assets and liabilities that are expected to be recovered primarily through sale or distribution to owners rather than through continuing use, are classified as held for sale or distribution.

Immediately before classification as held for sale or distribution, the assets, or components of a disposal group, are remeasured in accordance with the Group's accounting policies. Thereafter generally the assets, or disposal group, are measured at the lower of their carrying amount and fair value less costs of disposal.

Any impairment loss on a disposal group is first allocated to goodwill, and then to remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, contract assets, contract costs, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Group's accounting policies. Impairment losses on initial classification as held for sale or distribution and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

Intangible assets and property, plant and equipment once classified as held for sale or distribution are not amortised or depreciated. In addition, equity accounting of equity-accounted associates and joint venture ceases once classified as held for sale or distribution.

(o) Contract asset/Contract liability

A contract asset is recognised when the Group's or the Company's right to consideration is conditional on something other than the passage of time. A contract asset is subject to impairment in accordance to MFRS 9, Financial Instruments (see Note 3(q)(i)).

A contract liability is stated at cost and represents the obligation of the Group or the Company to transfer goods or services to a customer for which consideration has been received (or the amount is due) from the customers.

(p) 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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Impairment

(i) Financial assets

Unless specifically disclosed below, the Group and the Company generally applied the following accounting policies retrospectively.

The Group and the Company recognise loss allowances for expected credit losses on financial assets measured at amortised cost and contract assets. 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 cash and bank balance 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, contract assets 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 historical experience and informed credit assessment and including forward-looking information, where available.

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 using a provision matrix 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 are 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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(q) Impairment (continued)

(ii) Other assets

The carrying amounts of other assets (except for inventories, other investments carried at fair value through profit or loss and fair value through other comprehensive income, deferred tax asset, investment property measured at fair value and non-current assets (or disposal groups) classified as held for sale) 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 goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each period at the same time.

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. Subject to an operating segment ceiling test, for the purpose of goodwill impairment testing, cash-generating units to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. 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 of disposal. 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.

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.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Equity instruments

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

(i) Ordinary shares

Ordinary shares are classified as equity.

(ii) 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.

(s) 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 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.

(iii) Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

Notes to the Financial Statements
– 31 December 2022

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(s) Employee benefits (continued)

(iii) Defined benefit plans (continued)

Net interest expense and other expenses relating to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(t) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(u) Fair value measurements

Fair value of an asset or a liability, except for deferred tax, retirement benefit obligations 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 the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

Notes to the Financial Statements
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4. REVENUE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Revenue from contracts with customers				
Plantation:				
– Fresh fruit bunches	**17,638**	21,323	**–**	–
– Crude palm oil	**1,486,584**	1,308,543	**–**	–
– Palm kernel	**243,348**	219,092	**–**	–
	1,747,570	1,548,958	**–**	–
Integrated farming	**2,670**	6,849	**–**	146
Oil and gas support services	**48,513**	41,387	**–**	–
Trading and services	**51,385**	32,184	**–**	–
Completed properties	**4,226**	12,733	**3,635**	12,733
Others	**11**	1,385	**45**	58
	1,854,375	1,643,496	**3,680**	12,937
Revenue from other sources				
Dividend income	**2,860**	2,157	**183,232**	288,755
Rental of investment properties	**1,666**	1,833	**1,344**	1,456
	1,858,901	1,647,486	**188,256**	303,148

Notes to the Financial Statements
– 31 December 2022

4. REVENUE (CONTINUED)

4.1 Disaggregation of revenue

Group	Palm oil RM'000	Integrated farming RM'000	Oil and gas support services RM'000	Trading and services RM'000	Properties RM'000	Others RM'000	Total RM'000
	Reportable segments						
2022							
Major goods and services:							
Goods sold	**1,747,570**	**2,670**	**–**	**51,385**	**4,226**	**11**	**1,805,862**
Oil and gas support services	**–**	**–**	**48,513**	**–**	**–**	**–**	**48,513**
	1,747,570	**2,670**	**48,513**	**51,385**	**4,226**	**11**	**1,854,375**
Geographical market:							
Malaysia	**1,729,932**	**2,670**	**48,513**	**51,385**	**4,226**	**11**	**1,836,737**
Indonesia	**17,638**	**–**	**–**	**–**	**–**	**–**	**17,638**
	1,747,570	**2,670**	**48,513**	**51,385**	**4,226**	**11**	**1,854,375**
Timing of revenue recognition:							
At a point in time	**1,747,570**	**2,670**	**48,513**	**51,385**	**4,226**	**11**	**1,854,375**
2021							
Major goods and services:							
Goods sold	1,548,958	6,849	–	32,184	12,733	1,385	1,602,109
Oil and gas support services	–	–	41,387	–	–	–	41,387
Others	–	–	–	–	–	–	–
	1,548,958	6,849	41,387	32,184	12,733	1,385	1,643,496
Geographical market:							
Malaysia	1,531,580	6,849	41,387	32,184	12,733	1,385	1,626,118
Indonesia	17,378	–	–	–	–	–	17,378
	1,548,958	6,849	41,387	32,184	12,733	1,385	1,643,496
Timing of revenue recognition:							
At a point in time	1,548,958	6,849	41,387	32,184	12,733	1,385	1,643,496

Notes to the Financial Statements
– 31 December 2022

4. REVENUE (CONTINUED)

Disaggregation of the Group's and the Company's revenue from contracts with customers (continued):

Company	Palm oil RM'000	Others RM'000	Total RM'000
2022			
Major goods and services:			
Goods sold	**–**	**3,680**	**3,680**
Geographical market:			
Malaysia	**–**	**3,680**	**3,680**
Timing of revenue recognition:			
At a point in time	**–**	**3,680**	**3,680**

Company	Palm oil RM'000 Restated	Others RM'000 Restated	Total RM'000 Restated
2021			
Major goods and services:			
Goods sold	–	12,937	12,937
Geographical market:			
Malaysia	–	12,937	12,937
Timing of revenue recognition:			
At a point in time	–	12,937	12,937

Revenue expected to be recognised in the future relating to performance obligations that are unsatisfied as at the reporting date, are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Palm oil	**24,807**	28,647

Notes to the Financial Statements
– 31 December 2022

5. FINANCE INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Interest income of financial assets calculated using effective interest method are:				
– Deposits with licensed banks	**3,954**	2,326	**464**	447
– Amount due from ultimate holding corporation	**22,059**	19,390	**21,965**	19,304
– Amounts due from related companies	**46**	69	**–**	–
– Amounts due from subsidiaries	**–**	–	**2,858**	2,959
	26,059	21,785	**25,287**	22,710

6. FINANCE COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Interest expense of financial liabilities that are not at fair value through profit or loss:				
– Term loans	**68,830**	65,675	**4,173**	5,622
– Revolving credits	**5,212**	1,953	**4,912**	1,780
– Bank overdraft	**229**	171	**–**	–
– Hire purchase	**327**	371	**–**	–
– Banker's acceptance	**542**	571	**–**	–
	75,140	68,741	**9,085**	7,402
– Lease liabilities	**150**	115	**47**	75
– Amounts due to subsidiaries	**–**	–	**1,294**	1,409
– Retirement benefits obligations	**353**	325	**–**	–
	75,643	69,181	**10,426**	8,886

Notes to the Financial Statements
– 31 December 2022

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax from continuing operations and discontinued operations:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Allowance for impairment losses on:				
– Receivables (Note 20)				
– continuing operations	**1,871**	2,801	**1,322**	1,011
– held for sale and discontinued operations	**1,298**	–	**–**	–
	3,169	2,801	**1,322**	1,011
– Investments in subsidiaries	**–**	–	**16,808**	13,113
– Property, plant and equipment				
– continuing operations	**–**	37,420	**–**	–
– held for sale and discontinued operations	**8,290**	108,923	**–**	–
	8,290	146,343	**–**	–
– Right-of-use assets	**–**	13,134	**–**	–
– Inventories	**–**	214	**–**	–
Reversal of allowance for impairment losses on:				
– Investment in subsidiaries	**–**	–	**(58,668)**	–
– Receivables (Note 20)	**(66)**	(7,654)	**(738)**	(15,091)
– Property, plant and equipment				
– discontinued operations	**(17,749)**	–	**–**	–
Unrealised foreign exchange (gain)/loss				
– continuing operations	**(556)**	(416)	**(12,354)**	(6,741)
– discontinued operations	**4,713**	4,551	**–**	–
	4,157	4,135	**(12,354)**	(6,741)
Auditors' remuneration				
– KPMG PLT				
– statutory audit				
– continuing operations	**919**	853	**100**	270
– discontinued operations	**358**	308	**–**	–
	1,277	1,161	**100**	270
– other services				
– discontinued operations	**13**	88	**–**	–
– Other auditors	**444**	198	**–**	–
Amortisation and depreciation of:				
– Property, plant and equipment (Note 11)				
– continuing operations	**81,634**	88,614	**12,914**	15,137
– held for sale and discontinued operations	**37,164**	43,479	**–**	–
	118,798	132,093	**12,914**	15,137
– Right-of-use assets (Note 12)				
– continuing operations	**30,206**	32,497	**3,709**	3,946
– held for sale and discontinued operations	**568**	6,846	**–**	–
	30,774	39,343	**3,709**	3,946

Notes to the Financial Statements
– 31 December 2022

7. PROFIT BEFORE TAX (CONTINUED)

The following items have been included in arriving at profit before tax from continuing operations and discontinued operations (continued):

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
(Gain)/loss on disposal of:					
– Subsidiaries	(a)	**–**	–	**(295,174)**	–
– Property, plant and equipment					
– continuing operations		**(87)**	(16)	**–**	–
– discontinued operations		**(2,181)**	8	**–**	–
		(2,268)	(8)	**–**	–
Share of results of associates and joint venture, net of impairments		**(442)**	407	**–**	–
Write off of:					
– Property, plant and equipment		**250**	10,615	**(62)**	6
Short term payments and payments for leases of low-value assets					
– continuing operations		**1,982**	679	**1,982**	679
– discontinued operations		**11,238**	4,587	**–**	–
		13,220	5,266	**1,982**	679
Employee benefits (Including Executive Director remuneration):					
– Salaries, wages, allowances and bonuses					
– continuing operations		**240,626**	209,754	**59,926**	53,451
– discontinued operations		**24,590**	32,528	**–**	–
		265,216	242,282	**59,926**	53,451
– Defined contribution plan					
– continuing operations		**22,230**	18,856	**7,048**	6,024
– discontinued operations		**2,210**	3,512	**–**	–
		24,440	22,368	**7,048**	6,024
– Retirement benefit obligations		**601**	500	**–**	64
– Other employee benefits		**12,483**	8,986	**4,132**	4,603
Total employee benefits		**302,740**	274,136	**71,106**	64,142
Fair value loss/(gain) on:					
– Financial assets at fair value through profit and loss		**3,146**	1,778	**3,112**	1,759
– Biological assets (Note 22)		**14,557**	(10,970)	**(781)**	4,526
– Investment properties (Note 13)		**(133)**	(1,225)	**(835)**	(1,290)
Insurance recoveries					
– continuing operations		**(42)**	(42)	**–**	–
– discontinued operations		**(1,942)**	(6,252)	**–**	–
		(1,984)	(6,294)	**–**	–

Notes to the Financial Statements
– 31 December 2022

7. PROFIT BEFORE TAX (CONTINUED)

The following items have been included in arriving at profit before tax from continuing operations and discontinued operations (continued):

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000 Restated
Interest income				
– continuing operations (Note 5)	**(26,059)**	(21,785)	**(25,287)**	(22,710)
– discontinued operations	**(224)**	(127)	**–**	–
	(26,283)	(21,912)	**(25,287)**	(22,710)
Interest expense				
– continuing operations (Note 6)	**75,643**	69,181	**10,426**	8,886
– discontinued operations	**7,766**	10,433	**29,428**	31,123
	83,409	79,614	**39,854**	40,009
Provision for litigation (Note 25)	**–**	18,931	**–**	–

Note a

During the financial year, the Company disposed off certain investments in subdiaries to another subsidiary of the Company with the sale consideration of RM323.73 million via ordinary shares of RM1.00 per share, that represents the total assets and liabilties of the Company's plantation business as disclosed in Note 24(b).

8. KEY MANAGEMENT PERSONNEL COMPENSATION

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 certain members of senior management of the Group.

The compensations of key management personnel are as follows:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Managing Director:				
– Salaries, allowances and bonuses	**866**	666	**866**	666
– Estimated money value of benefits-in-kind	**83**	64	**83**	64
– Defined contribution plan	**130**	86	**130**	86
– Other emoluments	**144**	–	**144**	–
	1,223	816	**1,223**	816

Notes to the Financial Statements
– 31 December 2022

9. TAX EXPENSE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Current income tax for the financial year:				
– Malaysia				
– Continuing operations				
Current income tax	**203,970**	133,296	**(2,228)**	(4,038)
(Over)/underprovision in prior financial years	**(6,877)**	(4,372)	**2,463**	1,496
– Discontinued operations				
Current income tax	**420**	396	**23,674**	11,308
Underprovision in prior financial years	**3**	3	**–**	–
	197,516	129,323	**23,909**	8,766
Deferred tax (Note 29):				
– Malaysia				
– Continuing operations				
Relating to origination and reversal of temporary differences	**(100,349)**	13,685	**(1,219)**	8,753
Under/(Over)provision in prior financial years	**(12,476)**	(2,314)	**2,886**	(1,053)
– Discontinued operations				
Relating to origination and reversal of temporary differences	**46**	46	**(183,802)**	(1,585)
Overprovision in prior financial years	**(2)**	(2)	**–**	–
	(112,781)	11,415	**(182,135)**	6,115
Total tax from:				
– continuing operations	**84,268**	140,295	**1,902**	5,158
– discontinued operations	**467**	443	**(160,128)**	9,723
	84,735	140,738	**(158,226)**	14,881

Income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit/(loss) for the year.

Notes to the Financial Statements
– 31 December 2022

9. TAX EXPENSE (CONTINUED)

Reconciliation of income tax expense applicable to profit before tax and zakat at the Malaysian statutory income tax rate to income tax expense of the Group and the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Profit before tax and zakat from continuing operations	**530,658**	433,814	**536,482**	321,160
Profit/(Loss) before tax from discontinued operations	**35,108**	(145,513)	**11,821**	4,549
Profit before tax and zakat	**565,766**	288,301	**548,303**	325,709
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	**135,784**	69,192	**131,593**	78,170
Tax recognised at different tax rate (Note a)	**43,774**	(682)	**–**	–
Effect of non-deductible expenses	**8,973**	80,750	**12,123**	8,217
Effect of income exempt from tax	**(5,372)**	(1,438)	**(133,613)**	(72,130)
Deferred tax on fair value changes of investment properties	**95**	372	**(793)**	181
Share of results of associates and joint venture, net of impairments	**(106)**	98	–	–
Reversal of deferred tax liabilities in relation to waiver of Real Property Gain Tax ("RPGT") (Note b)	**(104,688)**	–	**(69,309)**	–
Derecognition of deferred tax liabilities on the transfer of assets and liabilities	**–**	–	**(103,576)**	–
Deferred tax assets not recognised on unutilised tax losses and unabsorbed capital allowances	**42,742**	2,515	**–**	–
Utilisation of previously unrecognised unutilised tax losses and unabsorbed capital allowances	**(17,115)**	**(3,384)**	**–**	–
(Over)/underprovision of tax in prior financial years:				
Income tax	**(6,874)**	**(4,369)**	**2,463**	1,496
Deferred tax	**(12,478)**	**(2,316)**	**2,886**	(1,053)
Total tax	**84,735**	**140,738**	**(158,226)**	14,881

Note a

In the Budget 2022, a special one-off tax which is called 'Cukai Makmur' (Prosperity Tax) will be imposed on non-micro, small and medium enterprise companies which generate high profits during the period of the COVID-19 pandemic. Chargeable income in excess of RM100.00 million will be charged an income tax rate of 33% for YA 2022.

Note b

On 13 April 2022, the ultimate holding corporation – Johor Corporation ("JCorp") applied for an exemption from Real Property Gain Tax ("RPGT") and stamp duty for several land and buildings under the Group in conjunction with the internal re-organisation exercise to Ministry of Finance ("MoF"). On 2 November 2022 and 3 November 2022, MoF granted the waiver of RPGT and stamp duty to the said land and buildings which were subject to the completion of the internal restructuring of the Group on 1 December 2022.

Notes to the Financial Statements
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10. ZAKAT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000 Restated
Expensed and paid in the financial year	6,440	4,115	4,150	–

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM'000	Bearer assets RM'000	Immature fields RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
Cost							
At 1 January 2022	1,739,585	1,008,044	74,366	231,200	472,304	34,065	3,559,564
Additions	–	236	30,759	10,243	25,390	62,433	129,061
Acquisition of subsidiaries	–	–	–	1,864	4,355	–	6,219
Disposal	–	–	–	(1,718)	(2,285)	–	(4,003)
Write off	–	(12,565)	–	(480)	(1,176)	(9,654)	(23,875)
Reclassification	–	35,704	(35,704)	3,432	7,741	(11,173)	–
Transfer to related companies	–	(204,065)	–	(65,533)	(100,959)	(33)	(370,590)
Transfer to investment properties (Note 13)	–	–	–	(982)	–	–	(982)
Transfer from assets of disposal group classified as held for sale (Note 24)	–	209,500	–	90,947	1,107,649	147,892	1,555,988
Transfer to assets of disposal group classified as held for sale (Note 24)	–	(202,913)	–	(91,986)	(1,123,162)	(138,070)	(1,556,131)
Exchange differences	–	(6,587)	–	(2,190)	(174)	(14)	(8,965)
At 31 December 2022	1,739,585	827,354	69,421	174,797	389,683	85,446	3,286,286

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– 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group (continued)	Freehold land RM'000	Bearer assets RM'000	Immature fields RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
Accumulated depreciation							
At 1 January 2022	–	509,929	–	134,274	313,260	–	957,463
Charge for the financial year	–	56,940	–	15,288	46,570	–	118,798
Disposal	–	–	–	(1,634)	(2,099)	–	(3,733)
Write off	–	(12,520)	–	(327)	(1,143)	–	(13,990)
Transfer to related companies	–	(203,922)	–	(65,581)	(101,087)	–	(370,590)
Transfer from assets of disposal group classified as held for sale (Note 24)	–	28,423	–	17,338	597,074	–	642,835
Transfer to assets of disposal group classified as held for sale (Note 24)	–	(36,996)	–	(23,579)	(621,068)	–	(681,643)
Exchange differences	–	(894)	–	(432)	(143)	–	(1,469)
At 31 December 2022	–	340,960	–	75,347	231,364	–	647,671
Accumulated impairment losses							
At 1 January 2022	–	12,178	–	34	9,918	236	22,366
Charge for the financial year	–	8,290	–	–	–	–	8,290
Net reversal of impairment loss	–	–	–	–	(17,749)	–	(17,749)
Disposal	–	–	–	–	(97)	–	(97)
Write off	–	–	–	–	–	(9,635)	(9,635)
Transfer from assets of disposal group classified as held for sale (Note 24)	–	125,403	–	37,190	219,517	18,222	400,332
Transfer to assets of disposal group classified as held for sale (Note 24)	–	(129,750)	–	(36,026)	(201,741)	(8,572)	(376,089)
Exchange differences	–	(3,943)	–	(1,163)	(27)	–	(5,133)
At 31 December 2022	–	12,178	–	35	9,821	251	22,285
Net book value as at 31 December 2022	1,739,585	474,216	69,421	99,415	148,498	85,195	2,616,330

Notes to the Financial Statements
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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group	Freehold land RM'000	Bearer assets RM'000	Immature fields RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
Cost							
At 1 January 2021	1,739,585	1,125,836	126,578	290,426	1,398,458	151,551	4,832,434
Additions	–	1,524	27,553	12,629	48,825	60,258	150,789
Disposal	–	(5,004)	–	(49)	(3,869)	–	(8,922)
Write off	–	–	–	(31)	(2,711)	(963)	(3,705)
Reclassification	–	79,765	(79,765)	14,410	27,843	(42,253)	–
Adjustment	–	–	–	3,471	192	–	3,663
Transfer to assets of disposal group classified as held for sale (Note 24)	–	(197,990)	–	(90,947)	(996,546)	(134,565)	(1,420,048)
Exchange differences	–	3,913	–	1,291	112	37	5,353
At 31 December 2021	1,739,585	1,008,044	74,366	231,200	472,304	34,065	3,559,564
Accumulated depreciation							
At 1 January 2021	–	490,603	–	139,668	702,055	–	1,332,326
Charge for the financial year	–	52,319	–	8,282	71,492	–	132,093
Disposal	–	(5,004)	–	(47)	(3,828)	–	(8,879)
Write off	–	–	–	(31)	(2,622)	–	(2,653)
Adjustment	–	–	–	3,471	192	–	3,663
Transfer to assets of disposal group classified as held for sale (Note 24)	–	(28,423)	–	(17,338)	(453,999)	–	(499,760)
Exchange differences	–	434	–	269	(30)	–	673
At 31 December 2021	–	509,929	–	134,274	313,260	–	957,463
Accumulated impairment losses							
At 1 January 2021	–	32,817	66,669	22,994	81,965	5,943	210,388
Charge for the financial year	–	24,819	–	12,337	109,187	–	146,343
Write off	–	–	–	–	(70)	9,633	9,563
Reclassification	–	66,669	(66,669)	1,432	–	(1,432)	–
Transfer to assets of disposal group classified as held for sale (Note 24)	–	(113,893)	–	(37,190)	(181,179)	(13,945)	(346,207)
Exchange differences	–	1,766	–	461	15	37	2,279
At 31 December 2021	–	12,178	–	34	9,918	236	22,366
Net book value as at 31 December 2021	1,739,585	485,937	74,366	96,892	149,126	33,829	2,579,735

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other assets of the Group can be further analysed as follows:

Group	Vessels, plant and machinery RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2022	**384,953**	**36,897**	**50,454**	**472,304**
Additions	**17,018**	**2,047**	**6,325**	**25,390**
Acquisition of subsidiaries	**88**	**4,115**	**152**	**4,355**
Disposal	**(513)**	**(534)**	**(1,238)**	**(2,285)**
Write off	**(45)**	**(151)**	**(980)**	**(1,176)**
Reclassification	**7,337**	**115**	**289**	**7,741**
Transfer to related companies	**(65,650)**	**(16,238)**	**(19,071)**	**(100,959)**
Transfer from assets of disposal group classified as held for sale (Note 24)	**1,077,254**	**25,297**	**5,098**	**1,107,649**
Transfer to assets of disposal group classified as held for sale (Note 24)	**(1,089,669)**	**(28,214)**	**(5,279)**	**(1,123,162)**
Exchange differences	**(52)**	**(102)**	**(20)**	**(174)**
At 31 December 2022	**330,721**	**23,232**	**35,730**	**389,683**
Accumulated depreciation				
At 1 January 2022	**240,091**	**30,882**	**42,287**	**313,260**
Charge for the financial year	**40,524**	**2,669**	**3,377**	**46,570**
Disposal	**(409)**	**(522)**	**(1,168)**	**(2,099)**
Write off	**(43)**	**(134)**	**(966)**	**(1,143)**
Transfer to related companies	**(65,546)**	**(16,378)**	**(19,163)**	**(101,087)**
Transfer from assets of disposal group classified as held for sale (Note 24)	**567,532**	**24,768**	**4,774**	**597,074**
Transfer to assets of disposal group classified as held for sale (Note 24)	**(588,021)**	**(27,849)**	**(5,198)**	**(621,068)**
Exchange differences	**(26)**	**(98)**	**(19)**	**(143)**
At 31 December 2022	**194,102**	**13,338**	**23,924**	**231,364**
Accumulated impairment losses				
At 1 January 2022	**9,625**	**79**	**214**	**9,918**
Net reversal of impairment loss	**(17,749)**	**–**	**–**	**(17,749)**
Disposal	**(97)**	**–**	**–**	**(97)**
Transfer from assets of disposal group classified as held for sale (Note 24)	**219,421**	**89**	**7**	**219,517**
Transfer to assets of disposal group classified as held for sale (Note 24)	**(201,648)**	**(86)**	**(7)**	**(201,741)**
Exchange differences	**(24)**	**(3)**	**–**	**(27)**
At 31 December 2022	**9,528**	**79**	**214**	**9,821**
Net book value as at 31 December 2022	**127,091**	**9,815**	**11,592**	**148,498**

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Other assets of the Group can be further analysed as follows (continued):

Group	Vessels, plant and machinery RM'000	Furniture and equipment RM'000	Motor vehicles RM'000	Total RM'000
Cost				
At 1 January 2021	1,284,362	59,995	54,101	1,398,458
Additions	43,742	1,866	3,217	48,825
Disposal	(2,929)	(464)	(476)	(3,869)
Write off	(301)	(421)	(1,989)	(2,711)
Reclassification	26,052	1,104	687	27,843
Adjusment	153	39	–	192
Transfer to assets of disposal group classified as held for sale (Note 24)	(966,159)	(25,289)	(5,098)	(996,546)
Exchange differences	33	67	12	112
At 31 December 2021	384,953	36,897	50,454	472,304
Accumulated depreciation				
At 1 January 2021	603,200	53,452	45,403	702,055
Charge for the financial year	64,463	2,960	4,069	71,492
Disposal	(2,929)	(460)	(439)	(3,828)
Write off	(245)	(392)	(1,985)	(2,622)
Adjustment	153	39	–	192
Transfer to assets of disposal group classified as held for sale (Note 24)	(424,457)	(24,768)	(4,774)	(453,999)
Exchange differences	(94)	51	13	(30)
At 31 December 2021	240,091	30,882	42,287	313,260
Accumulated impairment losses				
At 1 January 2021	81,608	317	40	81,965
Charge for the financial year	108,988	15	184	109,187
Write off	(70)	–	–	(70)
Reclassification	172	(169)	(3)	–
Transfer to assets of disposal group classified as held for sale (Note 24)	(181,083)	(89)	(7)	(181,179)
Exchange differences	10	5	–	15
At 31 December 2021	9,625	79	214	9,918
Net book value as at 31 December 2021	135,237	5,936	7,953	149,126

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– 31 December 2022

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Freehold land RM'000	Bearer assets RM'000	Immature fields RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
Cost							
At 1 January 2022	**801,801**	**192,989**	**33,113**	**78,114**	**90,963**	**1,881**	**1,198,861**
Additions	**–**	**–**	**9,556**	**431**	**2,295**	**5,906**	**18,188**
Disposal	**–**	**–**	**–**	**–**	**(1,220)**	**–**	**(1,220)**
Write off	**–**	**(3,391)**	**–**	**(16)**	**(1,150)**	**–**	**(4,557)**
Transfer to related companies	**(698,933)**	**(180,537)**	**(42,669)**	**(59,783)**	**(67,875)**	**(6,100)**	**(1,055,897)**
Reclassification	**–**	**–**	**–**	**225**	**345**	**(570)**	**–**
At 31 December 2022	**102,868**	**9,061**	**–**	**18,971**	**23,358**	**1,117**	**155,375**
Accumulated depreciation							
At 1 January 2022	**–**	**98,147**	**–**	**48,747**	**59,685**	**–**	**206,579**
Charge for the financial year	**–**	**7,407**	**–**	**2,108**	**3,399**	**–**	**12,914**
Disposal	**–**	**–**	**–**	**–**	**(1,125)**	**–**	**(1,125)**
Write off	**–**	**(3,351)**	**–**	**(117)**	**(1,151)**	**–**	**(4,619)**
Transfer to related companies	**–**	**(97,548)**	**–**	**(34,800)**	**(55,018)**	**–**	**(187,366)**
At 31 December 2022	**–**	**4,655**	**–**	**15,938**	**5,790**	**–**	**26,383**
Net book value as at 31 December 2022	**102,868**	**4,406**	**–**	**3,033**	**17,568**	**1,117**	**128,992**

Company	Freehold land RM'000	Bearer assets RM'000	Immature fields RM'000	Buildings RM'000	Other assets RM'000	Capital work in progress RM'000	Total RM'000
Cost							
At 1 January 2021	801,801	192,836	19,139	76,553	86,852	2,404	1,179,585
Additions	–	153	13,974	912	3,145	1,838	20,022
Write off	–	–	–	(16)	(730)	–	(746)
Reclassification	–	–	–	665	1,696	(2,361)	–
At 31 December 2021	801,801	192,989	33,113	78,114	90,963	1,881	1,198,861
Accumulated depreciation							
At 1 January 2021	–	90,345	–	46,406	55,431	–	192,182
Charge for the financial year	–	7,802	–	2,357	4,978	–	15,137
Write off	–	–	–	(16)	(724)	–	(740)
At 31 December 2021	–	98,147	–	48,747	59,685	–	206,579
Net book value as at 31 December 2021	801,801	94,842	33,113	29,367	31,278	1,881	992,282

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11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Security

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Carrying amount of assets pledged as security for borrowings:				
– freehold land	**407,346**	407,346	**–**	–
– bearer plant	**276,715**	289,958	**19,286**	19,286
– immature fields	**27,814**	28,874	**7,387**	7,387
– capital work in progress	**32,086**	13,779	**–**	–
	743,961	739,957	**26,673**	26,673

Borrowing costs

Included in additions to property, plant and equipment of the Group are interest capitalised during the year amounting to RM0.21 million (2021: RM0.80 million). During the financial year, the Group and the Company acquired property, plant and equipment at cost amounting to RM113.40 million (2021: RM150.79 million) and RM18.76 million (2021: RM20.02 million), respectively. The acquisitions were settled through the following means:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash payment	**129,061**	150,789	**18,188**	20,022

Impairment of property, plant and equipment

The Group has estimated the recoverable amounts of certain property, plant and equipment during the financial year and the assessment has led to the no recognition of impairment losses for the financial year (2021: RM146.34 million).

In the previous financial year, the total impairment loss of RM146.34 million comprised impairment loss of RM37.22 million relating to certain bearer assets, buildings and plant and machineries of the subsidiaries, PT Rambang Agro Jaya ("PT RAJ") and PT Tempirai Palm Resources ("PT TPR") and impairment losses is an amount of RM108.92 million (2020: RM89.36 million) relating to certain vessels of a subsidiary, E.A. Technique (M) Berhad ("EAT"). The significant impairment loss was due to continuing losses incurred by the subsidiaries and negative market outlook, which were recorded in other expenses in the statement of comprehensive income. In determining the recoverable amounts of these assets, the Group estimated the fair value less costs to sell based on offer price from the prospective buyers for PT RAJ and PT TPR and external valuers in determining the fair value of the vessels in EAT.

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12. RIGHT-OF-USE ASSETS

The Group and the Company lease several assets as stated below. The Group and the Company's average lease term ranges from 2 to 904 years.

The Group's and the Company's obligations are secured by the lessors' title to the leased assets.

Group	Leasehold land RM'000	Leasehold building RM'000	Plant and machinery RM'000	Office equipment RM'000	Total RM'000
Net book value					
At 1 January 2021	1,726,196	1,155	6,649	61	1,734,061
Additions	11	1,320	–	105	1,436
Amortisation	(31,739)	(902)	(6,649)	(53)	(39,343)
Impairment loss	(13,134)	–	–	–	(13,134)
Transfer to assets of disposal group classified as held for sale (Note 24)	(44,080)	(582)	–	(12)	(44,674)
Exchange differences	1,005	–	–	–	1,005
Modification	968	–	–	–	968
Derecognition	–	(116)	–	(58)	(174)
At 31 December 2021/1 January 2022	1,639,227	875	–	43	1,640,145
Additions	1,144	1,863	–	–	3,007
Amortisation	(28,618)	(1,571)	–	(17)	(30,206)
Acquisition of subsidiary	–	4,271	–	–	4,271
Transfer from non-current inventories	2,909	–	–	–	2,909
Derecognition	(611)	(3)	–	–	(614)
At 31 December 2022	1,614,051	5,435	–	26	1,619,512

Company	Leasehold land RM'000	Leasehold building RM'000	Office equipment RM'000	Total RM'000
Net book value				
At 1 January 2021	368,606	20	55	368,681
Additions	–	1,092	–	1,092
Amortisation	(3,633)	(295)	(18)	(3,946)
At 31 December 2021/1 January 2022	364,973	817	37	365,827
Additions	–	204	–	204
Amortisation	(3,252)	(445)	(12)	(3,709)
Transfer from non-current inventories	2,909	–	–	2,909
Transfer to a related company	(353,323)	–	–	(353,323)
At 31 December 2022	11,307	576	25	11,908

Certain leasehold land of the Group and the Company amounting to approximately RM1,145.94 million (2021: RM1,155.07 million) and RM NIL (2021: RM230.99 million) respectively are pledged as security for borrowings.

Notes to the Financial Statements
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12. RIGHT-OF-USE ASSETS (CONTINUED)

Impairment of right-of-use assets

During the previous financial year, the Group has recognised total impairment losses of RM13.13 million in relating to certain right-of-use assets of a subsidiary, PT Rambang Agro Jaya ("PT RAJ"). The significant impairment loss was due to continuing losses incurred by the subsidiaries and negative market outlook, which were recorded in other expenses in the statement of comprehensive income. In determining the recoverable amounts of these assets, the Group estimated the fair value less costs to sell based on the offer price from a potential buyer, at costs to sell of 4%.

The above fair value measurement is classified in Level 3 of the fair value hierarchy. Further details of the fair value hierarchy are disclosed in Note 37.

Other details are as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
(a) Cash outflow for leases	**1,613**	9,542	**1,075**	942
(b) Short term payments and payments for leases of low-value assets	**1,982**	679	**1,982**	679

13. INVESTMENT PROPERTIES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 January	**64,205**	64,280	**50,770**	49,480
Net gain from fair value adjustments recognised in profit or loss	**133**	1,225	**835**	1,290
Net loss from fair value adjustments recognised in other comprehensive income	**–**	(1,300)	**–**	–
Transfer from property, plant and equipment (Note 11)	**982**	–	**–**	–
Transfer to assets of disposal group classified as held for sale (Note 24)	**(25,300)**	–	**(25,300)**	–
At 31 December	**40,020**	64,205	**26,305**	50,770

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13. INVESTMENT PROPERTIES (CONTINUED)

Fair values were arrived at after taking into consideration valuations performed by independent firms of valuers. The fair value is categorised as Level 3 in the fair value hierarchy as the valuation is based on unobservable valuation inputs.

Description of valuation techniques used and key inputs to valuation:

Description	Valuation technique	Relationship of unobservable input to fair value	Significant unobservable inputs 2022	Significant unobservable inputs 2021
Group				
Land use right and building	Comparison method	The higher the value or cost per square feet, the higher the valuation	**RM3 – RM26 per square feet**	RM3 – RM22 per square feet
Commercial land	Comparison method	The higher the value per square feet, the higher the valuation	**RM203 per square feet**	RM39 – RM206 per square feet
Commercial land and building	Comparison method	The higher the value per square feet, the higher the valuation	**RM156 – RM410 per square feet**	RM295 – RM397 per square feet
Company				
Commercial land	Comparison method	The higher the value per square feet, the higher the valuation	**RM39 – RM206 per square feet**	RM39 – RM206 per square feet
Commercial land and building	Comparison method	The higher the value per square feet, the higher the valuation	**RM295 per square feet**	RM295 per square feet

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Rental income derived from investment properties	**1,666**	1,833	**1,344**	1,456
Direct operating expenses relating to rental income (included in cost of sales) recognised in profit or loss	**(900)**	(1,105)	**(218)**	(218)
Income arising from investment properties carried at fair value	**766**	728	**1,126**	1,238

The Group and the Company have no restrictions on the realisability of their investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

14. INVENTORIES (NON-CURRENT)

	Group and Company	
	2022 RM'000	**2021 RM'000**
Land held for development	**–**	2,909
Costs attributable to the development	**–**	11,601
	–	14,510

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14. INTANGIBLE ASSETS

Group	Goodwill RM'000	Others RM'000	Total RM'000
Cost			
At 1 January 2021	**28,955**	**9,860**	**38,815**
Write-off	**–**	**(219)**	**(219)**
Transfer to assets classified as held for sale (Note 24)	**(28,955)**	**(5,331)**	**(34,286)**
At 31 December 2021/At 1 January 2022/ At 31 December 2022	**–**	**4,310**	**4,310**
Accumulated amortisation and impairment			
At 1 January 2021	**27,313**	**9,738**	**37,051**
Amortisation	**–**	**14**	**14**
Write off	**–**	**(111)**	**(111)**
Transfer to assets classified as held for sale (Note 24)	**(27,313)**	**(5,331)**	**(32,644)**
At 31 December 2021/At 1 January 2022/ At 31 December 2022	**–**	**4,310**	**4,310**
Net carrying amount			
At 31 December 2022	**–**	**–**	**–**
At 31 December 2021	**–**	**–**	**–**
At 1 January 2021	**1,642**	**122**	**1,764**

Key assumptions used in determining the recoverable amounts

In the previous financial year, the recoverable amounts of the CGUs (primarily the insurance broking and consultancy business) were determined based on value-in-use calculations using cash flow projections based on financial budgets approved by the Directors covering a five-year period.

The key assumptions on which management based its cash flow projections include discount and terminal growth rate of 10% and 3% respectively.

The discount rates used were based on selected market comparable companies and adjusted for projection risk. The terminal growth rate was the growth rate of the business in a stabilised state into perpetuity.

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16. INVESTMENTS IN SUBSIDIARIES

	Company 2022 RM'000	2021 RM'000
Unquoted shares in Malaysia	**2,498,690**	1,309,928
Unquoted shares outside Malaysia	**58,754**	58,754
Quoted shares outside Malaysia	**–**	6,837
	2,557,444	1,375,519
Transfer from asset classified as held for sale	**72,006**	–
Transfer to asset classified as held for sale	**(458,305)**	(72,006)
	2,171,145	1,303,513
Less: Impairment losses	**(399,090)**	(810,630)
	1,772,055	492,883

The reconciliation of impairment losses for investments in subsidiaries as at 31 December are as follows:

	Company 2022 RM'000	2021 RM'000
At 1 January	**810,630**	861,980
Impairment loss recognised in profit or loss during the financial year (Note 7)	**16,808**	13,113
Reversal of impairment loss during the financial year (Note 7)	**(58,668)**	–
Disposal of during the financial year	**(41,795)**	–
Transfer from asset classified as held for sale	**64,463**	–
Transfer to asset classified as held for sale	**(392,348)**	(64,463)
At 31 December	**399,090**	810,630

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership and voting interest		Effective ownership interest held by non controlling interest	
			2022 %	2021 %	2022 %	2021 %
Held by the Company:						
Johor Plantations Berhad (formerly known as Mahamurni Plantations Sdn. Bhd.)	Malaysia	Production of palm oil and palm kernels	**100.00**	100.00	**–**	–
Selai Sdn. Bhd.	Malaysia	Oil palm plantation and livestock farming	**100.00**	100.00	**–**	–
Ulu Tiram Manufacturing Company (Malaysia) Sdn. Bhd.	Malaysia	Oil palm plantation	**100.00**	100.00	**–**	–
Kumpulan Bertam Plantations Berhad	Malaysia	Oil palm plantation	**100.00**	95.57	**–**	4.43
EPA Management Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00	**–**	–
+Skellerup Industries (Malaysia) Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00	**–**	–
Kulim Topplant Sdn. Bhd.	Malaysia	Production of oil palm clones	**100.00**	100.00	**–**	–
JTP Trading Sdn. Bhd.	Malaysia	Trading and distribution of tropical fruits	**100.00**	100.00	**–**	–
+Pristine Bay Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00	**–**	–
Sindora Berhad	Malaysia	Investment holding, operations of oil palm	**100.00**	100.00	**–**	–
Kulim Energy Nusantara Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00	**–**	–
Southern Greens Sdn. Bhd. (formerly known as Cita Tani Sdn. Bhd.)	Malaysia	Farming operation	**100.00**	100.00	**–**	–
Kulim Pineapple Farm Sdn. Bhd. (formerly known as Perfect Synergy Trading Sdn. Bhd.)	Malaysia	Pineapple cultivation	**100.00**	100.00	**–**	–
#^E.A. Technique (M) Berhad	Malaysia	Provision of sea transportation and related services	**52.48**	52.48	**47.52**	47.52
+Kulim Energy Sdn. Bhd.	Malaysia	Dormant	**80.00**	80.00	**20.00**	20.00
Danamin (M) Sdn. Bhd.	Malaysia	Providing non-destructive testing services and performing electrical engineering works for oil and gas, marine, chemical and construction industries	**100.00**	75.00	**–**	25.00
+PT Wisesa Inspirasi Nusantara	Indonesia	Investment holding	**100.00**	74.00	**–**	26.00

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership and voting interest		Effective ownership interest held by non controlling interest	
			2022 %	2021 %	2022 %	2021 %
Held by the Company:						
*Kulim Plantations (Malaysia) Sdn. Bhd.	Malaysia	Production of palm oil and palm kernels	**–**	100.00	**–**	–
*Cultination Sdn. Bhd (formerly known as Kulim Nursery Sdn. Bhd.)	Malaysia	Sales of palm nursery and other plantation products and services	**–**	100.00	**–**	–
*Kulim Green Energy Ventures Sdn. Bhd.	Malaysia	Production of Bio-Methane	**–**	55.00	**–**	45.00
*Kulim Greenergy Sdn. Bhd.	Malaysia	Production of Bio-Methane	**–**	100.00	**–**	–
*Renown Value Sdn. Bhd.	Malaysia	Dormant	**–**	100.00	**–**	–
*Kulim Smart Technologies Sdn. Bhd.	Malaysia	Ceased operation	**–**	100.00	**–**	–
+@Farm Byte Sdn. Bhd. (formerly known as Agro Edge Sdn. Bhd.)	Malaysia	Investment holding	**100.00**	–	**–**	–
+@Jemaluang Dairy Valley Sdn. Bhd.	Malaysia	Investment holding	**100.00**	–	**–**	–
+@Kilau Nusantara Sdn. Bhd.	Malaysia	Investment holding	**100.00**	–	**–**	–
+Kara Holdings Sdn. Bhd. (Note 16 (a))	Malaysia	Investment holding	**100.00**	–	**–**	–
Held through Kara Holdings Sdn. Bhd.:						
+Ayamas Shoppe Sdn. Bhd.	Malaysia	Poultry retail, convenience food stores, and investment holding	**100.00**	–	**–**	–
+Rasamas Holdings Sdn. Bhd.	Malaysia	Restaurants, trading and/or dealing in poultry products	**100.00**	–	**–**	–
+Roaster's Chicken Sdn. Bhd.	Malaysia	Dormant	**100.00**	–	**–**	–
Held through Johor Plantations Berhad (formerly known as Mahamurni Plantations Sdn. Bhd.):						
+Pembangunan Mahamurni Sdn. Bhd.	Malaysia	Investment holding	**100.00**	100.00	**–**	–
United Malayan Agricultural Corporation Berhad	Malaysia	Oil palm plantation	**100.00**	100.00	**–**	–
Kulim Plantations (Malaysia) Sdn. Bhd.	Malaysia	Production of palm oil and palm kernels	**100.00**	–	**–**	–

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership and voting interest 2022 %	Effective ownership and voting interest 2021 %	Effective ownership interest held by non controlling interest 2022 %	Effective ownership interest held by non controlling interest 2021 %
Held through Johor Plantations Berhad (formerly known as Mahamurni Plantations Sdn. Bhd.) (continued):						
Cultination Sdn. Bhd. (formerly known as Kulim Nursery Sdn. Bhd.)	Malaysia	Sales of palm nursery and other plantation products and services	**100.00**	–	**–**	–
Kulim Greenergy Sdn. Bhd.	Malaysia	Production of Bio-Methane	**100.00**	–	**–**	–
Kulim Green Energy Ventures Sdn. Bhd.	Malaysia	Production of Bio-Methane	**55.00**	–	**45.00**	–
Edaran Badang Sdn. Bhd.	Malaysia	Dealer in agricultural machinery and parts	**100.00**	–	**–**	–
Kulim Safety Training and Services Sdn. Bhd.	Malaysia	Provision of training and safety products and services	**100.00**	–	**–**	–
Held through Kulim Safety Training and Services Sdn Bhd.:						
+Optimum Status Sdn. Bhd.	Malaysia	Provision of mechanical and electrical services	**100.00**	75.00	**–**	25.00
Held through EPA Management Sdn. Bhd.						
+Kulim Civilworks Sdn. Bhd.	Malaysia	Investment holding, facility maintenance, construction services FFB transportation, trading electrical items, air conditioner spare parts and sealant	**100.00**	100.00	**–**	–
Selai Livestock Sdn. Bhd. (formerly known as KulimLivestock Sdn. Bhd.)	Malaysia	Livestock farming	**100.00**	100.00	**–**	–
Extreme Edge Sdn. Bhd.	Malaysia	Supply of information technology (IT) hardware and provision of IT maintenance and development services	**75.00**	75.00	**25.00**	25.00
+PT Kulim Agro Persada	Indonesia	Dormant	**100.00**	100.00	**–**	–
*Edaran Badang Sdn. Bhd.	Malaysia	Dealer in agricultural machinery and parts	**–**	100.00	**–**	–
*Kulim Safety Training and Services Sdn. Bhd.	Malaysia	Provision of training and safety products and services	–	75.00	–	25.00
*Special Appearance Sdn. Bhd.	Malaysia	Replanting of oil palm and other related services	**–**	100.00	**–**	–

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership and voting interest 2022 %	Effective ownership and voting interest 2021 %	Effective ownership interest held by non controlling interest 2022 %	Effective ownership interest held by non controlling interest 2021 %
Held through Skellerup Industries (Malaysia) Sdn. Bhd.:						
+SIM Manufacturing Sdn. Bhd.	Malaysia	Dormant	**90.00**	90.00	**10.00**	10.00
Held through Extreme Edge Sdn. Bhd.						
*Sovereign Multimedia Resources Sdn. Bhd.	Malaysia	Software development, technical services, and support related to software design and hardware related to software implementation and other related ICT business	**–**	75.00	**–**	25.00
*Pinnacle Platform Sdn. Bhd.	Malaysia	Development and maintenance of information technology application system	**–**	75.00	**–**	25.00
Held through Sindora Berhad:						
+Sindora Development Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00	**–**	–
*Sindora Timber Sdn. Bhd.	Malaysia	Dormant	**100.00**	100.00	**–**	–
+MIT Insurance Brokers Sdn. Bhd.	Malaysia	Insurance broking and consultancy	**100.00**	100.00	**–**	–
#^E.A. Technique (M) Berhad	Malaysia	Provision of sea transportation and related service	**52.48**	52.48	**47.52**	47.52
+*Epasa Shipping Agency Sdn. Bhd.	Malaysia	Shipping and forwarding agent	**–**	100.00	**–**	–
Held through E.A. Technique (M) Berhad:						
Johor Shipyard & Engineering Sdn. Bhd.	Malaysia	Shipbuilding, fabrication of steel structures, engineering services and consultancy	**52.48**	52.48	**47.52**	47.52
Libra Prefex Precision Sdn. Bhd.	Malaysia	Hiring and chartering of marine vessels	**52.48**	52.48	**47.52**	47.52
Held through MIT Insurance Brokers Sdn. Bhd.:						
+MIT Captive Ltd	Malaysia	Licensed to carry Labuan captive takaful business	**100.00**	100.00	**–**	–

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (continued):

Name of subsidiaries	Country of incorporation	Principal activities	Effective ownership and voting interest 2022 %	Effective ownership and voting interest 2021 %	Effective ownership interest held by non controlling interest 2022 %	Effective ownership interest held by non controlling interest 2021 %
Held through Danamin (M) Sdn. Bhd.:						
+DQ-IN Sdn. Bhd.	Malaysia	Business of engineering and fabrication	**100.00**	75.00	–	25.00
+Xcot Tech Sdn. Bhd.	Malaysia	Dormant	**100.00**	75.00	–	25.00
Held through PT Wisesa Inspirasi Nusantara:						
+PT Tempirai Palm Resources	Indonesia	Oil palm plantation	**100.00**	70.30	–	29.70
+PT Rambang Agro Jaya	Indonesia	Oil palm plantation	**100.00**	70.30	–	29.70

Listed on Main Market of Bursa Malaysia Securities Berhad
* Disposed during the financial year
+ Not audited by KPMG PLT
^ 2.43% held through Kulim (Malaysia) Berhad and 50.05% held through Sindora Berhad
@ Newly incorporated subsidiary during the financial year

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Acquisition of KARA Holdings Sdn. Bhd. ("KARA") in the financial year ended 31 December 2022.

On 17 August 2022, the Group had subscribed up to 12,500,000 Irredeemable Non-Cumulative Convertible Preference Share ("ICPS") of KARA for a cash consideration of RM1.00 per share totalling RM12,500,000.

Subsequently, on 21 August 2022, the Group acquired 1,000,000 ordinary shares in KARA representing 100% of the issued and paid up share capital of KARA for a total purchase consideration of RM100,000. Following the acquisition, KARA became a subsidiary of the Group under common control transaction when KARA was also a wholly owned subsidiary of the Company's ultimate holding corporation prior to the acquisition.

The acquisition of the KARA had the following effects on the Group's assets and liabilities on the acquisition date:

	Carrying values recognised RM'000
Property, plant and equipment	**6,219**
Right-of-use assets	**4,271**
Inventories	**2,916**
Finance lease receivables	**516**
Receivables	**21,332**
Cash and cash equivalents	**13,828**
Tax recoverable	**465**
Tax payable	**(37)**
Payables	**(43,683)**
Lease liabilities	**(3,975)**
Borrowings	**(428)**
Net identifiable assets	**1,424**
Less : Non-controlling interest on acquisition	**–**
Group's share of net assets	**1,424**
Other reserves	**11,176**
Purchase consideration	**12,600**
Cash and cash equivalents acquired	**(13,828)**
Net cash inflow	**(1,228)**

(b) Disposal of investment in subsidiaries in 2022

During the financial year, the Company entered into Share Sale Agreements ("SSA") with third parties in relation to the disposals of Epasa Shipping Agency Sdn. Bhd., Special Appearance Sdn. Bhd., Pinnacle Platform Sdn. Bhd., Sovereign Multimedia Resources Sdn. Bhd., Kulim Smart Technologies Sdn. Bhd., and Renown Value Sdn. Bhd. for a purchase consideration of RM1 for each subsidiary. The decision is in line with the Group's intention to streamline its business activities and assets base by focusing on the Group's strength and expertise in palm oil and its related businesses. The disposals were completed on 17 July 2022, 11 October 2022, 6 December 2022 and 28 December 2022 respectively. Accordingly, the abovementioned entities ceased to be subsidiaries of the Group.

The disposal did not have any significant effect on the financial position and results of the Group and of the Company.

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(c) Increase in investment in subsidiaries in 2022

During the financial year, the Group increased its investment in Kulim Safety Training and Services Sdn. Bhd., Danamin (M) Sdn. Bhd., Kumpulan Bertam Plantations Berhad and PT Wisesa Inspirasi Nusantara for a total consideration of RM2.17 million. The increase in investment did not have any significant effect on the financial position and results of the Group and of the Company.

(d) Disposal of investment in subsidiaries in 2021

In the previous financial year, the Company entered into Share Sale Agreements ("SSA") with third parties in relation to the disposals of Kulim Technology Ideas Sdn. Bhd., Microwell Bio Solutions Sdn. Bhd., KCW Electrical Sdn. Bhd., KCW Hardware Sdn. Bhd., KCW Kulim Marine Services Sdn. Bhd., Sindora Trading Sdn. Bhd. and Sindora Wood Products Sdn. Bhd. for a purchase consideration of RM1 for each subsidiary. The decision is in line with the Group's intention to streamline its business activities and assets base by focusing on the Group's strength and expertise in palm oil and its related businesses. The disposals were completed on 1 April 2021, 1 June 2021, and 31 October 2021 respectively. Accordingly, the abovementioned entities ceased to be subsidiaries of the Group.

The disposal did not have any significant effect on the financial position and results of the Group and of the Company.

(e) Increase in investment in subsidiaries in 2021

In the previous financial year, the Company increased its investment in Special Appearance Sdn. Bhd. and Perfect Synergy Trading Sdn. Bhd. for a total consideration of RM0.003 million and RM0.39 million, respectively. The increased in investment did not have any significant effect on the financial position and results of the Group and of the Company.

(f) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group.

Proportion of equity interest held by non-controlling interests:

	2022 %	2021 %
E.A. Technique (M) Berhad ("EAT") Group	**47.52**	47.52
PT Wisesa Inspirasi Nusantara ("PT WIN") Group	**–**	26.00

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued).

Summarised statements of financial position before intra-group elimination:

	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
At 31 December 2022			
Current assets	**86,778**	**–**	**86,778**
Non-current assets	**448,073**	**–**	**448,073**
Current liabilities	**(463,896)**	**–**	**(463,896)**
Non-current liabilities	**(30,356)**	**–**	**(30,356)**
Net assets	**40,599**	**–**	**40,599**
Less: Equity attributable to non-controlling interests of subsidiary	**–**	**–**	**–**
Adjustments for:			
– Revaluation reserve	**–**	**–**	**–**
– Deferred tax assets	**–**	**–**	**–**
– Impairment losses on property, plant and equipment and right-of-use assets	**–**	**–**	**–**
Adjusted net assets	**40,599**	**–**	**40,599**
Pre-acquisition on PT WIN Group	**–**	**–**	**–**
Adjustment on non-controlling interests of subsidiary	**–**	**–**	**–**
Equity attributable to:			
– Equity holders of the Company	**21,306**	**–**	**21,306**
– Non-controlling interests	**19,293**	**–**	**19,293**
	40,599	**–**	**40,599**

	Total RM'000
Equity of EAT Group and PT WIN Group attributable to non-controlling interests	**19,293**
Equity of other subsidiaries that are individually immaterial attributable to non-controlling interests	**1,129**
	20,422

Notes to the Financial Statements
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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued).

Summarised statements of financial position before intra-group elimination (continued):

	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
At 31 December 2021			
Current assets	129,570	150,907	280,477
Non-current assets	415,159	1,794	416,953
Current liabilities	(508,415)	(5,213)	(513,628)
Non-current liabilities	(30,356)	(380,276)	(410,632)
Net assets	5,958	(232,788)	(226,830)
Less: Equity attributable to non-controlling interests of subsidiary	–	(9,341)	(9,341)
Adjustments for:			
– Revaluation reserve	–	(9,624)	(9,624)
– Deferred tax assets	–	(2,223)	(2,223)
– Impairment losses on property, plant and equipment and right-of-use assets	–	(17,562)	(17,562)
Adjusted net assets	5,958	(271,538)	(265,580)
Pre-acquisition on PT WIN Group	–	2,600	2,600
Adjustment on non-controlling interests of subsidiary	–	(1,088)	(1,088)
Equity attributable to:			
– Equity holders of the Company	3,127	(202,450)	(199,323)
– Non-controlling interests	2,831	(69,088)	(66,257)
	5,958	(271,538)	(265,580)

	Total RM'000
Equity of EAT Group and PT WIN Group attributable to non-controlling interests	(66,257)
Equity of other subsidiaries that are individually immaterial attributable to non-controlling interests	(6,210)
	(72,467)

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued).

Summarised statements of comprehensive income before intra-group elimination:

	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
At 31 December 2022			
Revenue	**153,640**	**17,356**	**170,996**
Cost of sales	**(107,247)**	**(29,690)**	**(136,937)**
Other income	**11,889**	**1,225**	**13,114**
Administrative and other expenses	**(27,803)**	**(23,945)**	**(51,748)**
Finance costs	**(9,489)**	**–**	**(9,489)**
Profit/(Loss) before tax	**20,990**	**(35,054)**	**(14,064)**
Tax credit	**11,963**	**11**	**11,974**
Net loss for the year from continued operations	**32,953**	**(35,043)**	**(2,090)**
Net profit/(loss) for the year from discontinued operations	**–**	**–**	**–**
Translation difference	**–**	**(6,956)**	**(6,956)**
Total comprehensive income/(expense) for the financial year	**32,953**	**(41,999)**	**(9,046)**
Less: Amount attributable to non-controlling interests of subsidiary	**–**	**–**	**–**
Adjustments for:			
– Impairment losses on property, plant and equipment and right-of-use assets	**–**	**13,641**	**13,641**
Translation differences	**–**	**–**	**–**
	32,953	**(28,358)**	**4,595**
Adjustment on non-controlling interests of subsidiary	**–**	**–**	**–**
Gain/(Loss) attributable to:			
– Equity holders of the Company	**17,294**	**(20,985)**	**(3,691)**
– Non-controlling interests	**15,659**	**(7,373)**	**8,286**
	32,953	**(28,358)**	**4,595**

	Total RM'000
Gain of EAT Group and PT WIN Group attributable to non-controlling interests	**8,286**
Gain of other subsidiaries that are individually immaterial attributable to non-controlling interests	**1,436**
	9,722

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16. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(f) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued).

Summarised statements of comprehensive income before intra-group elimination (continued):

	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
At 31 December 2021			
Revenue	160,556	–	160,556
Cost of sales	(134,093)	–	(134,093)
Other income	7,342	–	7,342
Administrative and other expenses	(168,885)	(18,320)	(187,205)
Finance costs	(16,185)	–	(16,185)
Loss before tax	(151,265)	(18,320)	(169,585)
Tax expense	(443)	(118)	(561)
Net loss for the year from continued operations	(151,708)	(18,438)	(170,146)
Net loss for the year from discontinued operations	–	(46,740)	(46,740)
Translation difference	–	(3,962)	(3,962)
Total comprehensive expense for the financial year	(151,708)	(69,140)	(220,848)
Less: Amount attributable to non-controlling interests of subsidiary	–	(2,723)	(2,723)
Adjustments for:			
– Deferred tax assets	–	(1,582)	(1,582)
– Impairment losses on property, plant and equipment and right-of-use assets	–	(12,487)	(12,487)
Translation differences	–	(1,097)	(1,097)
	(151,708)	(87,029)	(238,737)
Adjustment on non-controlling interests of subsidiary	–	(521)	(521)
Loss attributable to:			
– Equity holders of the Company	(79,616)	(63,880)	(143,496)
– Non-controlling interests	(72,092)	(23,149)	(95,241)
	(151,708)	(87,029)	(238,737)

	Total RM'000
Loss of EAT Group and PT WIN Group attributable to non-controlling interests	(95,241)
Profit of other subsidiaries that are individually immaterial attributable to non-controlling interests	69
	(95,172)

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15. INVESTMENTS IN SUBSIDIARIES (CONT'D.)

(f) Summarised financial information of subsidiaries which have non-controlling interests that are material to the Group (continued).

Summarised statements of cash flows before intra-group elimination:

	EAT Group RM'000	PT WIN Group RM'000	Total RM'000
At 31 December 2022			
Net cash generated from operating activities	**19,546**	**438**	**19,984**
Net cash generated from/(used in) investing activities	**33,005**	**(2,919)**	**30,086**
Net cash (used in)/generated from financing activities	**(42,355)**	**3,593**	**(38,762)**
Net increase in cash and cash equivalents	**10,196**	**1,112**	**11,308**
At 31 December 2021			
Net cash (used in)/generated from operating activities	(13,706)	1,542	(12,164)
Net cash used in investing activities	(35,201)	(8,917)	(44,118)
Net cash generated from financing activities	45,140	3,113	48,253
Net decrease in cash and cash equivalents	(3,767)	(4,262)	(8,029)

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Investments in associates:				
Unquoted shares in Malaysia	**4,739**	4,739	**3,939**	3,939
Amount due from an associate	**2,500**	2,500	**2,500**	2,500
Share of post-acquisition reserves	**3,700**	3,258	**–**	–
	10,939	10,497	**6,439**	6,439
Accumulated impairment losses	**(6,439)**	(6,439)	**(6,439)**	(6,439)
	4,500	4,058	**–**	–
Investment in joint venture:				
Unquoted shares in Indonesia	**310,104**	310,104	**–**	–
Share of post-acquisition reserve	**(48,378)**	(48,378)	**–**	–
Accumulated impairment losses	**(261,726)**	(261,726)	**–**	–
	–	–	**–**	–
Total	**4,500**	4,058	**–**	–

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17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Details of the associates and joint venture are as follows:

Name of entity	Country of incorporation/	Principal activities	Nature of relationship	Effective ownership interest and voting interest 2022 (%)	2021 (%)
Held by the Company:					
Intrapreneur Value Creation Sdn. Bhd. ("IVC")	Malaysia	To provide financing to companies within Johor Corporation Group based on Shariah principles	Associate	**29.91**	29.91
Held through Sindora Berhad:					
Tepak Marketing Sdn. Bhd. ("Tepak")	Malaysia	Tea blending and packaging	Associate	**20.00**	20.00
Held through Kulim Energy Nusantara Sdn. Bhd.:					
PT Rizki Bukit Barisan Energi ("PT RBBE")*	Indonesia	Operator of a Production Sharing Contract in South West Bukit Barisan ("PSC SWBB")	Joint Venture	**60.00**	60.00

* By virtue of the Joint Operating Agreement entered into by the Group, the Group considers that it has joint control over the operations of PT RBBE.

Summarised financial information of investments accounted for using the equity method

Summarised financial information is set out below. The summarised financial information represents the amounts in the financial statements and not the Group's share of those amounts.

(i) Summarised statements of financial position of associates

	IVC RM'000	Tepak RM'000	Total RM'000
At 31 December 2022			
Non-current assets	**14,075**	**3,108**	**17,183**
Current assets			
Cash and cash equivalents	**4,292**	**3,203**	**7,495**
Other current assets	**1,188**	**19,954**	**21,142**
	5,480	**23,157**	**28,637**
Total assets	**19,555**	**26,265**	**45,820**
Current liabilities	**2,797**	**3,764**	**6,561**
Total liabilities	**2,797**	**3,764**	**6,561**
Net assets	**16,758**	**22,501**	**39,259**

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17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information of investments accounted for using the equity method (continued)

Summarised financial information is set out below. The summarised financial information represents the amounts in the financial statements and not the Group's share of those amounts. (continued)

(i) Summarised statements of financial position of associates (continued)

	IVC RM'000	Tepak RM'000	Total RM'000
At 31 December 2021			
Non-current assets	13,921	1,778	15,699
Current assets			
Cash and cash equivalents	4,403	5,392	9,795
Other current assets	216	16,230	16,446
	4,619	21,622	26,241
Total assets	18,540	23,400	41,940
Current liabilities	3,046	3,109	6,155
Total liabilities	3,046	3,109	6,155
Net assets	15,494	20,291	35,785

(ii) Summarised statements of comprehensive income of associates

	IVC RM'000	Tepak RM'000	Total RM'000
At 31 December 2022			
Revenue	**35**	**49,486**	**49,521**
Depreciation	**–**	**(243)**	**(243)**
Other income	**2,425**	**526**	**2,951**
Profit net of tax, representing total comprehensive income for the financial year	**1,264**	**2,210**	**3,474**
At 31 December 2021			
Revenue	45	38,479	38,524
Depreciation	–	(245)	(245)
Other income	55	246	301
Profit/(Loss) net of tax, representing total comprehensive income/(expense) for the financial year	3,368	(2,036)	1,332

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17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information of investments accounted for using the equity method (continued)

(iii) Reconciliation of the summarised financial information presented above to the carrying amount on the associates

	IVC RM'000	Tepak RM'000	Total RM'000
At 31 December 2022			
Net assets at 1 January	**15,494**	**20,291**	**35,785**
Profit net of tax, representing total comprehensive income for the financial year	**1,264**	**2,210**	**3,474**
Net assets	**16,758**	**22,501**	**39,259**
Interest in associates	**29.91%**	**20.00%**	
Group's share of net assets	**5,012**	**4,500**	**9,512**
Share of profit not recognised	**(1,073)**	**–**	**(1,073)**
Amount due from an associate	**2,500**	**–**	**2,500**
Accumulated impairment losses	**(6,439)**	**–**	**(6,439)**
Carrying value of Group's interest in associates, net of impairment losses	**–**	**4,500**	**4,500**
At 31 December 2021			
Net assets at 1 January	12,126	22,327	34,453
Profit/(Loss) net of tax, representing total comprehensive income for the financial year	3,368	(2,036)	1,332
Net assets	15,494	20,291	35,785
Interest in associate	29.91%	20.00%	
Group's share of net assets	4,634	4,058	8,692
Share of losses in excess of investment not recognised	(695)	–	(695)
Amount due from an associate	2,500	–	2,500
Accumulated impairment losses	(6,439)	–	(6,439)
Carrying value of Group's interest in associates, net of impairment losses	–	4,058	4,058

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17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information of investments accounted for using the equity method (continued)

(iv) Summarised statement of financial position of joint venture

	PT RBBE 2022 RM'000	PT RBBE 2021 RM'000
Non-current assets	**194,658**	200,977
Current assets		
Cash and cash equivalents	**145**	149
Other current assets	**19,874**	20,520
Total current assets	**20,019**	20,669
Total assets	**214,677**	221,646
Non-current liabilities	**278,148**	287,178
Current liabilities	**351**	363
Total liabilities	**278,499**	287,541
Net liabilities	**(63,822)**	(65,895)

(v) Summarised statement of comprehensive income of joint venture

	PT RBBE 2022 RM'000	PT RBBE 2021 RM'000
Other income	**16,846**	16,946
Administrative and other expenses	**(2,181)**	(2,193)
Profit before tax	**14,665**	14,753
Tax	**14**	14
Other comprehensive income	**64**	64
Total comprehensive income for the financial year	**14,743**	14,831

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17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (CONTINUED)

Summarised financial information of investments accounted for using the equity method (continued)

(vi) Reconciliation of the summarised financial information presented above to the carrying amount on the joint venture:

	PT RBBE	
	2022 RM'000	**2021 RM'000**
Net liabilities at 1 January	**(65,895)**	(79,271)
Total comprehensive income for the financial year	**14,743**	14,831
Translation differences	**(1,455)**	(1,455)
Net liabilities at 31 December	**(52,607)**	(65,895)
Interest in joint venture	**60.00%**	60.00%
Share of post-acquisition reserves	**(31,564)**	(39,537)
Share of losses not recognised	**(16,814)**	(8,841)
Cost of investment	**310,104**	310,104
Accumulated impairment losses	**(261,726)**	(261,726)
Carrying value of Group's interest in joint venture, net of impairment losses	**–**	–

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND OTHER INVESTMENTS

		Group		Company	
		2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current					
Shares in Malaysia:					
– quoted	(i)	**19,135**	21,030	**19,128**	21,022
– unquoted	(ii)	**24,759**	22,035	**14,736**	11,734
		43,894	43,065	**33,864**	32,756
Current					
Shares in Malaysia:					
– quoted	(i)	**33,413**	22,202	**10,549**	7,010
Deposits pledged	(iii)	**25,378**	27,057	**–**	15,535
		58,791	49,259	**10,549**	22,545
Total financial assets at fair value through other comprehensive income and other investments		**102,685**	92,324	**44,413**	55,301

Notes to the Financial Statements
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18. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME AND OTHER INVESTMENTS (CONTINUED)

(i) Certain quoted shares of the Group and the Company amounting to RM33.41 million (2021: RM22.20 million) and RM10.55 million (2021: RM7.01 million) respectively are pledged as security for borrowings of a related company.

Active markets exist for the quoted shares of the Group and of the Company.

(ii) The significant unobservable inputs used in the fair value measurements of unquoted equity instruments are categorised as Level 3 of the fair value hierarchy. The fair values of the non-listed equity investments have been estimated using market comparison technique. The valuation model is based on enterprise value ("EV") to earnings before interest, taxation, depreciation and amortisation ("EBITDA") multiple derived from quoted prices of companies comparable to the investee, adjusted for the effect of non-marketability of the unquoted shares. The significant unobservable input is adjusted EV to EBITDA multiple of 4.6 times (2021: 5.9 times). The estimated fair value would increase/decrease if adjusted EV to EBITDA multiple is higher/lower.

(iii) The entire deposits placed with licensed banks of the Group and the Company are pledged for bank facilities granted to the Group and the Company, respectively.

The weighted average interest rate of the fixed deposits of the Group and of the Company at the reporting date are 2.30% (2021: 2.22%) per annum and NIL (2021: 2.79%) per annum, respectively.

The weighted average maturities of the fixed deposits of the Group and of the Company at the reporting date are 279 days (2021: 275 days) and NIL (2021: 329 days), respectively.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Non-current				
Quoted shares in Malaysia	**10,122**	13,268	**10,012**	13,124

The entire quoted shares of the Group and the Company amounting to RM10.12 million (2021: RM13.27 million) and RM10.01 million (2021: RM13.12 million) respectively are pledged as security for borrowings of a related company.

Active markets exist for the quoted shares and warrants of the Group and of the Company.

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20. TRADE AND OTHER RECEIVABLES

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Other receivables:					
Third parties		**56,520**	58,605	**56,520**	56,520
Ultimate holding corporation		**3,441**	3,441	**–**	–
Subsidiaries		**–**	–	**6,530**	5,208
		59,961	62,046	**63,050**	61,728
Less: Allowance for impairment loss					
Third parties		**(56,520)**	(58,605)	**(56,520)**	(56,520)
Ultimate holding corporation		**(17)**	(19)	**–**	–
Subsidiaries		**–**	–	**(6,530)**	(5,208)
		(56,537)	(58,624)	**(63,050)**	(61,728)
		3,424	3,422	**–**	–
Other non-current assets:					
Deposit	(i)	**60,531**	60,531	**–**	–
Total non-current		**63,955**	63,953	**–**	–
Current					
Trade receivables:					
Third parties		**54,964**	89,332	**385**	916
Less: Allowance for impairment loss					
Third parties		**(4,062)**	(3,484)	**(385)**	(385)
		50,902	85,848	**–**	531
Other receivables:					
Third parties		**24,721**	23,628	**13,362**	13,509
Less: Allowance for impairment loss					
Third parties		**(11,213)**	(11,579)	**(10,871)**	(11,092)
		13,508	12,049	**2,491**	2,417

Notes to the Financial Statements
– 31 December 2022

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current (continued)					
Amounts due from:					
Subsidiaries	(iii)	**–**	–	**156,008**	41,028
Ultimate holding corporation	(ii)	**357,917**	382,125	**357,823**	381,945
Related companies		**2,637**	5,250	**670**	2,717
		360,554	387,375	**514,501**	425,690
Less: Allowance for impairment loss					
Subsidiaries		**–**	–	**(3,632)**	(3,840)
Related companies		**(1,350)**	(1,001)	**(667)**	(976)
		(1,350)	(1,001)	**(4,299)**	(4,816)
Amounts due from, net		**359,204**	386,374	**510,202**	420,874
Other current assets:					
Deposit		**4,806**	2,988	**1,039**	703
Prepayments		**4,292**	2,055	**–**	434
Contract assets		**–**	52	**10**	52
		9,098	5,095	**1,049**	1,189
Less: Allowance for impairment loss					
Deposit		**(173)**	–	**–**	–
		8,925	5,095	**1,049**	1,189
Total current		**432,539**	489,366	**513,742**	425,011
Total trade and other receivables		**496,494**	553,319	**513,742**	425,011

(i) The deposit in other non-current assets mainly relating to part payment of the Purchase Price amounting to RM60.53 million for the acquisition of four (4) pieces of land from the ultimate holding corporation in 2020.

Pursuant to the Master Framework Agreement ("MFA") between the Group and the ultimate holding corporation dated 21 February 2021, the payment is refundable to the Group in the event parties fail to reach an agreement on the acquisition of the lands.

(ii) The amounts due from ultimate holding corporation of the Group and of the Company amounting to RM357.92 million (2021: RM382.13 million) and RM357.82 million (2021: RM381.95 million) respectively are unsecured, with interest charged at 3.79% (2021: 4.11%) per annum.

(iii) Certain amounts due from subsidiaries amounting to RM74.36 million (2021: RM8.62 million) are unsecured, bear interest of 3.16% - 3.79% (2021: 3.44% - 4.11%) per annum and are repayable on demand.

Notes to the Financial Statements
– 31 December 2022

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance

The reconciliation of the loss allowance for trade and other receivables as at 31 December is as follows:

Group	2022 RM'000	2021 RM'000
At 1 January:		
– trade receivables	**3,484**	11,166
– other receivables (third parties)	**70,184**	76,444
– holding corporation and related companies	**1,020**	8,007
	74,688	95,617
Increase in loss allowance recognised in profit or loss during the financial year:		
– trade receivables	**842**	2,585
– other receivables (third parties)	**337**	196
– holding corporation and related companies	**692**	20
	1,871	2,801
Reversal of provision:		
– trade receivables	**–**	(288)
– other receivables (third parties)	**(66)**	(788)
– holding corporation and related companies	**–**	(6,578)
	(66)	(7,654)
Write-off:		
– trade receivables	**(264)**	(4,483)
– other receivables (third parties)	**(2,516)**	(5,625)
– holding corporation and related companies	**(345)**	(429)
	(3,125)	(10,537)
Exchange differences		
– other receivables (third parties)	**(33)**	–
	(33)	–
Transfer to assets classified as held for sale:		
– trade receivables	**–**	(5,496)
– other receivables (third parties)	**–**	(43)
	–	(5,539)
At 31 December:		
– trade receivables	**4,062**	3,484
– other receivables (third parties)	**67,906**	70,184
– holding corporation and related companies	**1,367**	1,020
	73,335	74,688

Notes to the Financial Statements
– 31 December 2022

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

The reconciliation of the loss allowance for trade and other receivables as at 31 December is as follows (continued):

Company	2022 RM'000	2021 RM'000
At 1 January:		
– trade receivables	**385**	385
– other receivables (third parties)	**67,612**	67,922
– holding corporation and related companies	**10,024**	23,794
	78,021	92,101
Increase in loss allowance recognised in profit or loss during the financial year:		
– holding corporation and related companies	**1,322**	1,011
	1,322	1,011
Reversal of provision:		
– other receivables (third parties)	**(221)**	(310)
– holding corporation and related companies	**(517)**	(14,781)
	(738)	(15,091)
At 31 December:		
– trade receivables	**385**	385
– other receivables (third parties)	**67,391**	67,612
– holding corporation and related companies	**10,829**	10,024
	78,605	78,021

(b) Maximum exposure to credit risk

(i) Trade receivables using simplified approach

The Group and the Company apply the MFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before 31 December 2022 or 31 December 2021 respectively and the corresponding historical credit losses experienced within this period. No significant changes to estimation techniques or assumptions were made during the reporting period.

Notes to the Financial Statements
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20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Maximum exposure to credit risk (continued)

(i) Trade receivables using simplified approach (continued)

Group	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
31 December 2022					
Expected loss rate	**0%**	**0%**	**0%**	**62%**	
Gross carrying amount – trade receivables	**47,325**	**807**	**249**	**6,583**	**54,964**
Loss allowance	**–**	**–**	**–**	**(4,062)**	**(4,062)**
Carrying amount (net of loss allowance)	**47,325**	**807**	**249**	**2,521**	**50,902**
31 December 2021					
Expected loss rate	0%	0%	0%	93%	
Gross carrying amount – trade receivables	84,700	318	562	3,752	89,332
Loss allowance	–	–	–	(3,484)	(3,484)
Carrying amount (net of loss allowance)	84,700	318	562	268	85,848

Company	Current RM'000	More than 30 days past due RM'000	More than 60 days past due RM'000	More than 90 days past due RM'000	Total RM'000
31 December 2022					
Expected loss rate	**0%**	**0%**	**0%**	**100%**	
Gross carrying amount – trade receivables	**–**	**–**	**–**	**385**	**385**
Loss allowance	**–**	**–**	**–**	**(385)**	**(385)**
Carrying amount (net of loss allowance)	**–**	**–**	**–**	**–**	**–**
31 December 2021					
Expected loss rate	0%	0%	0%	43%	
Gross carrying amount – trade receivables	13	–	2	901	916
Loss allowance	–	–	–	(385)	(385)
Carrying amount (net of loss allowance)	13	–	2	516	531

Notes to the Financial Statements
– 31 December 2022

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Maximum exposure to credit risk (continued)

(ii) Other receivables, holding corporation, related companies and subsidiaries using general 3 stage approach

	Expected credit loss rate %	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
Group internal credit rating 31 December 2022					
Performing	0.2%	12 month ECL	**15,198**	**(37)**	**15,161**
Underperforming	0.5%	Lifetime ECL	**360,516**	**(1,693)**	**358,823**
Non-performing	97%	Lifetime ECL	**69,522**	**(67,543)**	**1,979**
			445,236	**(69,273)**	**375,963**

	Expected credit loss rate %	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
Group internal credit rating 31 December 2021					
Performing	0%	12 month ECL	397,741	(20)	397,721
Underperforming	77%	Lifetime ECL	11,314	(8,668)	2,646
Non-performing	98%	Lifetime ECL	63,994	(62,516)	1,478
			473,049	(71,204)	401,845

Notes to the Financial Statements
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20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Maximum exposure to credit risk (continued)

(ii) Other receivables, holding corporation, related companies and subsidiaries using general 3 stage approach (continued)

	Expected credit loss rate %	Basis for recognition of expected credit loss provision	Estimated gross carrying amount at default RM'000	Loss allowance RM'000	Carrying amount (net of impairment provision) RM'000
Company internal credit rating 31 December 2022					
Performing	0%	12 month ECL	**510,499**	**–**	**510,499**
Underperforming	34%	Lifetime ECL	**409**	**(139)**	**270**
Non-performing	98%	Lifetime ECL	**80,005**	**(78,081)**	**1,924**
			590,913	**(78,220)**	**512,693**
Company internal credit rating 31 December 2021					
Performing	0%	12 month ECL	421,984	–	421,984
Underperforming	84%	Lifetime ECL	7,807	(6,543)	1,264
Non-performing	100%	Lifetime ECL	71,136	(71,093)	43
			500,927	(77,636)	423,291

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Includes financial instruments that have not had a significant increase in credit risk since initial recognition or that (at the option of the entity) have low credit risk at the reporting date. 12-month ECL are the ECL that result from default events that are possible within 12 months after the reporting date.	For these assets, 12-month expected credit losses ('ECL') are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset, weighted by the probability that the loss will occur in the next 12 months.

Notes to the Financial Statements
– 31 December 2022

20. TRADE AND OTHER RECEIVABLES (CONTINUED)

(b) Maximum exposure to credit risk (continued)

(ii) Other receivables, holding corporation, related companies and subsidiaries using general 3 stage approach (continued)

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Underperforming	Includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date and this option is taken by the entity) but that do not have objective evidence of impairment. ECL are the weighted average credit losses, with the respective risks of a default occurring as the weights.	For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the ECL that result from all possible default events over the maximum contractual period during which the entity is exposed to credit risk.
Non-performing	Includes financial assets that have objective evidence of impairment at the reporting date.	For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount (that is, net of credit allowance).
Write-off	Interest and/or principal repayments are 365 days past due and there is no reasonable expectation of recovery.	Asset is written off.

21. INVENTORIES (CURRENT)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current:				
Agricultural produce	**15,781**	9,658	**–**	–
Raw materials and consumables	**49,282**	9,491	**20**	2,854
Finished goods	**4,651**	4,133	**–**	–
Completed properties held for sale	**63,870**	66,664	**71,378**	66,664
	133,584	89,946	**71,398**	69,518

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group and of the Company were RM784.51 million (2021: RM724.26 million) and RM86.06 million (2021: RM91.25 million), respectively.

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22. BIOLOGICAL ASSETS

Group	Fresh fruit bunches RM'000	Pineapple RM'000	Livestock RM'000	Total RM'000
At 1 January 2022	**39,464**	**10,257**	**19,667**	**69,388**
Addition	**–**	**4,318**	**3,250**	**7,568**
Changes in fair value	**(16,680)**	**(1,747)**	**3,870**	**(14,557)**
Disposal	**–**	**–**	**(1,420)**	**(1,420)**
Write off	**–**	**(8,474)**	**–**	**(8,474)**
Transfer to assets of disposal group classified as held for sale (Note 24)	**(389)**	**–**	**–**	**(389)**
Exchange differences	**318**	**–**	**–**	**318**
At 31 December 2022	**22,713**	**4,354**	**25,367**	**52,434**
At 1 January 2021	19,607	9,904	15,026	44,537
Addition	–	9,189	6,714	15,903
Changes in fair value	20,179	(8,836)	(373)	10,970
Disposal	–	–	(1,700)	(1,700)
Transfer to assets of disposal group classified as held for sale (Note 24)	(329)	–	–	(329)
Exchange differences	7	–	–	7
At 31 December 2021	39,464	10,257	19,667	69,388

Company	Fresh fruit bunches RM'000	Pineapple RM'000	Total RM'000
At 1 January 2022	**7,483**	**10,257**	**17,740**
Addition	**–**	**58**	**58**
Changes in fair value	**(609)**	**(172)**	**(781)**
Transfer to subsidiaries	**(6,874)**	**(10,143)**	**(17,017)**
At 31 December 2022	**–**	**–**	**–**
At 1 January 2021	3,173	9,904	13,077
Addition	–	9,189	9,189
Changes in fair value	4,310	(8,836)	(4,526)
At 31 December 2021	7,483	10,257	17,740

During the financial year, the Group produced approximately 1,111,524 metric tonnes ("MT") (2021: 1,061,504 MT) of fresh fruit bunches ("FFB"), 2,366 MT (2021: 1,528 MT) pineapples, 1,070 heads (2021: 301 heads) of cattles and 289 heads (2021: NIL heads) of sheeps. The Company produced approximately 194,755 MT (2021: 196,920 MT) of FFB and NIL MT (2021: 1,528 MT) of pineapples.

Notes to the Financial Statements
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22. BIOLOGICAL ASSETS (CONTINUED)

As at 31 December 2022, the Group's unharvested FFB, pineapples and unsold cattle used in the fair value computations were 33,254 MT (2021: 36,008 MT), 3,213 MT (2021: 7,984 MT) and 8,300 heads (2021: 7,491 heads) respectively. The Company's unharvested FFB and pineapples used in the fair value were NIL MT (2021: 6,647 MT) of FFB and NIL MT (2021: 7,984 MT) of pineapples. The method used by the Group in deriving the fair value of each class of biological assets are as follows:

FFB — The Group and the Company have considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, FFB more than 2 weeks before harvesting are excluded from the valuation as their fair values are considered negligible. The fair value of FFB is calculated based on the income approach which considers the net present value of all directly attributable net cashflows including imputed contributory asset charges and the range of FFB prices as at financial year end of RM563 to RM711 (2021: RM1,069 to RM1,211) per MT and NIL (2021: RM1,069 to RM1,211) per MT for the Group and the Company respectively.

Pineapple — The Group has considered the growing pineapple fruit to represent the standing pineapple prior to harvest, between the 6th month planting activity started until the harvested period on the 18th month. Pineapples fruit before the 6th month of planting are excluded from the valuation as their fair values are considered negligible. Pineapple suckers before the 12th month of planting are excluded from the valuation as their fair values are considered negligible. The harvesting period for the pineapple fruit and suckers is after 18 months to 24 months of planting. The fair value of growing pineapples and suckers is calculated based on expected selling prices as at financial year end of RM2.55/kg (2021: RM1.59/kg) and RM1.00 per piece (2021: RM1.00 per piece), respectively.

Livestock — Fair values of the livestock are based on the Group's assessment of the age and market values of the livestock, which range from RM3,800 to RM5,800 (2021: RM400 to RM7,000) per head of cattle and RM900 to RM1,150 (2021: nil) per head of sheep.

FV hierarchy — The fair value measurement of the Group's biological assets are categorised within Level 3 of the fair value hierarchy. If the selling price of the FFB, pineapples and livestock changed by 5%, the loss of the Group would have increased or decreased by approximately RM1.14 million (2021: RM1.97 million), RM0.22 million (2021: RM0.51 million) and RM1.27 million (2021: RM0.98 million), respectively.

If the selling price of the FFB and pineapples changed by 5%, the loss of the Company would have increased or decreased by NIL (2021: RM0.37 million) and NIL (2021: RM0.51 million) respectively.

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23. CASH AND BANK BALANCES

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash in hand	**259**	108,378	**3**	–
Cash at banks	**140,666**	–	**118,188**	93,204
Deposits placed with licensed banks	**3,055**	2,664	**627**	–
Short-term money market funds	**22,473**	4,065	**1,737**	1,675
	166,453	115,107	**120,555**	94,879

The weighted average interest rate of the fixed deposits of the Group and of the Company at the reporting date are 2.30% (2021: 2.22%) per annum and 2.29% (2021: NIL) per annum, respectively.

The weighted average maturities of the fixed deposits of the Group and of the Company at the reporting date are 279 days (2021: 275 days) and 244 days (2021: NIL), respectively.

Short-term money market funds of the Group and of the Company are highly liquid fund investments which can be realised within 2 days (2021: 2 days) and 2 days (2021: 2 days) respectively. They bear interest of 2.32% (2021: 1.85%) per annum and 2.03% (2021: 2.84%) per annum, respectively.

For the purposes of the statements of cash flows, cash and cash equivalents comprise the following at the reporting date:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Cash and bank balances	**166,453**	115,107	**120,555**	94,879
Less:				
Deposits placed with licensed banks with maturities exceeding 90 days	**(3,055)**	(1,699)	**(627)**	–
Cash and cash equivalents	**163,398**	113,408	**119,928**	94,879
Add:				
Cash and cash equivalents attributable to disposal group classified as held for sale (Note 24)	**16,209**	2,287	**–**	–
	179,607	115,695	**119,928**	94,879

Notes to the Financial Statements
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24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE

(a) Discontinued operations and disposal group classified as held for sale

(i) On 10 September 2020, the Board of Directors ("the Board") approved the Group's plan to dispose E.A. Technique (M) Berhad ("EAT"), which is involved in provision of sea transportation and related services. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks.

On 9 May 2021, the Board approved the appointment of the principal advisers for the disposal of EAT and the Group commenced active discussions with potential buyers.

On May 2022, there were no confirmed offers from prospective buyers to support the condition that the sale as "highly probable" to be completed within 12 months of classification as asset held for sale. Hence, the impact of the reclassification was to resume recognition of depreciation of assets classified as held for sale by the Group.

On 24 July 2022, the Group received offers from several prospective buyers ("White Knight"). The offers includes the debt restructuring proposal of EAT as a result deteriorating financial performance and classification of EAT as a Practice Note 17 ("PN 17") Issuer on 25 February 2022.

On 2 November 2022, the Board had accepted an offer from a White Knight where the offer was deliberated and accepted in principle to support EAT debt restructuring exercise to uplift EAT from classification as PN17.

As EAT represents a separate major line of business and is part of a single co-ordinated plan to be disposed, its results are excluded from the results of continuing operations and are presented as a single amount as loss after tax from discontinued operations in the statement of comprehensive income (including the comparative period). At 31 December 2022, EAT was classified as discontinued operation and as a disposal group held for sale as its disposal is expected to be completed within a year from the reporting date.

As at 31 December 2022, EAT current liabilities exceeded its current assets by RM260,758,000 and as of the same date, EAT breached certain financing facility covenants arising from the deteriorated financial performance and the classification of EAT as a Practice Note 17 ("PN17") Issuer, as further disclosed in Note 35(a) to the financial statements.

These aforesaid events or conditions indicate the existence of material uncertainties which may cast significant doubt on the ability of the Group and the Company to continue as a going concern. Nevertheless, the Group and the Company have prepared the financial statements by applying the going concern assumption in consideration of the following plans and activities:

(a) Successful implementation of the proposed debt restructuring exercise, as further disclosed in Note 35(b) to the financial statements;

(b) the ability of the Company to locate buyer and timely completion of the planned disposal of vessel; and

(c) the ability of the Group and the Company to retain profitable operations, generate sufficient cash inflows from their operations and to successfully obtain extension of the expiring contracts.

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(a) Discontinued operations and disposal group classified as held for sale (continued)

(ii) On 15 August 2021, the Board approved the Group's plan to dispose Danamin (M) Sdn. Bhd. ("DANAMIN"), which is involved in providing non-destructive testing services and performing electrical engineering works for oil gas, marine, chemical and construction industries. The decision is in line with the Group's business exit strategy for identified companies under its Oil and Gas Support Services segment to maximise returns and mitigate risks. At 31 December 2022, DANAMIN was classified as a disposal group held for sale as its disposal is expected to be completed within a year from the reporting date. The Group estimated the fair value less costs to sell of DANAMIN was based on the non-binding offer price from the prospective buyer.

(iii) On 20 October 2021, the Board approved the Group's plan to dispose PT Wisesa Inspira Nusantara Group (collectively referred to as "SUMSEL") which is involved in oil palm plantations. At 31 December 2022, SUMSEL was classified as a disposal group held for sale as its disposal is expected to be completed within a year from the reporting date. The Group estimated the fair value less costs to sell of Sumsel was based on the binding offer price from the prospective buyer.

(iv) On 15 August 2021, the Board approved the Group's plan to dispose MIT Insurance Brokers Sdn. Bhd. ("MIT") which is involved in insurance broking and consultancy. The decision is in line with the Group's business exit strategy to maximise returns and mitigate risks. At 31 December 2022, MIT was classified as a disposal group held for sale as its disposal is expected to be completed within a year from the reporting date. The Group estimated the fair value less costs to sell of MIT was based on the binding offer price from the prospective buyer.

(b) Discontinued operations and disposal of the Company's plantation assets and liabilities

On 1 December 2022, the Company disposed its plantation assets and liabilities to its wholly-owned subsidiary, Johor Plantation Berhad (formerly known as Mahamurni Plantation Sdn. Bhd.) as part of its efforts and strategy to optimal group structure and embark on a group-wide strategic realignment of business structure. The disposal of the plantation business were accounted under common control transaction which the combining business are ultimately controlled by the Company both before and after the combination when the control is not transitory.

As the disposal of plantation assets and liabilities represents a separate major line of business and is part of a single co-ordinated plan to be disposed, its results are excluded from the results of continuing operations and are presented as a single amount as loss after tax from discontinued operations in the statement of comprehensive income (including the comparative period).

(c) Disposal of the Company's piece of land

On 24 July 2022, the Board approved the Company's plan to dispose a piece land ("EPASA Land") that was used to earn rental income and for capital appreciation. The decision is in line with the Group's Strategic Planning for 2022 to 2026 to monetise non core assets of the Company.

At 31 December 2022, EPASA Land was classified as a disposal of assets held for sale as its disposal is expected to be completed within a year from the reporting date. The Company estimated the fair value less costs to sell of the land was based on the binding offer price from the prospective buyer.

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

(d) Discontinued operations and disposal of the Company's pineapple farming assets and liabilities

On 1 February 2022, the Company disposed its pineapple farming assets and liabilities to its wholly-owned subsidiary, Kulim Pineapple Farm Sdn Bhd as part of its efforts and strategy to optimal group structure and embark on a group-wide strategic realignment of business structure.

As the disposal of pineapple farming assets and liabilities represents a separate major line of business and is part of a single co-ordinated plan to be disposed, its results are excluded from the results of continuing operations and are presented as a single amount as loss after tax from discontinued operations in the statement of comprehensive income (including the comparative period).

The results of the discontinued operation in the Group and the Company are presented as below:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Revenue	**153,637**	160,556	**219,855**	204,055
Cost of sales	**(102,191)**	(134,093)	**(94,561)**	(101,112)
Gross profit	**51,446**	26,463	**125,294**	102,943
Other income	**14,723**	7,215	**–**	–
Administrative expenses	**(18,728)**	(10,090)	**(72,037)**	(59,553)
Other expenses	**(4,791)**	(158,795)	**(12,008)**	(7,718)
Profit/(Loss) from operating activities	**42,650**	(135,207)	**41,249**	35,672
Interest income	**224**	127	**–**	–
Finance cost	**(7,766)**	(10,433)	**(29,428)**	(31,123)
Profit/(Loss) before tax	**35,108**	(145,513)	**11,821**	4,549
Tax (credit)/expense	**(467)**	(443)	**160,128**	(9,723)
Profit/(Loss) net of tax, representing total comprehensive income/(expense) for the financial year	**34,641**	(145,956)	**171,949**	(5,174)

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities of EPASA LAND, EAT, DANAMIN, SUMSEL and MIT classified as held for sale on the Group's statement of financial position as at reporting date are as follows:

	Group					
	EPASA LAND RM'000	EAT RM'000	DANAMIN RM'000	SUMSEL RM'000	MIT RM'000	Total RM'000
2022						
Assets of disposal group classified as held for sale						
Property, plant and equipment	–	426,216	20,634	51,336	213	498,399
Right-of-use assets	–	1,978	699	40,378	153	43,208
Investment property	25,300	25,300	–	–	–	25,300
Intangible asset	–	–	–	–	1,642	1,642
Trade and other receivables	–	24,737	11,014	3,890	4,169	43,810
Inventories	–	1,042	195	147	–	1,384
Deferred tax assets	–	–	–	1,296	–	1,296
Biological assets	–	–	–	389	–	389
Current tax assets	–	410	262	–	410	1,082
Cash and cash equivalents	–	60,589	3,846	3,825	1,236	69,496
Non-current assets held for sale	–	19,879	–	–	–	19,879
	25,300	534,851	36,650	101,261	7,823	705,885
Liabilities of disposal group classified as held for sale						
Trade and other payables	–	109,564	4,820	60,912	3,067	178,363
Deferred tax liabilities	–	880	–	–	–	880
Current tax liabilities	–	153	–	349	–	502
Lease liabilities	–	2,554	58	–	154	2,766
Borrowings	–	172,728	9,776	–	–	182,504
	–	285,879	14,654	61,261	3,221	365,015
Net assets directly associated with disposal group classified as held for sale	25,300	248,972	21,996	40,000	4,602	340,870
Reserve of disposal group classified as held for sale						
Asset revaluation reserve	5,465	–	–	–	–	5,465
Translation reserve	–	–	–	(8,294)	–	(8,294)
	5,465	–	–	(8,294)	–	(2,829)

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

For the purposes of the statements of cash flows, cash and cash equivalents of EAT, DANAMIN, SUMSEL and MIT comprise the following at the reporting date:

	Group				
	EAT RM'000	DANAMIN RM'000	SUMSEL RM'000	MIT RM'000	Total RM'000
2022					
Cash and bank balances	60,589	3,846	3,825	1,236	69,496
Less:					
Deposits pledged	(46,997)	(3,517)	–	(80)	(50,594)
Bank overdrafts	(2,438)	(255)	–	–	(2,693)
Cash and cash equivalents (Note 23)	11,154	74	3,825	1,156	16,209

The net cash flows of EAT, DANAMIN, SUMSEL and MIT are as follows:

	Group				
	EAT RM'000	DANAMIN RM'000	SUMSEL RM'000	MIT RM'000	Total RM'000
Operating	19,546	9,555	438	(137)	29,402
Investing	33,005	(2,220)	(2,919)	(385)	27,481
Financing	(42,355)	(5,852)	3,593	(242)	(44,856)
Net cash inflows/(outflows)	10,196	1,483	1,112	(764)	12,027

The effects of the disposal of the Company's plantation business on the financial position and results of the Company as at reporting period are as below:

	Company
	2022 RM'000
Property, plant and equipment	865,381
Right-of-use assets	353,323
Trade and other receivables	9,152
Inventories	9,037
Biological assets	6,873
Cash and cash equivalents	13,544
Trade and other payables	(15,068)
Borrowings	(1,075,364)
Net assets and liabilities	166,878
Consideration received, satisfied in amount due from seller	9,309
Consideration received, satisfied in shares	157,569
No gain no loss transaction	–
Cash and cash equivalents disposed of	(13,544)
Net cash outflow	(13,544)

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

Assets classified as held for sale on the Company's statement of financial position as at reporting period are as below:

	Company
	2022 RM'000
Asset classified as held for sale	
Investment in subsidiaries	
Quoted shares at cost	**6,837**
Unquoted shares at cost	**451,468**
Less: Accumulated impairment losses	
Quoted shares	**–**
Unquoted shares	**(392,348)**
Investment properties	**25,300**
	91,257
Reserve of disposal group classified as held for sale	
Asset revaluation reserve	**5,465**

The effects of the disposal of the Company's pineapple farming on the financial position and results of the Company as at reporting period are as below:

	Company
	2022 RM'000
Property, plant and equipment	**839**
Trade and other receivables	**11,184**
Inventories	**636**
Biological assets	**1,974**
Cash and cash equivalents	**6**
Trade and other payables	**(10,345)**
Net assets and liabilities	**4,294**
Consideration received, satisfied in amount due from seller	**4,294**
No gain no loss transaction	**–**
Cash and cash equivalents disposed of	**(6)**
Net cash outflow	**(6)**

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

The major classes of assets and liabilities of EAT, DANAMIN, SUMSEL and MIT classified as held for sale on the Group's statement of financial position as at reporting date are as follows:

	Group				
	EAT RM'000	DANAMIN RM'000	SUMSEL RM'000	MIT RM'000	Total RM'000
2021					
Assets of disposal group classified as held for sale					
Property, plant and equipment	413,937	23,939	74,679	266	512,821
Right-of-use assets	1,788	774	41,689	423	44,674
Intangible asset	–	–	–	1,642	1,642
Trade and other receivables	19,172	19,682	2,938	4,844	46,636
Inventories	106	215	219	–	540
Deferred tax assets	55	–	–	–	55
Biological assets	–	–	329	–	329
Current tax assets	281	245	–	211	737
Cash and cash equivalents	10,607	3,062	732	1,785	16,186
Non-current assets held for sale	98,670	–	–	–	98,670
	544,616	47,917	120,586	9,171	722,290
Liabilities of disposal group classified as held for sale					
Trade and other payables	190,399	3,896	3,419	4,218	201,932
Deferred tax liabilities	427	–	–	–	427
Current tax liabilities	242	–	876	–	1,118
Lease liabilities	2,328	117	–	462	2,907
Borrowings	218,014	17,412	–	–	235,426
	411,410	21,425	4,295	4,680	441,810
Net assets directly associated with disposal group classified as held for sale	133,206	26,492	116,291	4,491	280,480
Reserve of disposal group classified as held for sale					
Translation reserve	–	–	(3,260)	–	(3,260)

Notes to the Financial Statements
– 31 December 2022

24. DISCONTINUED OPERATIONS AND DISPOSAL GROUP CLASSIFIED AS HELD FOR SALE (CONTINUED)

For the purposes of the statements of cash flows, cash and cash equivalents of EAT, DANAMIN, SUMSEL and MIT comprise the following at the reporting date are as follows:

	Group				
	EAT RM'000	DANAMIN RM'000	SUMSEL RM'000	MIT RM'000	Total RM'000
2021					
Cash and bank balances	10,607	3,062	732	1,785	16,186
Less:					
Deposits pledged	(4,165)	(2,677)	–	–	(6,842)
Bank overdrafts	(5,484)	(1,573)	–	–	(7,057)
Cash and cash equivalents (Note 23)	958	(1,188)	732	1,785	2,287

The net cash flows of EAT, DANAMIN, SUMSEL and MIT are as follows:

	Group				
	EAT RM'000	DANAMIN RM'000	SUMSEL RM'000	MIT RM'000	Total RM'000
Operating	(13,706)	440	4,078	(840)	(10,028)
Investing	(35,201)	(9)	(8,927)	(122)	(44,259)
Financing	45,140	(371)	1,405	(282)	45,892
Net cash (outflows)/inflows	(3,767)	60	(3,444)	(1,244)	(8,395)

Assets classified as held for sale on the Company's statement of financial position are as below:

	Company
	2021 RM'000
Asset classified as held for sale:	
Investment in subsidiaries	
Quoted shares at cost	6,837
Unquoted shares at cost	65,169
Less: Accumulated impairment losses	
Quoted shares	(5,806)
Unquoted shares	(58,657)
	7,543

Notes to the Financial Statements
– 31 December 2022

25. TRADE AND OTHER PAYABLES

		Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current					
Other payables		**664**	–	**–**	–
		664	–	**–**	–
Current					
Trade payables	(a)	**77,651**	60,011	**7,891**	19,193
Other payables	(b)	**136,331**	179,676	**30,289**	37,514
		213,982	239,687	**38,180**	56,707
Amounts due to:					
Subsidiaries	(c)	**–**	–	**914,691**	92,519
Ultimate holding corporation	(c)	**1,503**	4,087	**914**	3,159
Related companies	(c)	**1,908**	5,631	**242**	2,665
		3,411	9,718	**915,847**	98,343
		217,393	249,405	**954,027**	155,050
Total trade and other payables		**218,057**	249,405	**954,027**	155,050

(a) Trade payables

Credit terms granted to the Group and the Company vary from 30 to 90 days (2021: 30 to 90 days).

(b) Other payables

In the previous financial year, included in other payables was a provision of litigation case in relation to damages arising from fires that occured at PT Rambang Agro Jaya ("PT RAJ") land amounting to RM58.39 million in August 2019. The movement of the provision is as follows:

	Group	
	2022 RM'000	2021 RM'000
At 1 January	**58,394**	39,463
Additional provision for litigation (Note 7)	**–**	18,931
Transfer to liabilities of disposal group classified as held for sale (Note 24)	**(58,394)**	–
At 31 December	**–**	58,394

(c) Amounts due to subsidiaries, holding corporation and related companies (non-trade)

These amounts which arose mainly from advances and payments on behalf are generally unsecured and non-interest bearing, other than amounts of RM71.65 million (2021: RM86.17 million) due to subsidiaries which bear interest at rates of 3.19% - 4.47% (2021: 3.05% - 4.11%) per annum.

Notes to the Financial Statements
– 31 December 2022

26. LEASE LIABILITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Lease liabilities	**3,589**	1,056	**575**	962
Non-current				
Lease liabilities	**3,137**	639	**202**	639
	6,726	1,695	**777**	1,601
Maturity analysis:				
Not more than 1 year	**3,589**	1,056	**575**	962
Later than 1 year and not later than 5 years	**3,137**	639	**202**	639
	6,726	1,695	**777**	1,601

Set out below are the movements in lease liabilities during the financial year:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**1,695**	11,740	**1,601**	1,376
Additions	**3,006**	1,436	**204**	1,092
Acquisition of subsidiary	**3,975**	–	**–**	–
Modification	**–**	(14)	**–**	–
Accretion of interest	**299**	1,100	**47**	75
Payments	**(1,613)**	(9,542)	**(1,075)**	(942)
Transfer to liabilities of disposal group classified as held for sale (Note 24)	**–**	(2,907)	**–**	–
Derecognition	**(636)**	(118)	**–**	–
At 31 December	**6,726**	1,695	**777**	1,601

Notes to the Financial Statements
– 31 December 2022

27. BORROWINGS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Secured:				
Term loans:				
– Term loan 1	**149,027**	73,993	**–**	47,024
– Term loan 2	**39,582**	39,555	**11,200**	11,083
– Term loan 3	**847**	–	**–**	–
Hire purchase	**616**	99	**–**	–
	190,072	113,647	**11,200**	58,107
Unsecured:				
Revolving credits	**92,000**	2,000	**90,000**	–
	92,000	2,000	**90,000**	–
Current borrowings	**282,072**	115,647	**101,200**	58,107
Non-current				
Secured:				
Term loans				
– Term loan 1	**1,185,269**	1,334,170	**–**	847,584
– Term loan 2	**377,740**	419,759	**–**	117,458
– Term loan 3	**16,155**	8,873	**–**	–
– Term loan 4	**7,958**	–	**–**	–
Hire purchase	**524**	182	**–**	–
Non-current borrowings	**1,587,646**	1,762,984	**–**	965,042
Total borrowings	**1,869,718**	1,878,631	**101,200**	1,023,149
Total borrowings:				
Term loans	**1,776,578**	1,876,350	**11,200**	1,023,149
Revolving credits	**92,000**	2,000	**90,000**	–
Hire purchase	**1,140**	281	**–**	–
	1,869,718	1,878,631	**101,200**	1,023,149

Notes to the Financial Statements
– 31 December 2022

27. BORROWINGS (CONTINUED)

Details of the Group's and the Company's term loans are as follows:

Group	Year of maturity	Carrying amount RM'000	Repayment: Within 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
31 December 2022						
Islamic financing facilities	2022-2032	**1,776,578**	**189,457**	**433,352**	**554,787**	**598,982**
31 December 2021						
Islamic financing facilities	2022-2031	1,876,350	113,548	399,434	620,895	742,473

Company	Year of maturity	Carrying amount RM'000	Repayment: Within 1 year RM'000	1 – 2 years RM'000	3 – 5 years RM'000	Over 5 years RM'000
31 December 2022						
Islamic financing facilities	2022-2031	**11,200**	**11,200**	**–**	**–**	**–**
31 December 2021						
Islamic financing facilities	2022-2031	1,023,149	58,107	217,164	279,109	468,769

Notes to the Financial Statements
– 31 December 2022

27. BORROWINGS (CONTINUED)

Hire purchase commitments

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Minimum hire purchase payments		
Not later than 1 year	**685**	117
Later than 1 year but not later than 5 years	**589**	218
Later than 5 years	**20**	–
Total minimum hire purchase payments	**1,294**	335
Less: Amounts representing finance charges	**(154)**	(54)
Present value of minimum hire purchase payments	**1,140**	281
Present value of payments		
Not later than 1 year	**616**	99
Later than 1 year but not later than 5 years	**504**	182
Later than 5 years	**20**	–
Present value of minimum hire purchase payments	**1,140**	281
Less: Amounts due within 12 months	**(616)**	(99)
Amount due after 12 months	**524**	182

The Group has hire purchase for certain items of machinery, equipment and motor vehicles (Note 11). These leases do not have terms of renewal, but have purchase options at nominal values at the end of the lease term. The hire purchase bear an average interest rate at the reporting date of 3.40% (2021: 3.40%) per annum.

Term loan 1 and 2

The term loans are secured by the following:

(a) Charges over certain property, plant and equipment and right-of-use assets of the Group and Company as disclosed in Notes 11 and 12; and

(b) Charges over certain fixed deposits of the Group as disclosed in Note 18.

Term loan 3

The term loan is secured by the following:

(a) Specific debenture over the assets/equipment to be financed by the bank in relation to the Sedenak Biomethane Generation Plant ("SBGP") project from time to time.

(b) Assignment of the Customer's rights, interests, titles, benefits and proceeds in relation to the Gas Purchase Agreement (Bio-Methane) dated 8th October 2019 including any amendments, supplements, extensions or variations thereto between Gas Malaysia Virtual Pipeline Sdn. Bhd. and the Customer including any agreement to supersede the same.

With regards to the assignment, the same will be enhanced by an Irrevocable Letter of Instruction ("ILI") from the Customer to Gas Malaysia Virtual Pipeline Sdn. Bhd. to remit the flow of proceeds/payments directly into the Customer's Designated Account to be operated solely by Bank Islam.

Notes to the Financial Statements
– 31 December 2022

27. BORROWINGS (CONTINUED)

Term loan 3 (continued)

The term loan is secured by the following (continued):

(c) Assignment of the Customer's rights, interests, titles, benefits and proceeds (if applicable) in relation to the Project Documents relevant to the SBGP Project including any amendments, supplements, extensions or variations thereto (including any agreement to supersede the same) which includes but are not limited to the following:

(i) Subscription and Shareholders Agreement between Kulim (Malaysia) Berhad and MTC O'REC Sdn. Bhd. dated 1st October 2019;

(ii) Lease Agreement between Johor Plantations Berhad (formerly known as Mahamurni Plantations Sdn. Bhd.) and the Customer dated 31st December 2019;

(iii) Letter of Offer to Purchase Palm Oil Mill Effluent between Johor Plantations Berhad (formerly known as Mahamurni Plantations Sdn. Bhd.) and the Customer dated 1st January 2020; and

(iv) Operation and Maintenance ("O&M") Agreement (when applicable).

(d) Assignment of the Customer's rights, interests, benefits and proceeds (where applicable) in relation to all performance/financial/advance payment bonds, guarantees, liquidated damages, warranties and/or takaful/insurance from existing and forthcoming contracts/agreements/letter of award/letter of acceptance between Customer and the contractors/suppliers/vendors in relation to the SBGP Project.

(e) A Letter of Confirmation as approved by Credit Guarantee Corporation Malaysia Berhad ("CGC") under the Green Technology Financing Scheme ("GTFS").

(f) Any other security arrangement as may be advised by the bank's solicitors and/or the bank's legal department.

Term loan 4

On 17 August 2022 the Group has entered into Business Financing – i 1 ("BF-i 1") and Business Financing – i 2 ("BF-i 2") with an aggregate principal amount of RM26.4 million in nominal value. The purpose of the BF-i 1 and BF-i 2 were to development and construction costs (inclusive of financing cost and purchase of related equipment and machineries) in relation to the design, construct, operate an maintenance of a Bio-compressed Natural Gas facilities at existing Biogast Plants owned by Kulim Plantations (Malaysia) Sdn Bhd in Tereh Palm oil Mills at Kluang, Johor and to development and construction costs (inclusive of financing cost and purchase of related equipment and machineries) in relation to the design, construct, operate an maintenance of a Bio-compressed Natural Gas facilities at existing Biogast Plants owned by Sindora Berhad in Sindora Palm oil Mills at Kluang, Johor respectively.

The BF-i 1 and BF-i 2 have a tenure of 10 years and was secured by the followings:

(a) Specific Debenture over the assets/equipment to be financed by the Bank in relation to the KGSB Tereh BioCNG project and KGSB Sindora BioCNG project from time to time.

(b) Assignment Customer's rights, interests, titles, and benefits in relation to the Gas Purchase Agreement and any supplemental agreements thereto between Gas Malaysia Berhad ("GMB") and the Customer.

With regards to the assignment, the same will be enhanced by an Irrevocable Undertaking Letter from the Customer GMB to remit the flow of proceed/payments direct into the customer's Designated Account to be operated solely by Bank Islam.

Notes to the Financial Statements
– 31 December 2022

27. BORROWINGS (CONTINUED)

Term loan 4 (continued)

(c) Assignment customer's rights, interest, titles and benefits in relation to the Project Documents relevant to the KGSB Tereh BioCNG and KGSB Sindora BioCNG and any supplemental thereto which includes but are not limited to the followings:

(i) Tenancy/Lease agreement between Kulim Plantations (Malaysia) Sdn Bhd and the customer,

(ii) Engineering, procurement, construction and commissioning ("EPCC") agreement (if applicable), and

(iii) Operation and maintenance ("O&M") agreement (if applicable).

(d) Letter of Undertakings by Kulim (Malaysia) Berhad:

(i) To fund any cost overrun during the construction, development and until completion of the project.

(ii) To meet any shortage in KGSB's financial obligation of KGSB during Principal Grace Period and throughout the tenure of the facilities.

Significant financial covenants

In connection with significant term loan facilities, the Group and the Company have agreed on the following significant financial covenants with the lenders:

(a) Plantation segment:

(i) The Group shall ensure that commencing from the financial year ended 2020 and thereafter throughout the tenure of facility, Kulim's Malaysian Plantation Division's Financing Payment Coverage Ratio ("FPCR") (including cash balance) is not less than one point two (1.2) times.

(ii) The Group shall ensure that the Gearing Ratio on a consolidated basis shall not throughout the tenure of the Facility at any time exceed one (1) time.

(iii) The Group shall ensure that the Minimum Security Cover of at least one point three (1.30) times for Syndicated Term Financing-I of up to RM1.50 billion and at least zero point five (0.5) times for Term Financing-I up to RM500 million is to be maintained throughout the tenure of the facility.

The borrowings of the Group and Company bear interest at the following rates:

	Group		Company	
	2022 % per annum	**2021 % per annum**	**2022 % per annum**	**2021 % per annum**
Weighted average effective interest rates at the end of reporting period:				
– Term loans	**3.79**	3.42	**3.66**	3.44
– Revolving credits and bankers' acceptances	**3.09**	3.12	**3.55**	–
– Finance lease	**3.35**	3.76	**–**	–
– Bank overdrafts	**6.60**	6.60	**–**	–

Notes to the Financial Statements
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28. RETIREMENT BENEFIT OBLIGATIONS

The Group and the Company operate a defined benefit retirement scheme for its eligible employees, which is unfunded. The estimated obligations under the retirement benefit scheme are based on an actuarial valuation report prepared by a qualified independent actuary on 16 December 2020 covering the period from year 2020 to year 2023.

The movement during the financial year in respect of the Group's and the Company's retirement benefit plan is as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
At 1 January	**8,081**	8,517	**2,309**	2,322
Charged to profit or loss	**954**	825	**–**	152
Contribution paid	**(2,369)**	(1,261)	**(241)**	(165)
Transfer to a subsidiary	**–**	–	**(2,068)**	–
At 31 December	**6,666**	8,081	**–**	2,309

The expenses recognised in the statements of comprehensive income are analysed as follows:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Charged to profit or loss:				
Current service costs included in staff cost (Note 7)	**601**	500	**–**	64
Interest costs	**353**	325	**–**	88
	954	825	**–**	152

The charge to profit and loss on current service cost was included in administrative expenses.

The retirement benefit obligations are in respect of a non-funded benefit plan. The liabilities are accrued at the present value of the defined benefit obligations using the projected unit method. The principal assumptions used are as follows:

	Group and Company	
	2022	**2021**
Discount rate	**3.9%**	3.9%
Expected rate of salary increase	**4%-6%**	4%-6%

Notes to the Financial Statements
– 31 December 2022

28. RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

A quantitative sensitivity analysis for significant assumptions as at 31 December 2022 and 31 December 2021 are as shown below:

	Group		Company	
	Increase/(decrease) in defined benefit obligations		Increase/(decrease) in defined benefit obligations	
	RM'000	**RM'000**	**RM'000**	**RM'000**
31 December 2022				
Future salary – 1% increase/decrease	**1,337**	(1,119)	**–**	–
Discount rate – 1% increase/decrease	**(1,182)**	981	**–**	–
31 December 2021				
Future salary – 1% increase/decrease	**1,134**	(957)	**275**	(236)
Discount rate – 1% increase/decrease	**(1,087)**	905	**(215)**	255

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting date.

29. DEFERRED TAX (ASSETS) AND LIABILITIES

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statements of financial position:

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Presented after appropriate offsetting as follows:				
Deferred tax liabilities	**473,890**	586,715	**12,011**	194,146

Notes to the Financial Statements
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29. DEFERRED TAX (ASSETS) AND LIABILITIES (CONTINUED)

The movement in the deferred assets and liabilities during the financial year are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	**586,715**	575,672	**194,146**	188,031
Charged/(credited) to profit or loss (Note 9)				
Property, plant and equipment	**(109,177)**	17,628	**(103,551)**	1,691
Investment properties	**(861)**	(27)	**(793)**	129
Right-of-use assets	**4,925**	(16,804)	**(73,737)**	(585)
Biological assets	**(8,022)**	6,420	**(4,257)**	1,119
Payables	**576**	1,528	**630**	1,147
Unutilised tax losses and unabsorbed capital allowances	**(465)**	2,532	**(625)**	2,668
Receivables	**–**	–	**–**	–
Inventories	**46**	101	**–**	–
Lease liabilities	**197**	37	**198**	(54)
	(112,781)	11,415	**(182,135)**	6,115
Transfer from disposal group classified as held for sale	**372**	–	**–**	–
Transfer to disposal group classified as held for sale	**(416)**	(372)	**–**	–
At 31 December	**473,890**	586,715	**12,011**	194,146
Deferred tax assets (before offsetting)				
Payables	**7,395**	7,971	**2,011**	2,641
Unutilised tax losses and unabsorbed capital allowances	**1,745**	1,280	**1,744**	1,119
Lease liabilities	**257**	454	**186**	384
	9,397	9,705	**3,941**	4,144
Offsetting	**(9,397)**	(9,705)	**(3,941)**	(4,144)
Deferred tax assets (after offsetting)	**–**	–	**–**	–
Deferred tax liabilities (before offsetting)				
Property, plant and equipment	**191,126**	300,303	**10,707**	114,258
Right-of-use assets	**286,353**	281,472	**5,296**	79,033
Investment properties	**14**	875	**(51)**	742
Biological assets	**5,647**	13,669	**–**	4,257
Inventories	**147**	101	**–**	–
	483,287	596,420	**15,952**	198,290
Offsetting	**(9,397)**	(9,705)	**(3,941)**	(4,144)
Deferred tax liabilities (after offsetting)	**473,890**	586,715	**12,011**	194,146

Notes to the Financial Statements
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29. DEFERRED TAX (ASSETS) AND LIABILITIES (CONTINUED)

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

	Group	
	2022 RM'000	2021 RM'000
Unutilised tax losses, expiring in:		
– 2030	**60,255**	130,134
– 2031	**311**	311
	60,566	130,445
Unabsorbed capital allowances	**14,838**	15,605
Other deductible temporary differences	**13,289**	13,955
	88,693	160,005

Deferred tax assets have not been recognised by certain subsidiaries in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

In accordance to the current local tax legislation, the unutilised tax losses can be carried forward up to ten (10) consecutive years of assessment ("YA"). Restriction on the carry forward of unutilised tax losses are from year of assessment 2021 to 2031.

30. SHARE CAPITAL

	Group and Company	
	2022 RM'000	2021 RM'000
Issued and fully paid share capital		
4,000,000 ordinary shares with no par value	**1,000**	1,000

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

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31. RESERVES

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Translation reserve	(a)	**(279)**	(2,834)	**–**	–
Fair value reserve	(b)	**13,481**	1,441	**5,528**	881
Equity transaction reserve	(c)	**(92,138)**	(7,653)	**–**	–
Other reserves	(d)	**(22,749)**	(6,108)	**4,165**	9,630
		(101,685)	(15,154)	**9,693**	10,511

The movements of each category of the reserves during the financial year are disclosed in the statements of changes in equity.

The nature and purpose of each category of reserves are as follows:

(a) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations where functional currencies are different from that of the Group's presentation currency.

(b) Fair value reserve

The fair value reserve comprises the cumulative net gains/(losses) on financial assets at fair value through other comprehensive income until the investments are derecognised or impaired.

(c) Equity transaction reserve

The equity transaction reserve comprises the differences between the share of non-controlling interests in subsidiaries acquired/disposed and the consideration paid/received.

(d) Other reserves

Other reserves consist mainly of reserves arising from the scheme of reconstruction, amalgamation, liquidation and merger of certain subsidiaries under common control transaction which all of the combining entities or business are ultimately controlled by the same party or parties both before and after the combination where that control is not transitory, and fair value gains on investment properties as a result of transfer from owner occupied property.

32. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2022 may be distributed in full as dividends under the single tier system.

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33. RELATED PARTY TRANSACTIONS

(a) Sale and purchase of goods and services

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

All entities within the Johor Corporation Group are considered related companies/parties.

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

Group	Transaction value for the financial year ended 31 December 2022 RM'000	2021 RM'000
Ultimate holding corporation		
Johor Corporation		
– Sales of goods	**145**	152
– Secretarial and share registration fees paid	**(44)**	(96)
– Dividend paid	**(201,743)**	(110,478)
– Interest income on advances	**22,059**	19,390
Other related companies		
Damansara Assets Sdn. Bhd.		
– Dividend income	**629**	334
– Computer charges received	**–**	1
– Insurance charges	**–**	2
– Rendering of services	**38**	10
Johor Land Berhad		
– Purchase of fresh fruit bunches	**–**	(5,150)
– Management fees received	**–**	461
– Management fees charged	**–**	(152)
– Rendering of services	**716**	958
– Short term payments and payment for leases of low–value assets	**(600)**	–
TLP Terminal Sdn. Bhd.		
– Computer charges received	**197**	396
KARA Holdings Sdn. Bhd.		
– Computer charges received	**76**	108
Tenaga Utama (Johor) Berhad		
– Dividend paid	**(118)**	(65)

Notes to the Financial Statements
– 31 December 2022

33. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

Group (continued)	Transaction value for the financial year ended 31 December 2022 RM'000	2021 RM'000
Other related companies (continued)		
JCorp Capital Solution Sdn. Bhd.		
– Dividend paid	**(7,702)**	(4,218)
JCorp Capital Holding Sdn. Bhd.		
– Dividend paid	**(437)**	(239)
Absolute Ambient Sdn. Bhd.		
– Services charged	**(464)**	(357)
KPJ Healthcare Berhad		
– Dividend income	**379**	104
– Rental income	**264**	264
– Rendering of services	**128**	185
– Insurance charges	**55**	41
– Computer charges received	**1**	1
Langsat Marine Terminal Sdn. Bhd.		
– Interest income on advances	**38**	69
Shareholders of a subsidiary, E.A. Technique (M) Berhad		
Dato' Ir. Abdul Hak bin Md Amin		
– Interest charged	**–**	(572)
Datin Hamidah binti Omar		
– Interest charged	**–**	(274)

Notes to the Financial Statements
– 31 December 2022

33. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services

Company	Transaction value for the financial year ended 31 December 2022 RM'000	2021 RM'000
Holding corporation		
Johor Corporation		
– Rental payable	**(637)**	(637)
– Dividend	**(201,743)**	(110,478)
– Interest income	**21,965**	19,304
Other related companies		
Al–Salam REIT		
– Dividend income	**622**	330
Johor Land Berhad		
– Rental payable	**(550)**	–
– Purchase of fresh fruit bunches	**–**	(5,150)
– Management fees received	**–**	461
– Management fees charged	**(188)**	(152)
Tenaga Utama (Johor) Berhad		
– Dividend paid	**(171)**	(64)
JCorp Capital Solution Sdn. Bhd.		
– Dividend paid	**(7,702)**	(4,218)
Johor Ventures Sdn. Bhd.		
– Dividend paid	**(384)**	(239)
KPJ Healthcare Berhad		
– Dividend income	**379**	104
Absolute Ambient Sdn. Bhd.		
– Services charged	**(464)**	(357)
Subsidiaries		
Johor Plantations Berhad (formerly known as Mahamurni Plantations Sdn. Bhd.)		
– Sales of fresh fruit bunches	**57,584**	125,482
– Interest income	**51**	921
– Interest expense	**(752)**	(1,094)
– Dividend income	**82,500**	200,000

Notes to the Financial Statements
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33. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

Company (continued)	Transaction value for the financial year ended 31 December 2022 RM'000	 2021 RM'000
Subsidiaries (continued)		
Kulim Plantations (Malaysia) Sdn. Bhd.		
– Sales of fresh fruit bunches	**60,085**	42,733
– Interest income	**14**	512
– Interest expense	**(279)**	(127)
– Dividend income	**46,000**	48,000
Selai Sdn. Bhd.		
– Interest expense	**(79)**	(1)
– Interest income	**2**	–
– Dividend income	**45,000**	27,000
Ulu Tiram Manufacturing Company (Malaysia) Sdn. Bhd.		
– Interest income	**42**	47
– Dividend income	**1,500**	1,000
United Malayan Agricultural Corporation Berhad		
– Interest expense	**(102)**	(31)
Kumpulan Bertam Plantations Berhad		
– Interest expense	**–**	(17)
– Interest income	**9**	–
– Dividend income	**2,389**	8,601
Sindora Berhad		
– Sales of fresh fruit bunches	**102,223**	31,207
– Interest expense	**(32)**	–
– Interest income	**1,582**	1,246
Danamin (M) Sdn. Bhd.		
– Interest income	**221**	310
Kulim Topplant Sdn. Bhd.		
– Interest income	**211**	207
E.A. Technique (M) Berhad		
– Interest income	**–**	26
Cultination Sdn. Bhd. (formerly known as Kulim Nursery Sdn. Bhd.)		
– Interest income	**35**	–
– Interest expense	**(7)**	–
– Purchase of oil palm seedlings and bio compost fertilisers	**(2,228)**	(1,964)
Edaran Badang Sdn. Bhd.		
– Interest income	**101**	–
– Purchase of goods	**(325)**	(1,143)

Notes to the Financial Statements
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33. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Sale and purchase of goods and services (continued)

Company (continued)	Transaction value for the financial year ended 31 December 2022 RM'000	 2021 RM'000
Subsidiaries (continued)		
Kulim Pineapple Farm Sdn. Bhd. (formerly known as Perfect Synergy Trading Sdn. Bhd.)		
– Interest income	**430**	–
– Purchase of chemicals	**–**	(979)
Extreme Edge Sdn. Bhd.		
– Interest income	**3**	–
– Purchase of computer hardware and software supplies	**(83)**	(251)
– Services performed for conversion of IT software	**(159)**	(80)
– Maintenance of equipment charged	**(211)**	(1,491)
– IT hardware and maintenance services	**–**	(2,165)
Pinnacle Platform Sdn. Bhd.		
– Services performed on maintenance of IT application systems	**–**	(931)
EPA Management Sdn. Bhd.		
– Interest expense	**–**	(132)
– Dividend income	**3,000**	2,000
Selai Livestock Sdn. Bhd. (formerly known as Kulim Livestock Sdn. Bhd.)		
– Interest income	**26**	–
JTP Trading Sdn. Bhd.		
– Interest income	**19**	–
Kulim Safety Training and Services Sdn. Bhd.		
– Interest expense	**14**	–
– Interest income	**12**	–
Pristine Bay Sdn. Bhd.		
– Interest expense	**30**	–
– Interest income	**4**	–
Southern Green Sdn. Bhd. (formerly known as Cita Tani Sdn. Bhd.)		
– Interest income	**97**	–

Notes to the Financial Statements
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33. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel

Key management personnel are 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 comprises all the Directors and top management of the Group and their compensation is disclosed in Directors' Report and Note 8.

(c) Government-related entities

Government-linked corporations are related to the Group and the Company by virtue of the substantial shareholdings of Johor Corporation ("JCorp"), with 96.07% (2021: 96.07%) equity interest. JCorp was incorporated through Johor Corporation Enactment No. 4, 1968 (As amended by the Enactment No. 5, 1995) as the principal development institution to drive the growth of the state's economy.

The bodies controlled or jointly controlled by the State of Johor ("State Government") are related parties of the Group and of the Company. The Group and the Company enter into transactions with many of these bodies, which include but are not limited to purchasing of goods, quit rents, water and amenities.

All the transactions entered into by the Group and the Company with the bodies controlled by the state government are conducted in the ordinary course of the Group's and the Company's business on negotiated terms or terms comparable to those with other entities that are not state government-related, except otherwise disclosed in the financial statements.

34. CAPITAL COMMITMENTS

	Group		Company	
	2022 RM'000	**2021 RM'000**	**2022 RM'000**	**2021 RM'000**
Authorised capital expenditure in respect of property, plant and equipment not provided for in the financial statements at the end of the financial year:				
– Contracted for	**44,754**	47,683	**–**	721
– Not contracted for	**3,265**	69,118	**–**	616
	48,019	116,801	**–**	1,337

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35. SIGNIFICANT EVENTS DURING AND SUBSEQUENT TO YEAR END

(a) Classification of a subsidiary of the Group, E.A. Technique (M) Berhad ("EAT"), as Practice Note 17 ("PN17") Issuer

On 25 February 2022, EAT announced to Bursa Malaysia Securities Berhad ("Bursa Securities") that EAT is classified as a PN17 Issuer as it has triggered the prescribed criteria pursuant to Paragraph 8.04 of Chapter 8 and Paragraph 2.1(e) of PN17 of the Listing Requirements.

Pursuant to PN17, EAT is required to submit a regularisation plan to either Bursa or Securities Commission ("SC") for approval within 12 months from the announcement date and to complete the implementation of the plan within the timeframe set by Bursa or SC.

Currently, EAT is in the midst of formulating a regularisation plan to address its financial condition and EAT shall make the necessary announcement(s) in regards to the development on the above matter.

On 9 February 2023, EAT has submitted an application for an extension of time ("EOT") up to 24 August 2023 to submit its regularisation plan. As at the date of these financial statements were authorised for issue, the outcome of the Proposed EOT is subject to Bursa Securities' approval.

(b) Proposed debt restructuring exercise by a subsidiary of the Group, E.A. Technique (M) Berhad ("EAT")

On 28 February 2022, the High Court had granted the following orders to EAT:

(i) a restraining order pursuant to Section 368 of the Act ("Restraining Order") for a period of three months which is valid until 28 May 2022.

(ii) an order pursuant to Section 366(1) of the Act to summon meetings of the creditors of the Company. Permission is given to the Company to hold the Court Convene Meeting ("CCM") within three months from the date of this order.

The duration of three months for the initial restraining order and for permission to hold the CCM can be extended by way of a further Court Order upon application.

On 25 May 2022, EAT announced that, the High Court of Malaya at Kuala Lumpur ("High Court") granted, among others, an extension of time for leave to convene the creditors' meeting and an extension of the restraining order for a further six (6) months from 28 May 2022.

On 5 December 2022, the Court-convened creditors' meeting pursuant to Section 366 of the Companies Act 2016 ("Act") was held by EAT. The proposed scheme of arrangement presented in the Court-convened creditors' meeting has been approved by the requisite majority in value of the creditors present and voting at the Court convened meeting, obtaining a 90.95% in value approval.

On 4 January 2023, EAT has obtained from the High Court of Malaya at Kuala Lumpur the following Order pursuant to Section 366 of the Companies Act 2016 to sanction the Company's scheme of arrangement ("Order"). The Order sets out, among others:

(i) That the Scheme of Arrangement contained in the Explanatory Statement, read together with the Updated List of Adjudicated Scheme Debts of EAT and the Errata dated 30 November 2022, is approved and sanctioned by this Honourable Court so as to be binding upon EAT, and the Scheme Creditors as defined in Explanatory Statement; and

(ii) That an office copy of the Order shall be lodged with the Companies Commission of Malaysia.

On 12 January 2023, EAT had lodged with the Companies Commission of Malaysia the sealed Order granted on 4 January 2023, sanctioning the Company's scheme of arrangement ("Sanction Order"). With the lodgment of the Sanction Order, the schemes of arrangement have now taken effect.

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36. LITIGATION

PT Rambang Agro Jaya ("PT RAJ")

In August 2019, a civil lawsuit was filed by the Ministry of Environment and Forestry in the Central of Jakarta, Indonesia claiming for damages arising from fires that occurred on PT RAJ's land amounting to IDR199.57 billion (RM58.39 million).

On 26 January 2021, the First Level Court ruled that PT RAJ was liable for the fires and fined the subsidiary a sum of IDR137.60 billion (RM39.46 million).

Subsequently on 6 October 2021, the High Court imposed on PT RAJ a higher fine of IDR199.57 billion (RM58.39 million).

PT RAJ has filed an appeal to the Supreme Court on 15 October 2021 and the Supreme Court on 26 July 2022 upheld the decision of the High Court with a fine of IDR199.57 billion (RM58.39 million). As at 31 December 2022, the Group has made a provision of RM58.39 million in respect of this matter.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. The Board of Audit and Risk Committee ("BARC") provides independent oversight over the effectiveness of the risk management process.

It is, and has been throughout the current and previous financial year, the Group's and the Company's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient.

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

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from receivables. For other financial assets (including investments and cash and cash equivalents), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group seeks to invest cash assets safely and profitably. The Group has in place, for significant operating subsidiaries, policies to ensure that sales of products and services are made to customers with an appropriate credit history and sets limits on the amount of credit exposure to any customers.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

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– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(a) Credit risk (continued)

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by:

- The carrying amount of each class of financial assets recognised in the statements of financial position; and
- Corporate guarantees provided by the Company to banks for credit facilities granted to subsidiaries. As at the reporting date, the total outstanding guarantees on such facilities amounted to RM1.27 million (2021: RM1.66 million).

Analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognised is disclosed in Note 20. The gross carrying amount of the financial assets represents the maximum exposure of credit risk.

Credit risk concentration profile

Other than the amounts due from the holding corporation and subsidiaries, the Group and the Company are not exposed to any significant concentration of credit risk in the form of receivables due from a single debtor or from groups of debtors.

Concentration of credit risk with respect to trade receivables are limited due to the Group's and Company's diverse customer base. The Group and the Company control their credit risk by ensuring their customers have solid financial standing and credit history.

(b) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities, which had unutilised balances of RM210.00 million (2021: RM318.40 million) as at the reporting date.

Analysis of financial instruments by remaining contractual maturities

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

Group	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2022				
Financial liabilities:				
Trade and other payables	**217,393**	**664**	**–**	**218,057**
Borrowings	**281,979**	**1,181,774**	**808,673**	**2,272,426**
Lease liabilities	**3,711**	**3,244**	**–**	**6,955**
Total undiscounted financial liabilities	**503,083**	**1,185,682**	**808,673**	**2,497,438**
31 December 2021				
Financial liabilities:				
Trade and other payables	249,405	–	–	249,405
Borrowings	121,094	1,201,036	976,489	2,298,619
Lease liabilities	1,092	661	–	1,753
Total undiscounted financial liabilities	371,591	1,201,697	976,489	2,549,777

Notes to the Financial Statements
– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

Company	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000	Total RM'000
31 December 2022				
Financial liabilities:				
Trade and other payables	**954,027**	**–**	**–**	**954,027**
Borrowings	**11,624**	**–**	**–**	**11,624**
Lease liabilities	**595**	**209**	**–**	**803**
Financial guarantee	**1,270**	**–**	**–**	**–**
Total undiscounted financial liabilities	**967,516**	**209**	**–**	**966,454**
31 December 2021				
Financial liabilities:				
Trade and other payables	155,050	–	–	155,050
Borrowings	60,886	584,645	617,109	1,262,640
Lease liabilities	995	661	–	1,656
Financial guarantee	1,660	–	–	–
Total undiscounted financial liabilities	218,591	585,306	617,109	1,419,346

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group and the Company to cash flow interest rate risk whereas those issued at fixed rates expose the Group and the Company to fair value interest rate risk. The Group and the Company manage their interest rate exposure by maintaining a mix of fixed and floating rate borrowings as disclosed below:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Fixed rate instruments				
Financial liabilities	**1,061**	166	**–**	–
Floating rate instruments				
Financial liabilities	**1,868,657**	1,878,465	**101,200**	1,023,149

Notes to the Financial Statements
– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(c) Interest rate risk (continued)

Sensitivity analysis for interest rate risk

(i) Cash flow sensitivity analysis for the floating rate instruments

A change of 50 basis points ("bp") in interest rates during the reporting period would result in (decrease)/increase in net income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
50 bp increase in interest rates	**(7,101)**	(7,138)	**(385)**	(3,888)
50 bp decrease in interest rates	**7,101**	7,138	**385**	3,888

(d) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group operates internationally and is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group entities. The currency giving rise to this risk is primarily the United States Dollar ("USD").

The Group's exposure to USD foreign currency risk, based on carrying amounts as at the end of the reporting period was:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade and other receivables	**2,454**	8,640	**–**	–
Cash and bank balances	**2,268**	11,593	**193**	11,549
Trade and other payables	**(16,194)**	(93,466)	**–**	–
Borrowings	**(23,074)**	(34,455)	**–**	–
Net exposure	**(34,546)**	(107,688)	**193**	11,549

Notes to the Financial Statements
– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(d) Foreign currency risk (continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) net of tax and zakat to a reasonably possible change in the USD exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

	Profit/(loss) net of tax and zakat			
	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
USD/RM				
– strengthening of USD by 5%	**(1,313)**	(4,092)	**7**	439
– weakening of USD by 5%	**1,313**	4,092	**(7)**	(439)

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates).

The Group and Company are exposed to market price risk arising from its investments in financial instruments.

The Group and the Company are exposed to securities price risk from their investment securities designated at FVTPL and FVOCI.

The objective of the Group and of the Company is to manage investment returns and the price risk by investing in investment grade securities with steady dividend yield.

Sensitivity analysis for securities price risk

At the reporting date, a 5% strengthening in the respective shares would have increased the Group's profit before tax and zakat and other comprehensive income by RM0.38 million (2021: RM0.50 million) and RM3.87 million (2021: RM3.26 million) respectively. A 5% weakening would have an equal but opposite effect on the Group's profit before tax and zakat and other comprehensive income.

At the reporting date, a 5% strengthening in the respective shares would have increased the Company's profit before tax and zakat and other comprehensive income by RM0.38 million (2021: RM0.50 million) and RM2.22 million (2021: RM1.99 million) respectively. A 5% weakening would have an equal but opposite effect on the Company's profit before tax and zakat and other comprehensive income.

Notes to the Financial Statements
– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value

Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities:

	<--------------- Fair value measurement using -------------->			
Group	Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
31 December 2022				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	**52,548**	**–**	**24,759**	**77,307**
Financial assets at fair value through profit and loss	**10,122**	**–**	**–**	**10,122**
Investment properties	**–**	**–**	**40,020**	**40,020**
31 December 2021				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	43,232	–	22,035	65,267
Financial assets at fair value through profit and loss	13,268	–	–	13,268
Investment properties	–	–	64,205	64,205

Notes to the Financial Statements
– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value (continued)

Fair value hierarchy (continued)

The following table provides the fair value measurement hierarchy of the Group's and Company's assets and liabilities (continued):

Company	Fair value measurement using: Quoted prices in active market (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000	Total RM'000
31 December 2022				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	**29,677**	**–**	**14,736**	**44,413**
Financial assets at fair value through profit and loss	**10,012**	**–**	**–**	**10,012**
Investment properties	**–**	**–**	**26,305**	**26,305**
31 December 2021				
Assets measured at fair value				
Financial assets at fair value through other comprehensive income	28,032	–	11,734	39,766
Financial assets at fair value through profit and loss	13,124	–	–	13,124
Investment properties	–	–	50,770	50,770
Biological assets	–	–	17,740	17,740

Notes to the Financial Statements
– 31 December 2022

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(f) Fair value (continued)

Fair value hierarchy (continued)

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used for financial assets held by the Group and the Company are the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed in Bursa Malaysia Securities Berhad or foreign stock exchanges classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit and loss.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

(iii) Financial instruments in Level 3

Financial instruments are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs).

Non-financial instrument measurement

The non-financial instruments of the Group and of the Company measured at fair value comprise investment properties as disclosed in Note 13 and biological assets as disclosed in Note 22. The fair value measurement of these assets have been categorised as Level 3 using significant unobservable inputs. There have been no transfers between Level 1, Level 2 and Level 3 during the financial year.

Notes to the Financial Statements
– 31 December 2022

38. MFRS 9 FINANCIAL INSTRUMENTS

The financial instruments of the Group and the Company as at 31 December are categorised into the following classes:

Group	Note	2022 RM'000	2021 RM'000
(a) Financial assets measured at amortised cost			
Trade and other receivables (excluding prepayments)	20	**431,671**	490,733
Cash and bank balances	23	**166,453**	115,107
		598,124	605,840
(b) Financial assets measured at fair value			
Financial assets at fair value through other comprehensive income and other investments	18	**102,685**	92,324
Financial assets at fair value through profit or loss	19	**10,122**	13,268
		112,807	105,592
(c) Financial liabilities measured at amortised cost			
Trade and other payables (excluding provisions)	25	**207,926**	170,721
Lease liabilities	26	**6,726**	1,695
Borrowings	27	**1,869,718**	1,878,631
		2,084,370	2,051,047

Company	Note	2022 RM'000	2021 RM'000
(a) Financial assets measured at amortised cost			
Trade and other receivables (excluding prepayments)	20	**513,742**	424,577
Cash and bank balances	23	**120,555**	94,879
		634,297	519,456
(b) Financial assets measured at fair value			
Financial assets at fair value through other comprehensive income and other investments	18	**44,413**	55,301
Financial assets at fair value through profit or loss	19	**10,012**	13,124
		54,425	68,425
(c) Financial liabilities measured at amortised cost			
Trade and other payables (excluding provisions)	25	**946,791**	147,814
Lease liabilities	26	**777**	1,601
Borrowings	27	**101,200**	1,023,149
		1,048,768	1,172,564

Notes to the Financial Statements
– 31 December 2022

39. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong capital base and healthy capital ratios in order to support their business and maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group and the Company monitor capital using a gearing ratio, which is total bank financing and borrowed funds (including hire purchase) of the Group divided by shareholders' funds (less intangible assets). The gearing ratios of the Group and the Company as at reporting period are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total borrowings (Note 27)	**1,869,718**	1,878,631	**101,200**	1,023,149
Total equity	**3,024,167**	2,762,521	**1,715,574**	1,224,013
Less: Intangible assets (Note 15)	**–**	–	**–**	–
	3,024,167	2,762,521	**1,715,574**	1,224,013
Gearing ratio (times)	**0.62**	0.68	**0.06**	0.84

The Group and Company have met their externally imposed financial covenants as described in Note 27 during the financial year.

Notes to the Financial Statements
– 31 December 2022

40. SEGMENT INFORMATION

For management purposes, the Group is organised into strategic business units based on their products and services, and has five reportable segments. The strategic business units offer different products and services, and are managed separately because they require different technology and marketing strategies. The Group Management Committee reviews internal management reports for each of the strategic business units on a monthly basis. The operations of each of the Group's reportable segments are summarised below:

Plantation operations	Oil palm planting, crude palm oil processing and plantation management services and consultancy.
Integrated farming	Commercial cattle and sheep farming, pineapple and vegetables farming, trading and distribution of agrofood products.
Oil and gas support services	Oil and gas equipment support services.
Trading and Services	Information and communication technology business, dealer in agricultural machinery and parts, restaurants, convenience food stores, trading and dealing in poultry products.
Properties	Housing development and rental of investment properties.

Other operations of the Group mainly comprise investment holding, tourism, training, and other miscellaneous activities which are not of sufficient size to be reported separately.

Performance is measured based on segment profit before tax and interest as included in the internal management reports that are reviewed by the Group Management Committee. Management believes that segment profits are the most relevant measure by which it can assess the results of the segments against those of other entities operating in the same industries.

Geographical information

Revenue and total assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Total assets	
	2022 RM'000	2021 RM'000 Restated	2022 RM'000	2021 RM'000
Continuing operations:				
Malaysia	**1,841,263**	1,630,108	**5,332,212**	5,237,070
Indonesia	**17,638**	17,378	**112,150**	179,269
	1,858,901	1,647,486	**5,444,362**	5,416,339
Discontinued operations:				
Malaysia	**153,637**	160,556	**534,851**	544,616
Total	**2,012,538**	1,808,042	**5,979,213**	5,960,955

Notes to the Financial Statements
– 31 December 2022

40. SEGMENT INFORMATION (CONTINUED)

31 December 2022	Plantations – Malaysia – Upstream RM'000	Plantations – Malaysia – Midstream RM'000	Plantations – Indonesia Upstream RM'000	Integrated Farming RM'000	Oil and gas support services RM'000	Trading and Services RM'000	Properties RM'000	Other operations RM'000	Grand total RM'000	Adjustment and elimination RM'000	Continuing operations RM'000	Discontinued operations RM'000	Group RM'000
Segment revenue	3,093,151	–	17,638	2,641	48,513	62,411	5,892	16,140	3,246,386	(1,387,485)	1,858,901	153,637	2,012,538
Results													
Interest income	31,410	1	29	7	29	150	–	229	31,855	(5,796)	26,059	224	26,283
Finance costs	(77,228)	(95)	–	(1,049)	(1,391)	(524)	–	(91)	(80,378)	4,735	(75,643)	(7,766)	(83,409)
Depreciation of property, plant and equipment	(78,414)	–	(15,753)	(1,117)	(3,381)	(1,020)	–	(121)	(99,806)	(1,017)	(100,823)	(17,975)	(118,798)
Amortisation of right-of-use assets	(29,451)	–	–	(12)	(183)	(1,467)	–	–	(31,113)	499	(30,614)	(160)	(30,774)
Share of results of associates and joint venture, net of impairments	–	–	–	–	–	–	–	442	442	–	442	–	442
Profit/(loss) from operating activities	1,153,707	(445)	(35,639)	(10,999)	(4,059)	1,785	(9,783)	(13,589)	1,080,978	(501,178)	579,800	42,650	622,450
Profit/(loss) before tax and zakat	1,107,889	(539)	(35,610)	(12,041)	(5,421)	1,410	(9,783)	(13,450)	1,032,455	(501,797)	530,658	35,108	565,766
Profit/(loss) after tax and zakat	1,017,835	(543)	(35,610)	(12,090)	(5,430)	863	(9,783)	(13,580)	941,662	(501,712)	439,950	34,641	474,591
Earnings/(loss) before interest, tax, depreciation and amortisation	1,292,982	(444)	(19,857)	(9,863)	(466)	4,421	(9,783)	(13,238)	1,243,752	(506,014)	737,738	61,009	798,747
Assets													
Investments accounted for using the equity method	–	–	–	–	–	–	–	4,500	4,500	–	4,500	–	4,500
Additions to property, plant and equipment	96,174	9,325	2,982	5,340	78	2,569	–	67	116,535	–	116,535	12,526	129,061
Segment assets	8,637,997	32,770	379,432	45,453	36,650	67,666	129,191	368,200	9,697,359	(4,252,997)	5,444,362	534,851	5,979,213
Segment liabilities	3,859,014	31,555	682,169	47,932	14,654	54,410	–	318,754	5,008,488	(2,547,694)	2,460,794	494,252	2,955,046

Notes to the Financial Statements
– 31 December 2022

40. SEGMENT INFORMATION (CONTINUED)

31 December 2021	Plantations – Malaysia – Upstream RM'000	Plantations – Malaysia – Midstream RM'000	Plantations – Indonesia Upstream RM'000	Integrated Farming RM'000	Oil and gas support services RM'000	Trading and Services RM'000	Properties RM'000	Other operations RM'000	Grand total RM'000	Adjustment and elimination RM'000	Continuing operations RM'000	Discontinued operations RM'000	Group RM'000
Segment revenue	2,833,014	-	17,378	12,789	41,387	49,867	14,565	31,475	3,000,475	(1,352,989)	1,647,486	160,556	1,808,042
Results													
Interest income	30,071	–	60	11	–	97	–	595	30,834	(9,049)	21,785	127	21,912
Finance costs	(49,377)	(11)	–	(272)	(1,159)	(177)	–	(22,502)	(73,498)	4,317	(69,181)	(10,433)	(79,614)
Depreciation of property, plant and equipment	(75,263)	–	(7,269)	(278)	(3,768)	(884)	–	(121)	(87,583)	(1,031)	(88,614)	(43,479)	(132,093)
Amortisation of right-of-use assets	(29,634)	–	(2,408)	(82)	(119)	(530)	–	(282)	(33,055)	558	(32,497)	(6,846)	(39,343)
Amortisation of intangible assets	–	–	–	–	–	–	–	(14)	(14)	–	(14)	–	(14)
Share of results of associates and joint venture, net of impairments	–	–	–	–	–	–	–	(407)	(407)	–	(407)	–	(407)
Profit/(loss) from operating activities	884,403	(514)	(66,820)	3,929	(1,178)	868	6,044	(190,275)	636,457	(154,840)	481,617	(135,207)	346,410
Profit/(loss) before tax and zakat	895,546	(526)	(66,760)	3,668	(2,337)	788	6,044	(243,037)	593,386	(159,572)	433,814	(145,513)	288,301
Profit/(loss) after tax and zakat	751,987	(526)	(68,382)	3,545	(2,250)	(42)	6,044	(243,043)	447,333	(157,929)	289,404	(145,956)	143,448
Earnings/(loss) before interest, tax, depreciation and amortisation	1,049,820	(515)	(57,083)	4,300	2,709	2,379	6,044	(220,132)	787,522	(163,416)	624,106	(84,755)	539,351
Assets													
Investments accounted for using the equity method	–	–	–	–	–	–	–	4,058	4,058	–	4,058	–	4,058
Additions to property, plant and equipment	76,531	13,196	3,583	77	57,055	920	–	123	151,485	(696)	150,789	–	150,789
Segment assets	5,764,900	17,380	112,150	21,764	47,917	42,670	145,379	32,610	6,184,770	(768,431)	5,416,339	544,616	5,960,955
Segment liabilities	2,886,087	15,622	392,875	26,316	471,969	26,363	–	13,776	3,833,008	(1,045,984)	2,787,024	411,410	3,198,434

Notes to the Financial Statements
– 31 December 2022

41. CHANGES IN BORROWINGS ARISING FROM FINANCING ACTIVITIES

Group	1 January 2022 RM'000	Additions RM'000	Proceeds from borrowings, net of transaction fees RM'000	Repayment of borrowings RM'000	31 December 2022 RM'000
Islamic financing facilities	**1,876,350**	**–**	**17,664**	**(117,436)**	**1,776,578**
Revolving credits	**2,000**	**–**	**380,000**	**(290,000)**	**92,000**
Hire Purchase	**281**	**1,847**	**–**	**(988)**	**1,140**
Total borrowings from financing activities	**1,878,631**	**1,847**	**397,664**	**(408,424)**	**1,869,718**

Group	1 January 2021 RM'000	Net changes in bank overdrafts RM'000	Proceeds from borrowings, net of transaction fees RM'000	Repayment of borrowings RM'000	Borrowing classified as held for sale RM'000	31 December 2021 RM'000
Islamic financing facilities	2,055,127	–	137,506	(164,339)	(151,944)	1,876,350
Conventional financing facilities	95,474	–	–	(38,540)	(56,934)	–
Revolving credits	59,728	–	62,000	(111,268)	(8,460)	2,000
Bank overdrafts	6,851	206	–	–	(7,057)	–
Other borrowings	10,347	–	9,147	(8,182)	(11,031)	281
Total borrowings from financing activities	2,227,527	206	208,653	(322,329)	(235,426)	1,878,631

Company	1 January 2022 RM'000	Proceeds from borrowings, net of transaction fees RM'000	Repayment of borrowings RM'000	Transfer to related company RM'000	31 December 2022 RM'000
Islamic financing facilities	**1,023,149**	**–**	**(37,785)**	**(974,164)**	**11,200**
Revolving credits	**–**	**380,000**	**(290,000)**	**–**	**90,000**
Total borrowings from financing activities	**1,023,149**	**380,000**	**(327,785)**	**(974,164)**	**101,200**

Company	1 January 2021 RM'000	Proceeds from borrowings, net of transaction fees RM'000	Repayment of borrowings RM'000	31 December 2021 RM'000
Islamic financing facilities	1,099,474	7,652	(83,977)	1,023,149
Revolving credits	50,000	60,000	(110,000)	–
Total borrowings from financing activities	1,149,474	67,652	(193,977)	1,023,149

Notes to the Financial Statements
– 31 December 2022

42. DIVIDENDS

	2022 RM'000	2021 RM'000
In respect of the financial year ended 31 December 2021:		
First interim dividend of 2,625 sen per share on 4,000,000 ordinary shares, declared on 15 August 2021 and paid in tranches on 27 August 2021 and 2 December 2021	–	105,000
Second interim dividend of 250 sen per share on 4,000,000 ordinary shares, declared on 22 December 2021 and paid on 30 December 2021	–	10,000
In respect of the financial year ended 31 December 2022:		
Final dividend of 875 sen per share on 4,000,000 ordinary shares, declared on 8 April 2022 and paid on 8 June 2022	**35,000**	–
First interim dividend of 2,500 sen per share on 4,000,000 ordinary shares, declared on 17 August 2022 and paid in tranches on 31 August 2022 and 9 December 2022	**100,000**	–
Second interim dividend of 1,875 sen per share on 4,000,000 ordinary shares, declared on 22 November 2022 and paid on 9 December 2022	**75,000**	–
	210,000	115,000

42. COMPARATIVE

Comparative information has also been re-presented due to a discontinued operation as disclosed in Note 24 of the financial statements.

44. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 28 February 2023.

Statement by Directors
Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Dr. Ismail bin Bakar and Mohd Faris Adli bin Shukery, being two of the Directors of Kulim (Malaysia) Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 9 to 130 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 at 31 December 2022 and of their financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 28 February 2023.

TAN SRI DR. ISMAIL BIN BAKAR
Director

MOHD FARIS ADLI BIN SHUKERY
Director

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Mohd Faris Adli bin Shukery, being the officer primarily responsible for the financial management of Kulim (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 130 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed, Mohd Faris Adli bin Shukery, NRIC: 720602-03-5223 at Johor Bahru, Johor Darul Takzim in Malaysia on 28 February 2023.

MOHD FARIS ADLI BIN SHUKERY

Before me,

PESURUHJAYA SUMPAH
J 356
HAMIZAN BINTI MOHD AMIN
01.01.2022 - 31.12.2024
MALAYSIA
L2-26 Aras 2,
Galleria @ Kotaraya (UTC)
Jalan Trus 80000 Johor Bahru

Commissioner for Oaths

Independent Auditors' Report

to the Members of Kulim (Malaysia) Berhad
(Registration No. 197501001832 (23370-V))
(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Kulim (Malaysia) 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 financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 9 to 130.

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 financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

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 of the Company in accordance with the *By-Laws (on Professional Ethics, Conduct and Practice)* of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' *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.

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 and the Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the annual report and the Directors' 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 the Directors' Report and, in doing so, consider whether the annual report and the Directors' Report are 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 and the Directors' Report, we are required to report that fact. We have nothing to report in this regard.

Independent Auditors' Report

to the Members of Kulim (Malaysia) Berhad
(Registration No. 197501001832 (23370-V))
(Incorporated in Malaysia)

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.
- 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.

Independent Auditors' Report

to the Members of Kulim (Malaysia) Berhad
(Registration No. 197501001832 (23370-V))
(Incorporated in Malaysia)

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

- 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.

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 16 to the financial statements.

Other Matters

1. The financial statements of the Group and of the Company as at 31 December 2021 were audited by another auditor who expressed an unmodified opinion on this statements on 8 April 2022.
2. 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 PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Muhammad Azman bin Che Ani
Approval Number: 02922/04/2024 J
Chartered Accountant

Petaling Jaya, Selangor
Date: 28 February 2023