SUSTAINABILITY STATEMENT

Diversity and Equal Opportunity

Diversity brings strength and cultural understanding to an organization. In accordance with our Code of Conduct, equal employment opportunity is given to every employee regardless of religion, ethnicity, gender and other discriminatory factors. We value, respect and leverage the unique contributions of people with diverse backgrounds, experiences and perspectives to provide exceptional services to an equally diverse community.

There was no incident of discrimination and corrective action taken for the year.

Workforce by Gender	FY22	FY21
Female	22%	22%
Male	78%	78%
Total	100%	100%

Workforce by Categories	FY22	FY21
Management	4%	4%
Executive	15%	11%
Non-Executive	81%	85%
Total	100%	100%

Health, Social Care and Workers Welfare

Continuous improvement of the health and well-being of our employees are certainly one of our top priorities. Through our Sports and Recreation Club (SPARC), recreational events, sports activities and company functions are regularly organised throughout the year for our employees with the aim of promoting and fostering teamwork and rapport among employees as well as encouraging work-life balance and healthy living. We always encourage all our employees to participate in all SPARC programmes which include the annual dinner, festive gatherings, sports competitions, donation drives and more. However, for the past two and half years the pandemic woes and the movement restrictions have curtailed most of the face-to-face activities.

We fully recognise the right of children to education and have already set up a few kindergartens under the KEMAS project in our plantations. We are also in the midst of setting up the Community Learning Centres (CLCs) in our plantations. CLCs are built in collaboration with the Indonesian Consulate to provide education for the Indonesian children.

In addition, the welfare of our estate and mill workforce is provided for with quality quarters, playgrounds, recreational and medical facilities among others. We have also set up clinics to provide basic healthcare for our workforce as well as the local communities.

A clinic at a CPO mill treating a local villager

Monetary Aid for our staff, Mr Khairuzzaman

SUSTAINABILITY STATEMENT

Human Capital Development (SDGs-10 Reduced Inequalities)

The education and training system is the main platform for human capital development intervention. To sustain and achieve goals, the workforce is optimized through comprehensive human capital development interventions to provide necessary knowledge, skills and competencies needed to work effectively.

Despite the pandemic and movement restrictions, we continue to enhance our employees' skills and knowledge through signing them up to attend online training courses. All internal trainings were carried out under strict adherence to the Covid-19 Standard Operating Procedures.

Field training is also frequently organized to upgrade the technical and functional skills of workers at the operating units.

Description	FY22
No. of trainings	499
Total no. of training hours provided	1,205

Examples of seminar/workshop related to sustainability certification, environmental protection awareness, safety and health and good agricultural practices include the following:-

Date	Workshop/Seminar	No. of Participants
03-04.08.2021	Chemical Spill Response Management (Online)	3
15.12.2021	Training on Occupational Safety & Health in Forest Industries (Online)	18
21.01.2022	Pruning And Sanitation & Safety – SOP, Good Agricultural Practice & Guideline	15
28.02.2022	Authorized Entrant And Standby Person For Confined Space (Refresher)	28
18.03.2022	Program Advokasi Pencegahan Kemalangan Tahun 2022 (Online)	66
13-17.06.2022	Course for Certified Environmental Professional in Scheduled Wastes Management (CePSWaM)	2
20-24.06.2022	Course for Certified Environmental Professionals In the Treatment Of Palm Oil Mill Effluent (CePPOME)	1

Accident Prevention Training

Authorised Entrance and Standby Person for Confined Space Training

Community Engagement and Corporate Social Responsibility (SDGs-1 No Poverty, 8 Decent Work and Economic Growth)

Community Well Being

The Group continues to support the local communities associated with our operations through the offering of job opportunities, fair pay and by minimising all environmental and social impacts. We help to create direct employment for the local people and currently about 50% of the Malaysian staff at our mills and plantations are from the local communities. Our employees are also encouraged to take part in community and charitable activities. Over the last 12 months, our efforts included donation of

SUSTAINABILITY STATEMENT

medical equipment to Sibu General Hospital and donation to Sibu Kidney Foundation through recycling. In addition to this area of focus, our blood donation drives are conducted yearly to replenish the blood supplies of the local hospitals and blood banks.

The Group has, in FY22, contributed funding in cash and in-kind not just to our own workers affected by tragedies and losses but also towards enhancing the social well-being of the community through supporting initiatives related to educations, health care, arts and culture, sports, community development, the underprivileged, disability groups and more.

Blood Donation Campaign

Donation to Sibu Kidney Foundation (SKF) through Recycling Program

Donation of Medical Equipment to Sibu General Hospital

Occupational Safety and Health (SDGs-3 Good Health & Well-Being)

Safety and Health has always been our utmost priority. To safeguard the health, well-being and safety of our employees, the following precautions and measures were established:

- Promotion of a safe working culture through the conduct of safety briefings and safety awareness campaigns for both employees and contractors;
- Personal Protective Equipment (PPE) is provided for those working in environments exposed to hazards and risks. Full compliance with the use of PPE is mandatory and strictly monitored;
- Implementation of standardised health and safety program and policies across all the Group's operations. These programs and policies are continuously reviewed, monitored and fully implemented;
- Having safety and health committee in place and hold regular committee meetings and to encourage active employees' participation in the meetings;
- All of our foreign workers are registered and covered by SOCSO or SKKPHA;
- Regular safety education programs are conducted to enable employees to understand the requirements of the Occupational Safety and Health Administration (OSHA) and to boost safety and health awareness and knowledge to work safely;
- Safety and warning signs are displayed everywhere on the sites to ensure staff and workers are well aware of the possible dangers and hazards in the working environment;
- Regular workplace safety inspections are carried out to ensure potential hazards are identified and corrected to prevent incidents, injuries and illnesses;

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- Third party service recognised by Department of Occupational Safety & Health (DOSH) is engaged to perform workplace assessments on:
  a) Chemical Health Risk Assessment (CHRA);
  b) Noise Risk Assessment (NRA); and
  c) Local Exhaust Ventilation (LEV) Inspection
- All our CPO mills have clinics where workers can receive free healthcare;
- Medical and physical checkups and audiometric tests are regularly conducted for employees exposed to dangerous chemicals, pesticides and high noise levels;
- Regular inspections of the employees' housing and welfare facilities are carried out to ensure that sanitation, health and drainage standards are maintained according to the Group's policy; and
- Implementation of strict Covid-19 SOP throughout the Group such as the compulsory usage of face masks at the workplace including at the sites, providing face masks to all site staff, and providing hand sanitisers, disinfecting fogging machine and disinfectant solution to all offices. In FY22, a total of RM295,913.78 had been spent on the provision of Rapid Antigen Test Kits, masks, disinfecting fogging machine and disinfectant solution to reduce the transmission of the virus and provide a safe workplace for our staff.


Regular safety and health meetings


Regular training program to improve workers' safety at the workplace


Mandatory and full compliance with the use of PPE

SUSTAINABILITY STATEMENT

Safety and warning signs

On-site NRA

On-site LEV inspection

On-site CHRA

Site audit by DOSH officers

As mentioned above, during the reporting year, specific SOP and guidelines were implemented to reduce the risk of Covid-19 infection among staff and workers. Some of the measures at our offices, estates, mills, timber camps and warehouses include:

- Providing masks to all site staff;
- Providing hand sanitisers at the entrances of offices;
- Requiring all staff and workers to undergo health screening, and in the event of quarantine, they are required to report and declare their status to the HR department;
- Developing detailed guidelines on handling staff and workers who are tested positive for Covid-19. The infected worker is required to undergo the mandatory quarantine period set by the Ministry of Health (MOH) and report to MOH via MySejahtera;

Covid-19 Awareness Briefing

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- Foreign workers are required to undergo a total of three (3) Rapid Antigen Tests. If the test results are negative, they are to work but live separately from other workers for a period of 10 days;
- Training, creating Covid-19 awareness and inculcating hygiene practices, which includes frequent hand washing and sanitization through the Group's online portal;
- Conducting virtual meetings and webinars;
- Compulsory usage of face masks at all work offices and sites; and
- Disinfecting/sanitising workplaces twice daily.

Vaccination Drive

Between July 2021 and early 2022, we conducted a series of Covid-19 vaccination drive with the aim to vaccinate all our employees, especially the migrant workers against the virus. During that period, more than 5,000 doses of vaccine were administered to our employees at our mills and plantations.

Vaccination drive

Safety and Health Performance

The Group devotes continuous efforts in accident prevention by conducting "Hazard Identification, Risk Assessment and Risk Control (HIRARC)" on all our operations. With HIRARC, we are able to identify, assess/measure and minimize the hazards and risks of any workplace and its activities.

Every accident is formally investigated to determine the root cause and to prevent the recurrence of such incidents. The details and conclusion of the investigation are included in the Accident Investigation Report (AIR). All the occupational injuries, diseases and poisoning in the workplace will be reported to the nearest Department of Occupational Safety & Health (DOSH) office within seven (7) working days.

Incident Rate Per 1,000 Workers	Rate
2021	0.49%
2022	0.38%

Apart from all the control measures, the management has put in place, various SOP, trainings and refresher courses such as firefighting skills, fire drills, first aid, emergency response plan, chemical handling and so forth which are being introduced to the employees on a regular basis.

GOVERNANCE

Compliance with Legal and Other Requirements (SDGs-16 Peace, Justice and Strong Institutions)

At Jaya Tiasa, it is also our utmost priority that we practise and uphold high standards of corporate conduct. We strive to ensure that all business and operational affairs are carried out ethically, transparently, with integrity and accountability and in full compliance with the laws and regulations.

Ethical Business Conduct

The Code of Conduct and Ethics ("The Code") provides guidance on the standards of behavior expected of all employees of the Group, whereas the supplementary Directors' Fit and Proper Policy is formulated for newly appointed and existing directors. The Anti-Bribery and Corruption Policy developed in accordance with Section 17A Corporate Liability provision of Malaysian Anti-

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Corruption Commission (MACC) Act 2009 further complements "The Code" and reinforces our zero-tolerance approach towards corruption in any form.

For the FY22, the Group was not subject to any of the following incidents:

- Non-compliance with laws and regulations in the social and economic area;
- Non-compliance with environmental laws and regulations; and
- Non-compliance with the financial standards and frameworks.

Free, Prior, Informed and Consent (FPIC)
Our business operations shall ensure our activities do not threaten or diminish the rights of others. Any conflict or land disputes shall be resolved in accordance with the FPIC process.

Grievance Procedures (SDGs-16 Peace, Justice and Strong Institutions)

At Jaya Tiasa, the established grievance mechanisms are the Whistle-Blowing Policy and Complaint and Grievance Procedures. To ensure their effectiveness, the mechanisms are transparent, impartial, confidential and accessible.

The Whistle-Blowing Policy was established in 2014 to enable any party to raise genuine concerns about improper conducts committed by an employee within the Group through formal procedures and confidential channels provided, without risk of reprisal.

The Complaint and Grievance Procedures was set up in 2017 and is made available to all business units. The mechanism allows anyone to lodge a complaint or grievance which will be escalated to the management level for intervention and timely resolution.

For FY22, the Group did not receive any whistle-blowing, complaint or grievance cases.

Sustainability Certification (SDGs-12 Responsible Consumption and Production)

i) Malaysian Sustainable Palm Oil (MSPO)

MSPO is a national sustainability scheme created by the Malaysian government and developed for oil palm plantations, smallholders and downstream facilities. The standards include: -

- the production of safe, high quality oil palm fruits;
- the protection of the environment;
- the safeguarding of social and economic conditions of owners;
- supporting the surrounding community;
- enforcing workplace health and safety excellence; and
- the implementation of best practices.

All of the Group's plantations and mills have undergone the MSPO certification and are fully certified.

ii) MSPO Supply Chain Certification Standard (MSPO SCCS)

MSPO SCCS is a related national sustainability scheme for the sustainable production of palm oil throughout its supply chain. MSPO SCCS covers management requirements and traceability of its products from raw materials to processing and manufacturing of palm oil and palm oil-based products and aims to deliver confidence and credibility that the palm oil raw material originates from sustainably-managed oil palm planted areas. The requirements include:-

- a Sustainability Policy;
- management representative;
- record-keeping;
- operating procedures;
- internal audits and management reviews;
- resource management;
- traceability; and
- claims, complaints and grievances.

All of the Groups CPO mills have attained MSPO SCCS.

MSPO Certification

MSPO Remote Audit Conducted during Covid-19 Pandemic

SUSTAINABILITY STATEMENT

iii) Forest Management Certification

Forest Management Certification (FMC) by third party verification is an internationally recognized system to ensure responsible forest management. The Sarawak State Government has made it mandatory for all long-term forest timber licenses to obtain FMC by 2022. Pursuant to this policy, the Certification Department is established towards managing and obtaining the certification for all of our timber license areas. Two of our Forest Management Units (FMU) have undergone the Stage 2 audit in June 2022.

Forest Management Certification (MCI & SFM)

PSP Inspection, Coupe 2 of Penuan-Lebuwai FMU (Stage II Audit)

PSP Inspection, Coupe 1 of Baleh-Balui FMU (Stage II Audit)

Inspection of Workplace Safety & Health at Baleh-Balui FMU (Stage II Audit)

Responsible Sourcing and Traceability (SDGs-12 Responsible Consumption and Production)

To ensure we adhere to our sustainability commitments, sourcing from responsible and traceable third-party is a priority. It is vital to know where our FFB comes from and we need to ensure the sources are not linked to deforestation and labour exploitation. In other words, our supplier must also be committed to No Deforestation, No Peat, and No Exploitation (NDPE). In FY22, we are able to achieve 100% Traceability to Plantation (TTP) and 98.98% of FFB came from sustainable sources.

MOVING FORWARD

The Group will continue to uphold our commitment towards sustainability in our policies and business practices and address any new emerging concern on ESG. The interest of all stakeholders will also be adequately dealt with to ensure everyone mutually benefited from the sustainability initiatives implemented.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of the Company recognizes the importance of embracing high standards of corporate governance in order to safeguard the interest of stakeholders and enhance shareholder value. The Board considers transparency, accountability, integrity and sustainability as the four pillars of corporate governance. As such, the Board embeds in the Group a culture that is aligned with the values and ethical standards the Group upholds, as key driver towards delivering long-term strategic success.

This Statement provides an overview of the Company's application of the Principles and Practices set out in the Malaysian Code on Corporate Governance ("MCCG") and the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") during the financial year ended 30 June 2022.

The details on how the Company has applied each of the Practices during the financial year under review are disclosed in the Corporate Governance Report, which is available for viewing and download on the Company's website at www.jayatiasa.net

PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

I. BOARD RESPONSIBILITIES

Board Duties and Responsibilities

The Board is responsible for the long-term growth and delivery of sustainable value to the shareholders of the Company. It sets the strategic direction of the Group and provides effective leadership through oversight of management and monitoring the business performance in the Group. Directors also keep themselves abreast of relevant developments, including material sustainability risks and opportunities, to discharge their duties and responsibilities efficiently.

Details of the roles and responsibilities of the Board are set out in the Board Charter which serves as a guide and primary induction document providing prospective and existing Board Members insights into their responsibilities in discharging their fiduciary and leadership functions. The Board Charter outlines powers that the Board reserves for itself and those that are delegated to the Board Committees and the management. It also sets out the responsibilities of the Chairman, Chief Executive Officer ("CEO"), individual Directors and Non-Executive Directors to enhance accountability. The Board Charter which was last revised on 18 October 2021 is published on the Company's website at www.jayatiasa.net.

The key responsibilities of the Board include:

i. Formulating strategic plans and policies to ensure that they support long-term value creation through good environment, social and governance ("ESG") practices underpinning sustainability;
ii. Overseeing the conduct of the Group's businesses;
iii. Ensuring effective risk management and internal control; and
iv. Reviewing and approving key matters such as financial results, investments and divestments, acquisitions and disposals, and major capital expenditures.

There is a formal schedule of matters reserved for the Board's decision to ensure the direction and control of the Company are in its hands. Key matters reserved for the Board include, inter-alia, approval of annual budget, quarterly and annual financial statements for announcement, investment and divestment, as well as monitoring of the Group's financial and operating performance.

Board Committees

The Board has established Board Committees, namely the Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee in fulfilling its ongoing oversight and stewardship role. The Board Committees have the authority to examine specific issues within their respective terms of reference approved by the Board. The Board Committee meetings are conducted separately from Board meetings to enable objective and independent discussions during these meetings.

The Chairman of the respective Board Committees reports to the Board with their recommendations. The ultimate responsibility for decision making, however, lies with the Board.

Chairman and Chief Executive Officer

The roles of the Chairman and Chief Executive Officer ("CEO") are distinct and separate, and the positions are held by different individuals to promote accountability and division of responsibilities between them.

The Chairman is primarily responsible for providing leadership to the Board and instilling good corporate governance practices. He ensures general meetings support meaningful engagement between the Board, senior management and shareholders.

The CEO, as leader of the Senior Management, is responsible for the effective implementation of the Group's strategic plan and policies established by the Board, and oversees the day-to-day operations and business of the Group.

Company Secretary

The Board is supported by a qualified, experienced and competent Company Secretary who is responsible for updating and advising the Board on regulatory, statutory, corporate governance, policy and procedure requirements relating to Directors' duties and responsibilities.

All the Directors have unrestricted access to the advice and services of the Company Secretary to enable them to discharge their duties effectively.

Ethical Standards

To inculcate good ethical standards in the Group's daily business dealings and employees' behaviour at work, the Board has established a Code of Conduct and Ethics setting out core values and areas of ethical conduct expected from the directors and employees including managing conflicts of interest, preventing the abuse of power, corruption, insider trading and money laundering, protecting company assets, and compliance with laws, rules and regulations.

The Anti-Bribery and Corruption Policy established by the Board essentially sets out the Group's overall position on bribery and corruption and provides information and guidance to ensure employees understand their responsibilities in complying with the Group's zero-tolerance approach on bribery and corruption.

The Company has in place a whistleblowing policy which provides an avenue for any party to raise concern in good faith about improper conduct(s) committed by an employee within the Group through formal procedures and confidential channels provided therein, without risk of reprisal.

The Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and whistleblowing policy are published on the Company's website at www.jayatiasa.net.

Meeting and Time Commitment

Each Board member is expected to commit sufficient time to attend the Board and Committee meetings to deliberate on matters under their purview. The dates of meetings of the Board, Board Committees and Annual General Meeting are fixed in advance for the whole year to ensure that the meeting dates are booked and to facilitate management's planning.

All Directors of the Company have complied with the Listing Requirements of Bursa Securities of not holding more than five (5) directorships in listed issuers at any given time. This is to ensure the Directors do not have competing time commitment that may impair their ability to discharge their duties effectively.

All Board and Committee members are provided with requisite notices, agenda and meeting materials at least five (5) business days prior to the meeting.

A total of four (4) Board of Directors Meetings were held during the financial year. In line with good governance practices and pandemic still lingering, the Company leveraged on technology by conducting virtual meetings of the Board and Board Committees, which made it more convenient for meeting participation.

The attendances of the Directors are as follows: -

Name of Directors	Meeting Attendance
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	4/4
Dato' Jin Kee Mou	4/4
Mr Tiong Chiong Hee	4/4
Ms Clara Tiong Siew Ee	4/4
Dato' Sri Dr Tiong Ik King	4/4
Mdm Tiong Choon	4/4
Dato' Wong Lee Yun	4/4
Mr Yong Voon Kar	4/4

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Directors' Training

The Directors received continuous training to acquire and/or enhance the requisite knowledge and skill in areas relevant to their duties and responsibilities.

All the Directors had completed the Mandatory Accreditation Programme as prescribed by the Listing Requirements of Bursa Securities. The training programmes, briefing and conferences attended by the Directors during the financial year are as follows:-

Director	Title of Programmes/Seminar/Courses/Forum
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	• Financial Intelligence for Non-Finance Personnel • Securities Commission Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries
Dato' Jin Kee Mou	• STI x Livelihood x Women For The Sustainable Use Of Peatland And Mangrove: Female Empowerment In Research And Practice Through ASEAN-Japan Collaboration • The Updated Malaysian Code on Corporate Governance • Malaysian Conservation Conference 2022 (MCC) - Theme: Conservation in Malaysia: Past, Present and Future • Ambank Group Webinar: Russia – Ukraine Tension Impact on Business • Sharing Session on Sarawak Timber Legality Verification System (STLVS) Update • Cyber Security: What Directors Need to Know
Tiong Chiong Hee	• Malaysia's Budget 2022: Key Tax Changes Affecting Businesses and Investors • The Updated Malaysian Code on Corporate Governance • Introduction to ESG & MSPO • Artificial Intelligence: Game Changer in Palm Oil Industry • Cyber Security: What Directors Need to Know
Clara Tiong Siew Ee	• The Updated Malaysian Code on Corporate Governance • Malaysian Conservation Conference 2022 (MCC) - Theme: Conservation in Malaysia: Past, Present and Future • Cyber Security: What Directors Need to Know
Dato' Sri Dr Tiong Ik King	• The updated MCCG 2021 and the Malaysia Securities Commission's Guidelines on Code of Directors of listed issuers & their subsidiaries • Enterprise Risk Management: Business and regulatory perspectives, emerging risks, the use of risk parameters to evaluate risk, including determining risk appetite to streamline risk management and documentation via risk registers and profiles for reporting purpose • LED – Environmental, Social and Governance Essentials (Core)
Tiong Choon	• Reframe your future: Reset, realign and restart your deal strategy • Asean Tax Forum 2021: In an unfamiliar landscape, how will you reframe your business? • The updated MCCG 2021 and the Malaysia Securities Commission's Guidelines on Code of Directors of listed issuers & their subsidiaries • Enterprise Risk Management: Business and regulatory perspectives, emerging risks, the use of risk parameters to evaluate risk, including determining risk appetite to streamline risk management and documentation via risk registers and profiles for reporting purpose • Malaysia Budget 2022

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Director	Title of Programmes/Seminar/Courses/Forum
Dato' Wong Lee Yun	• CIMB Webinar- Malaysia Economic Outlook • Sirim STS Sdn Bhd - ISO 37001:2016 Anti-Bribery Management Systems • Deloitte Malaysia - Tax Highlights of Malaysia Budget 2022 • KLBC Economic Roundtable - Presentation by Maybank Investment Bank • MICG - Webinar On 'Artificial Intelligence (AI) For Company Directors And Executives' • IERP - Qualified Risk Director (QRD®) certification program Series 3 - Risk Appetite, Tolerance and Board Oversight • RSM Tax Webinar Latest Update: Transfer Pricing – What's new in 2022? • ICDM Emerging Trends Talk: Cyber Kill Chain and Security Capabilities • FIDE Forum - MetaFinance: The Next Frontier of the Global Economy • IERP - Qualified Risk Director (QRD®) certification program Series 5 – Evolving Expectations for Boards • MICG - Webinar On The Audit Committee -Unpacking the roles of the committee & honing its effectiveness in discharging its responsibilities holistically
Yong Voon Kar	• EY Budget 2022 Tax Seminar • Securities Commission's Audit Oversight Board Conversation with Audit Committees • SOPPOA's Briefing on ESG and MSPO - Embedded Products • Key Amendments to Listing Requirements 2022 • MIA Webinar: ESG Oversight for Boards

II. BOARD COMPOSITION

The Company is led by an experienced Board with diverse background and expertise in areas such as entrepreneurship, economics, finance, accounting, audit and engineering which are vital for the current business, continuous progress and success of the Group.

During the financial year, the Board has 8 members, 3 Executive Directors and 5 Non-Executive Directors. 3 Directors are Independent Non-Executive Directors. This composition of the Board fulfils the requirement as set out in the MMLR of Bursa Securities which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent Directors. The profile of the Directors are presented on pages 15 to 18 of the Annual Report.

Board Diversity

The Board strongly advocates a corporate culture that embraces diversity when determining its composition taking into accounts the skills and industry experience, knowledge, gender, and other qualities of Directors, in the context of the needs and goals of the Company. The differences in the qualities of Directors will be balanced appropriately, whenever possible, in determining the optimum composition of the Board.

Throughout the financial year, 3 or 37.5% of Board members were female. This composition is more than the target set in the Board Diversity Policy which requires the Board to comprise at least two (2) women Directors to bring value to Board discussions from the different perspectives and approaches of the women Directors.

The Board Diversity Policy is published on the Company's website at www.jayatiasa.net.

Board Independence

The Independent Directors are responsible for providing unbiased and independent advice to the Board and ensure effective check and balance. They contribute by bringing the quality of impartiality and leading objective discussion on matters brought to the Board for deliberation and decision. The Independent Directors play an important role in protecting the interests of shareholders, in particular the minority shareholders.

Re-election of Directors

The re-election of the Directors is done in accordance with the Company's Constitution.

Article 81 of the Company's Constitution provides that one-third of the Directors are subject to retirement by rotation at every AGM and each director shall retire from office at least once in every three (3) years. Article 85 further provides that the newly appointed Director shall retire from office at the next AGM subsequent to his appointment.

The retiring Director(s) shall be eligible for re-election.

Nomination Committee

The Nomination Committee ("NC") is entrusted to recommend suitable candidate for Board appointment. The NC assesses annually the effectiveness of the Board and Board Committees, the performance of Directors and Board independence. The Board has the ultimate responsibility of making the final decision on the appointment of new Directors.

A summary of key activities of the NC during the financial year 2022 are as follows:-

- reviewed Board composition based on the required mix of skills, experience, age, knowledge and diversity;
- assessed the effectiveness of the Board as a whole and the Board Committees;
- evaluated the performance and contribution of individual Directors;
- reviewed and assessed the independence of Independent Directors; and
- reviewed and recommended the re-election of Directors who were due for retirement by rotation, and the continuation in office as Independent Director who had served for a cumulative term of more than nine (9) years for shareholders' approval at the forthcoming AGM.

All assessment and evaluation carried out by the NC was duly documented.

Board Evaluation

The annual evaluation conducted by the NC on 26 August 2022 concluded that the Board, Board Committees and individual Director possess the relevant skill sets, and had effectively discharged their stewardship responsibilities to meet the Company's needs.

The NC is satisfied that the retiring Directors, namely Mr Tiong Chiong Hee, Dato' Wong Lee Yun and Mr Yong Voon Kar ("Retiring Directors") should be re-elected. Accordingly, the Board recommended the **re-election** of the Retiring Directors for shareholders' approval at the forthcoming AGM. In line with Practice 5.7 of MCCG, the Board has provided a statement to support the re-appointment of the retiring directors in the Notice of Annual General Meeting.

The NC also assessed the independence of the Independent Directors for the financial year and concluded that all Independent Directors had satisfied the independence criteria set out in the Listing Requirements of Bursa Securities. They were able to continue to provide independent judgment and objectivity on matters that were brought to the Board and act in the best interest of the Company.

Dato' Wong Lee Yun has served as an Independent Director for a cumulative period of more than nine (9) years. The Board, based on the assessment and recommendation of NC, is of the opinion that her independence remains unimpaired and her judgements over business dealings of the Company has not been influenced by the interest of other Directors and substantial shareholders. Therefore, the Board recommends to retain her as an Independent Director up to 31 May 2023 subject to shareholders' approval at the forthcoming AGM based on justifications set out in the Notes to the Notice of the AGM.

Based on the evaluation carried out by the NC, the Board recognises that continued focus needs to be given to the following areas in order to keep pace with the evolving trend:

i) Technology as an enabler to keep up with the pace of digital transformation which should translate to productivity; and

ii) Embracing changes and compliance with environmental, social and governance related matters.

III. REMUNERATION

The key responsibility of the Remuneration Committee ("RC") is reviewing and recommending to the Board the framework and remuneration packages including performance related pay scheme for the Executive Directors.

The Company's remuneration policy is tailored in line with the objective to attract, reward, motivate and retain valuable Directors and Senior Management who lead the Company and its subsidiaries towards realizing its corporate strategies and long-term success.

The RC had during the financial year reviewed and recommended remuneration packages for the Executive Directors. In recommending the remuneration of the Executive Directors, the RC took into consideration factors including corporate and individual performance, extent of responsibility and the market rate in comparable companies.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

In the case of Non-Executive Directors, their remuneration shall commensurate with their responsibilities, including their involvement in and contribution to the Board and Board Committees, and attendance at meetings.

As a matter of good practice, the Directors abstained from deliberation on his/her own remuneration at Board Meetings. The Board had formalised the Policies and Procedures on Remuneration for the Directors and Senior Management which is available on the Company's website at www.jayatiasa.net.

The total remuneration for Directors of the Company in respect of financial year ended 30 June 2022 was RM2,361,825. None of the Directors of the Company received any remuneration from any subsidiaries within the Group during the financial year.

Details of the remuneration for each of the Directors of the Company for the financial year ended 30 June 2022 distinguishing between executive and non-executive Directors are set out below:

	Salary RM	Fees RM	Bonus RM	Other Emoluments RM	Total RM
Executive Directors (ED)					
Dato' Jin Kee Mou	492,000	-	246,000	119,890	857,890
Tiong Chiong Hee	312,000	-	65,000	49,010	426,010
Clara Tiong Siew Ee	252,000	-	52,500	39,585	344,085
Total ED's Remuneration	**1,056,000**	**-**	**363,500**	**208,485**	**1,627,985**
Non-Executive Directors (Non-ED)					
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	-	86,000	-	106,240	192,240
Dato' Sri Dr Tiong Ik King	-	80,000	-	6,400	86,400
Tiong Choon	-	83,500	-	6,400	89,900
Dato' Wong Lee Yun	-	110,500	-	151,900	262,400
Yong Voon Kar	-	96,500	-	6,400	102,900
Total Non-ED's Remuneration	**-**	**456,500**	**-**	**277,340**	**733,840**
Total for the year ended 30 June 2022	**1,056,000**	**456,500**	**363,500**	**485,825**	**2,361,825**

PRINCIPLE B – EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AUDIT COMMITTEE

The Board has established an Audit Committee ("AC") which consists of three (3) members all of whom are Independent Non-Executive Directors. The AC is chaired by Dato' Wong Lee Yun, an Independent Non-Executive Director, who is not the chairman of the Board.

The composition of the AC, its roles and responsibilities, attendance record and summary of activities carried out during the financial year are set out in the AC report of this Annual Report.

In line with Practice 9.2 of the MCCG, the Terms of Reference of AC also includes a policy requiring a former key audit partner to observe a cooling-off period of at least 3 years before being appointed as a member of the AC. This is to safeguard the independence of the AC by avoiding the potential situation when a former key audit partner is able to exert significant influence over the audit and preparation of the Company's financial statements.

The Board is cognizant of its role in upholding the integrity in the financial reporting of the Company. Accordingly, the AC, which assists the Board in overseeing the financial reporting process, has adopted the Auditor Independence Policy setting out criteria in assessing the suitability and independence of the External Auditors including the type of non-audit services that could be provided by the External Auditors and the need to obtain the AC approval for non-audit services exceeding the threshold level.

II. RISK MANAGEMENT AND INTERNAL CONTROL

The Board affirms its overall responsibility for the Group's system of risk management and internal control which includes the establishment of an appropriate internal control environment and risk management framework as well as reviewing its adequacy and effectiveness. The risk management and internal control system covers, inter alia, financial, operational, sustainability and compliance controls to safeguard shareholders' investments and the Group's assets.

The details of the Risk Management Framework and its associated initiatives undertaken during the financial year are set up in the Statement on Risk Management and Internal Control of this Annual Report.

Internal Audit Function

The Company has in place an in-house internal audit department ("IAD") which reports directly to the AC.

The primary function of the IAD is to assist the AC in discharging its oversight role in assuring the adequacy and integrity of the Group's system of internal control. The AC approves the annual audit plan. The internal audit function adopts a risk-based approach in executing the internal audit plan that focuses on major business units and operations within the Group.

Details of the work of the Internal Audit Function are set out in the AC Report of this Annual Report.

PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. COMMUNICATION WITH STAKEHOLDERS

The Board recognizes the importance of effective and proactive engagement with the shareholders and stakeholders.

The Company's Investor Relations ("IR") Function undertakes ongoing engagement and communication with key institutional investors and analysts. IR Reports containing IR activities and investors' concerns are presented to the Board for deliberations to enable the Company to understand stakeholders' concerns and to take those concerns into account when making decisions.

The Board is committed to being transparent and accountable to the Company's stakeholders. Material information such as the financial results is disclosed to them timely. Up-to-date information on financial performance and operational review are made available on the Company's website.

Communication and engagement with stakeholders include:

- quarterly announcement on financial results to Bursa Securities;
- other company announcements and circulars to shareholders whenever necessary;
- annual report and General Meeting;
- ongoing engagement and communication with investors and investment communities; and
- the Group's website at www.jayatiasa.net where stakeholders can access corporate information, annual report, financial information, company announcements and share prices of the Company. To effectively address any issues, the Group has dedicated an electronic mail address at inquiry@jayatiasa.net where stakeholders can direct their queries and concerns.

II. CONDUCT OF GENERAL MEETINGS

The Annual General Meeting ("AGM") allows shareholders to review the Group's performance via the Company's Annual Report and pose questions to the Board for clarification. It also serves as the principal forum for dialogue and communication between shareholders and the Board.

The notice and agenda of last year's AGM together with the Form of Proxy were given to shareholders twenty-eight (28) days before the date of the AGM allowing shareholders sufficient time to make arrangement to attend the AGM or appoint proxy to vote and attend on his behalf.

The last AGM of the Company was held fully virtual through the online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657) provided by Boardroom Share Registrars Sdn Bhd in Malaysia. All the Directors and the external auditors were available to engage with the shareholders of the Company. The members of Senior Management of the Company were also available to respond to any enquiries from the shareholders.

Shareholders were given the opportunity to submit their questions prior to and during the AGM via e-query box. All questions received prior to the day of the AGM were addressed during the last AGM. For questions received on the day of the AGM and those not dealt with during the AGM, the Company had responded to them by email reply and posting the Questions and Answers on the Company's website after the AGM. The minutes of AGM were made available on the Company's website within 30 days after the AGM.

All resolutions set out in the notice of the AGM were voted by poll in accordance with the Listing Requirements of Bursa Securities. The Board adopted electronic voting at the AGM to facilitate the voting process in a more efficient manner as well as ensuring transparency and accuracy of the voting results.

This Statement was approved by the Board on 18 October 2022.

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

Pursuant to Paragraph 15.26 (b) of the Listing Requirements and the Malaysian Code on Corporate Governance ("MCCG") with regards to the Group's state of risk management and internal control, the Board of Directors ("Board") is pleased to present below the Group's Statement on Risk Management and Internal Control for the financial year under review and up to the date of approval of this statement, prepared in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers issued by the Institute of Internal Auditors Malaysia and adopted by Bursa Malaysia Securities Berhad and taking into consideration the recommendations of the MCCG.

Board's Responsibility

The Board affirms its responsibility for the Group's system of risk management and internal control which includes the establishment of an appropriate internal control environment and risk management framework as well as reviewing its adequacy and effectiveness. The risk management and internal control system covers, inter alia financial, operational, sustainability and compliance controls to safeguard shareholders' investments and the Group's assets.

The system in place is designed to manage rather than eliminate the risk of failure to achieve the Group's business objectives by providing reasonable assurances against material misstatement or loss. The concept of reasonable assurance also recognises that the cost of control procedures should not exceed the expected benefits.

The Board has received assurance collectively from the Chief Executive Officer, Executive Director and the Chief Financial Officer that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects.

Risk Management Framework

In today's complex and dynamic business environment, proactive management of the overall business risks is a prerequisite in ensuring that the Group achieves its business objectives. Risk management activities are regarded as an integral part of the Group's business practices and not in isolation. The Group plans and executes activities through understanding the context of internal and external factors to ensure that the risks inherent in its business are identified and effectively managed to achieve an appropriate balance between realising opportunities for gains while minimising losses to the Group.

The Group embraces a Risk Management Framework ("RM Framework") that sets out the risk management governance, processes and control responsibilities, guidelines focusing on the core components of the Committee of Sponsoring Organizations of the Treadway Commission's Enterprise Risk Management and underpins the Group Risk Management Policy ("RM Policy"). Apart from seeking to ensure that there is a consistency in the methods used in addressing risks, concerns, challenges and/or expectations throughout the Group and that risk management efforts are aligned with the Group's business objectives, the RM Framework also outlines enhanced and explicit requirements for managing risks and assists in understanding the impact of uncertainties inherent in business decisions. Reviews are conducted on a periodic basis or as and when required to reflect operating changes.

The Board is assisted by the Risk Management Committee ("RMC") which is chaired by the Executive Director cum Chief Risk Officer and comprises representatives from key senior management. The RMC provides a platform to drive risk management activities guided by the Group RM Policy and RM Framework to ensure effective identification of emerging risks and management of identified risks through implementation of appropriate controls and risk treatment strategies.

The RMC meets periodically and works closely with the Risk Management Department ("RMD") to ensure prudent risk management over the Group's business and operations. The RMD meets with the risk owners made up of managers or heads from the divisional units

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

to identify and evaluate the risks related to their business objectives or budgets against which performance is measured and to establish the risk profiles of the Group during the risk assessment sessions. The level of risk tolerance of the Group is expressed through the use of a risk consequence and likelihood matrix. Once the level of risk tolerance is determined, the risk owner is required to identify and implement the risk treatment strategies covering management actions with target timeline for implementation. The risk owners proactively implement measures to manage those identified risks and timely update their risk profiles. The update of the risk profiles includes the identification of emerging risks arising from changing business conditions as well as the adequacy and effectiveness of the related controls.

The RMC reviews periodically both the Group top and divisional risk profiles to ensure that the overall risks impacting the Group are adequately identified and managed within an acceptable risk appetite and presents the risk management report to the Board twice a year covering the risk assessment result. Mitigation measures in addressing major risk factors pertaining to plantation manpower supply and volatile palm oil market include more efficient utilisation of workers by increasing mechanisation and more focus or structured block crop recovery work arrangement to help ensure maximum harvests, retaining workers and increasing productivity through reviewing incentive packages from time to time, close monitoring of major edible oil pricing trends and using forward sales to manage the price risks as well as focusing on prudent cost management to stay competitive.

The Group continues to be subjected to increasing scrutiny on the environmental exposure which includes effluent and waste management. Stringent monitoring has been carried out to ensure compliance with industry laws and regulations, policies and safe operating procedures or prescribed best practices to ensure the environment is not being harmed.

COVID-19 Event

As the Covid-19 pandemic continued to wreak havoc across the world, the Group continued to adopt various preventive measures, including but not limited to the more efficient utilisation of worker by increasing productivity and mechanisation within the oil palm estates. Throughout the period of Movement Control Order imposed by the government, the Group has effectively maintained the continuity of its operations.

In line with the government's decision to transition into the endemic phase on 1st April 2022 with more relaxed Standard Operating Procedures, the Group remains committed to adopt the mandatory preventive measures to ensure compliance and the well-being of all employees and at the same time closely monitor operations to ensure non-disruption.

Key Elements of the Group's Internal Control

An effective check and balance control environment is fundamental for ensuring a sound internal control system in the Group. The Board and Management are committed to maintain an effective internal control environment by continuously enhancing the features of internal control systems to ensure that they are relevant and effective to promote operational agility while ensuring corporate governance and compliance to regulatory guidelines. The key elements of our Group's internal control system established for maintaining strong corporate governance are as follows:

- The Group's reporting structure incorporating checks and balances is aligned to the business requirements.
- Authority limits are in place for approving capital expenditure and matters on financial, treasury, operations and personnel, minimising potential risk exposures.
- Documented policies and procedures are also in place subject to review every now and then to ensure that it maintains its effectiveness to support the Group's business activities.
- Code of Conduct and Ethics for the Directors and employees to inculcate good business conduct and maintain a healthy corporate culture that engenders integrity, transparency and fairness.
- Whistle blowing policy to provide an avenue for any party to raise genuine concerns about improper conducts committed by employees within the Group through formal procedures and confidential channels.
- Anti-Bribery and Corruption Policy sets out the Group's overall position on bribery and corruption and provides information and guidance to ensure that employees understand their responsibilities in compliance with the Group's zero-tolerance on bribery and corruption.
- Annual budgets are prepared by the Group's operations. Analysis and reporting of variances against budget are presented in the Group's management meetings which act as a monitoring mechanism.
- Presentation of the quarterly and annual financial statements containing key financial results as well as operational performance report of the Group to the Board for deliberation.
- The Group's financial covenants and cash flow position are prepared and reported regularly to the management as a monitoring mechanism.
- The Group Executive Directors and Chief Executive Officer meet with the management and operations personnel monthly to resolve key operational,

STATEMENT ON **RISK MANAGEMENT AND INTERNAL CONTROL**

financial, human resource and other management issues including issues of risks and controls in order to enhance the performance and profitability of the Group's businesses.

- The Group has a comprehensive information system that enables the production of timely, reliable and relevant data to enhance management in decision making.

- Guidelines on employment, performance appraisal, training and retention of employees are in place to ensure the Group's ability to operate in an effective and efficient manner.

- The Group has established the safety & health committees at the operating level to address and ensure compliance with occupational safety and health policies and procedures as required by the various authorities.

- The Group undertakes adequate insurance coverage on both its employees and assets to ensure both are sufficiently insured against any untoward incidents that could result in material losses.

- The Intranet Portal is used as an effective dissemination tool to share up-to-date information on development and happenings.

- The Group has in place the KPI reporting to drive awareness of shared management responsibility on their contribution towards enhancing the operating performance in achieving the business objectives.

- Internal audit function includes performing regular reviews of business processes to assess the effectiveness of the internal control system and highlight significant risks impacting the Group with recommendations for improvement.

- Senior management team conducts visits to the Group's operations for better understanding to facilitate cognisance in decision-making capability.

Internal Audit

The Group has established an Internal Audit Department ("IAD"), which reports independently to the Audit Committee ("AC") to provide the Board with adequate assurance it requires regarding the adequacy and effectiveness of risk management, internal control and governance processes.

The IAD adopts a risk-based approach in executing the annual audit plan that focuses on major business units and/or operations within the Group after taking into consideration the input of management and the AC. The annual audit plan is reviewed and approved by the AC. The IAD reports directly to the AC on the outcome of its appraisal of the operational activities. Significant audit findings with management responses covering corrective actions taken are presented and deliberated by the AC on a quarterly basis or as appropriate. The IAD also conducts subsequent follow up review to ensure management has dealt with audit recommendations and taken actions in an effective and timely manner.

Board Review

The Board is of the view that the risk management and internal control system in place throughout the year under review and up to the date of approval of this Statement is sound and sufficient to safeguard the interests of the Group's stakeholders, their investments and the Group's assets. Additionally, the Board regards the risks faced by the Group are within acceptable levels in relation to its business objectives.

The Board is not aware of any material losses or fraud during the year under review as a result of weaknesses in internal control. The management is continuously taking necessary measures to improve and strengthen the risk management and internal control system of the Group.

Review of the Statement by External Auditors

Pursuant to Paragraph 15.23 of the Listing Requirements, the external auditors have reviewed the Statement on Risk Management and Internal Control pursuant to the scope set out in Audit and Assurance Practice Guide, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control ("AAPG 3") included in the Annual Report issued by the Malaysian Institute of Accountants ("MIA") for inclusion in the annual report of the Group for the year ended 30 June 2022 and reported to the Board that nothing has come to their attention that causes them to believe that the statement intended to be included in the annual report of the Group, in all material respects: has not been prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, or is factually inaccurate.

AAPG 3 does not require the external auditors to consider whether the Directors' Statement on Risk Management and Internal Control covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group's risk management and internal control system including the assessment and opinion by the Directors and management thereon. The report from the external auditors was made solely for and directed solely to the Board in connection with their compliance with the Listing Requirements of Bursa Malaysia Securities Berhad and for no other purposes or parties. The external auditors do not assume responsibility to any person other than the Board in respect of any aspect of this report.

The statement was approved by the Board on 18 October 2022.

AUDIT COMMITTEE REPORT

The Board of Directors ("the Board") of Jaya Tiasa Holdings Berhad ("the Company") is pleased to present the Audit Committee ("AC") Report for the financial year ended 30 June 2022.

The AC was established in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") for the primary purpose of assisting the Board in fulfilling its fiduciary responsibilities.

COMPOSITION

The AC comprised of the following members:

Dato' Wong Lee Yun
Chairperson/ Independent Non-Executive Director

Mr Yong Voon Kar
Independent Non-Executive Director

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun
Independent Non-Executive Director

TERMS OF REFERENCE

The terms of reference can be found under the "Corporate Governance" section on the Company's website at www.jayatiasa.net.

MEETINGS AND OTHERS

During the financial year, a total of 5 AC Meetings were held and the details of attendance are as follows:

	Attendance
Dato' Wong Lee Yun	5/5
Mr Yong Voon Kar	5/5
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	5/5

The AC meetings were convened with proper notices and agenda and these were distributed to all members of the AC at least five (5) business days prior to meeting.

The Chief Financial Officer ("CFO") and Head of Internal Audit as well as other Board members attended the AC meetings upon invitation of the AC to facilitate discussion of matters on the agenda.

The Head of the Internal Audit presented his Internal Audit Reports quarterly to the AC for review and discussion at the AC meetings. Representatives of the External Auditors attended the meetings to consider the audit plan and provide status update on key areas of audit emphasis and such other meetings as determined by the AC.

The AC Chairperson would report the AC's key findings and conclusions to the Board after each meeting.

For the year under review, the performance of the individual AC member was assessed through self-evaluation, the outcome of which was reviewed by the Nomination Committee. Having considered the recommendation made by the Nomination Committee and based on the outcome of the evaluation, the Board was satisfied that all the AC members were able to discharge their duties and responsibilities in accordance with the Terms of Reference of the AC.

AUDIT COMMITTEE REPORT

SUMMARY OF ACTIVITIES CARRIED OUT BY THE AC

During the financial year under review, the AC worked closely with the management, internal auditors and external auditors to carry out its duties as required under its Terms of Reference.

Details of activities carried out by the AC during the financial year under review and up to the date of this report are summarized below:

Financial Reporting

(a) Reviewed all the unaudited quarterly financial results of the Group, focusing on significant matters, which included going concern assumption, and ensured the disclosures were in compliance with the Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and Listing Requirements before recommending them to the Board for approval and for release to Bursa Securities;

In reviewing the unaudited quarterly financial statements, the AC had:

- Reviewed the reasons for significant fluctuations in the quarterly and year-to-date financial performance of the Company and the Group, including key income and operating expenses and compliance on financial debt covenants;
- Focused on profits contribution by business segments and their respective challenges; and
- Reviewed production cost and production figures for both the oil palm and timber divisions from those budgeted, and discussed management's actions to address the challenges.

(b) Reviewed impact of changes in any accounting policy including assessment of impairment on property, plant and equipment; and

(c) Reviewed the annual audited financial statements of the Company and the Group together with the external auditors before recommending them to the Board for approval.

The AC, based on its review and discussions with the Management and external auditors, considered that the financial statements were fairly presented in conformity with the relevant accounting standards in all material aspects for the financial year ended 30 June 2022.

External Audit

(a) Reviewed with the external auditors the audit plan, responsibilities and scope of work for the financial year ended 30 June 2022 ("FY2022") and external auditors' statutory audit fees;

(b) Discussed and reviewed with the external auditors the status update on FY2022 key areas of audit emphasis before recommending the 4th Quarter financial statements to the Board for approval;

(c) Reviewed the nature of and fees for non-audit services provided by the external auditors in accordance with the Auditors Independence Policy. Having reviewed the non-audit services provided by the external auditors for the financial year ended 30 June 2022, the AC was satisfied that such non-audit services was not likely to create any conflict, compromise or impair the independence and objectivity of the external auditors;

Details of non-audit fees incurred by the Company and Group for the financial year ended 30 June 2022 are stated in the Additional Compliance Information on Page 55 of this Annual Report;

(d) Assessed the suitability and independence of the external auditors in accordance with the criteria set out in the Auditors Independence Policy. The external auditors had also confirmed their professional independence in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants via their written letter to the AC. The AC was satisfied that the external auditors were able to meet the audit requirements and statutory obligation of the Company and also their professional independence as external auditors of the Company.

Based on the evaluation conducted by the AC, the Board recommended the re-appointment of Messrs. Ernst & Young PLT as the external auditors for the ensuing financial year for approval by shareholders at the forthcoming Annual General Meeting in November 2022; and

(e) Held one private meeting with the external auditors in the absence of the executive directors, management and committee secretary.

Internal Audit

(a) Reviewed and approved the Annual Internal Audit Plan to ensure adequacy of scope and coverage of auditable areas with significant and high risks;

(b) Reviewed internal audit reports presented by the Head of IAD addressing internal controls over operations, financial, compliance and information technology processes relating to the Group based on the approved Annual Internal Audit Plan; and

(c) Discussed and reviewed the major findings, areas requiring improvements and significant internal audit matters raised by internal auditors and Management's responses, including follow-up actions. Management of business units concerned was requested to rectify and improve the internal control procedures and work flow processes based on Internal Auditors' recommendations.

Recurrent Related Party Transactions

(a) Reviewed the Recurrent Related Party Transactions ("RRPTs") on a quarterly basis to ensure that all RRPTs entered into by the Group (in relation to the nature, value and terms) were undertaken within the shareholders' mandate including arm's length terms of trade; and

(b) In the case of variation of term of existing RRPT, the AC evaluated the transactions to ensure that they were undertaken at arm's length, on normal commercial terms and on terms which were not more favourable to the related parties than those generally available to the public.

Others

(a) Reviewed the following to ensure compliance with the relevant regulatory requirements prior to recommending them to the Board for approval:

- The review procedures for RRPTs and method for determining the RRPT transaction prices;
- Audit Committee Report; and
- Statement on Risk Management and Internal Control.

SUMMARY OF WORKS OF THE INTERNAL AUDIT FUNCTION

The Group has in place an in-house internal audit department ("IAD"), which provides the Board, through the Audit Committee, with independent assurance on the adequacy and operating effectiveness of the Group's system of internal controls. The IAD is guided by the International Professional Practices Framework ("IPPF") issued by the Institute of Internal Auditors. The IAD, which is independent of the activities it audits, reports directly to the AC.

Audit Scope and Coverage

The IAD adopted a risk based auditing approach, prioritizing audit assignments based on the Group's key business operations, risk management and past audit findings. The key audit findings with recommendations and status of previous audit recommendations were presented to head office senior management and operation unit management in the audit closing meeting. During the Financial Year, the IAD issued 56 audit reports. The Head of the IAD presented the key audit findings to the Audit Committee quarterly during the Audit Committee meeting.

The IAD executed the audit assignments based on approved audit plan and performed the following tasks in accordance with its overall strategy:

- Review Estates and Crude Palm Oil ("CPO") Mills governance;
- Verify the existence of assets and recommend proper safeguards for their protection and usage;
- Evaluate the adequacy of the system of internal controls;
- Recommend improvements in controls;
- Assess compliance with the Group policies and procedures;
- Assess compliance with government obligations;
- Review management action plans to ascertain whether the operations are being carried out as planned; and
- Investigate reported occurrences of irregularities and wastages.

Key Areas Audited during the Financial Year are as follows:

- Oil Palm Plantation Operations
- Oil Palm Plantation operating cost review
- CPO Mill Operations
- Asset Management
- Inventory Management
- Workshop Operations
- Oil Palm Estate and CPO mill workers Payroll
- Plant Repair and Maintenance costs
- Recurrent Related Party Transactions
- IT related system
- Human Resource Management

IAD Team and Spending

The IAD team comprised of a total of 15 auditors as at 30 June 2022. None of the IAD members had any conflicts of interests with the companies within the Group.

During the financial year, all the internal audit activities were performed in-house and the total cost incurred was RM774,985 for the financial year ended 30 June 2022.

This report was approved by the Board on 18 October 2022.

ADDITIONAL COMPLIANCE INFORMATION

The information set out below is disclosed in compliance with Appendix 9C of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad:

i) Material Contracts

There were no material contracts (not being contracts entered into in the ordinary course of business) entered into by the Company or its subsidiaries involving the interests of directors, chief executive who is not a director or major shareholders during the financial year.

ii) Utilisation of Proceeds Raised from Corporate Proposals

There was no fund raising corporate proposal during the financial year.

iii) Audit and Non-Audit Fees

The amount of audit and non-audit fees incurred for services rendered by the Auditors of the Company, Messrs. Ernst & Young PLT (EY) and their affiliates, to the Company and the Group respectively for the financial year ended 30 June 2022 were as follows:

	Group FY 2022 RM	**Company FY 2022 RM**
Statutory audit fee		
- EY Malaysia	809,000	250,000
Non-audit fees*		
- EY Malaysia	15,900	15,900
- Affiliates of EY Malaysia	244,050	25,328
Total	259,950	41,228
% of non-audit fee	32%	16%

* Note:

The non-audit fees comprised mainly fees paid to EY's affiliates for tax compliance and advisory fees.

DISCLOSURE ON RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 26 November 2021, the Company obtained a shareholders' mandate for the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Practice Note 12 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the details of the recurrent related party transactions conducted during the financial year ended 30 June 2022 (FY 2022) pursuant to the shareholders' mandate are as follows:

ADDITIONAL COMPLIANCE INFORMATION

Transacting Related Parties	Nature of Transactions entered into by the Company and/or its subsidiaries (Group)	Amount Transacted During FY2022 RM'000
Borneo Edible Oils Sdn Bhd[1]	Sale of crude palm oil by the Group	332,025
Oriental Group[2 & 3]	Freight service charges payable by the Group	4,382
	Sale of fuel and lubricant by the Group	178
	Provision of security services by the Group	50
R.H. Forest Corporation Sdn Bhd[1]	Land rental payable by the Group	2,577
Rejang Height Sdn Bhd[1]	Land rental payable by the Group	1,190
Wealth Houses Development Sdn Bhd[1]	Land rental payable by the Group	256
Rimbunan Hijau General Trading Sdn Bhd[1]	Purchase of lubricant and spare parts by the Group	4,314

Notes:

Relationship of Related Parties with the Company

1 The major shareholder of the Company, Tan Sri Datuk Sir Tiong Hiew King and/or person(s) connected with him has substantial interest in the Transacting Related Parties.

2 Clara Tiong Siew Ee, the Executive Director of the Company, has substantial interest in the Transacting Related Parties.

3 Oriental Group comprises Oriental Evermore Sdn Bhd and its wholly-owned subsidiaries, Bintara Perkasa Sdn Bhd, Empayar Semarak Sdn Bhd, Globular Sdn Bhd, Trans-Allied Sdn Bhd, Moverstar (M) Sdn Bhd and Oriental Evermore Hotel Sdn Bhd.

DIRECTORS' RESPONSIBILITY STATEMENT
for preparing the annual financial statements

The Directors are required under the Main Market Listing Requirements of Bursa Malaysia Securities Berhad to issue a statement explaining their responsibility for preparing the financial statements.

The Directors are also required by the Companies Act 2016 ("Act") to prepare financial statements for each financial year, which give a true and fair view of the affairs of the Group and the Company as at the end of the financial year, the results and cash flows of the Group and the Company for financial year.

In preparing the financial statements for the financial year ended 30 June 2022, the Directors have:

a) applied the appropriate accounting policies on a consistent basis;
b) made judgments and estimates that are reasonable and prudent;
c) prepared the annual financial statements on a going concern basis; and
d) ensured that applicable approved Malaysian Financial Reporting Standards and International Financial Reporting Standards and provisions in the Act are complied with.

The Directors are responsible for ensuring that the Group and the Company keep accounting records which discloses, with reasonable accuracy, the financial position of the Group and the Company which enables them to ensure that the financial statements comply with the Act.

The Directors have overall responsibilities for taking reasonable steps to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

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Financial Statements

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

Principal activities

The principal activities of the Company are investment holding, provision of management services, extraction and sale of logs.

The principal activities of the subsidiaries extend to the development of oil palm plantations and its related activities. Details of principal activities of subsidiaries are set out in Note 16 to the financial statements.

There have been no significant changes in the nature of the principal activities during the financial year.

Results

	Group RM'000	**Company** RM'000
Profit for the year attributable to:		
Owners of the parent	134,556	35,275
Non-controlling interests	(143)	-
	134,413	35,275

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 as disclosed in the financial statements.

Reserves and provisions

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

Treasury shares

As at 30 June 2022, the number of treasury shares were 5,727,000 and the outstanding ordinary shares in issue after set-off of treasury shares were therefore 967,990,797.

Dividends

The amount of dividends paid by the Company since 30 June 2021 was as follows:

	RM
In respect of the financial year ended 30 June 2022:	
Interim single tier dividend of 2.8 sen on 967,990,797 ordinary shares, declared on 29 August 2022 and paid on 18 October 2022	27,103,742

The financial statements for the current financial year do not reflect the dividend paid. Such dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2023.

The Directors do not recommend any final dividend to be paid in respect of the financial year ended 30 June 2022.

DIRECTORS' REPORT

Directors

The directors of the Company in office since the beginning of the financial year and up to the date of this report are:

Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	Non-Executive Chairman
Dato' Jin Kee Mou	Chief Executive Officer (Appointed on 22 September 2021)
Tiong Chiong Hee	Executive Director, also a director of certain subsidiaries
Clara Tiong Siew Ee	Executive Director, also a director of all subsidiaries
Dato' Sri Dr. Tiong Ik King	
Tiong Choon	Also a director of certain subsidiaries
Dato' Wong Lee Yun	
Yong Voon Kar	

The directors of the Company's subsidiaries in office since the beginning of the financial year and up to the date of this report (not including those directors listed above) are:

Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King
Datuk Tiong Thai King
Dato' Wong Pack
Nayun Ak Sanup
Tan Yoke Seng

Directors' benefits

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

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than 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 below) by reason of a contract made by the Company or a related corporation with a 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, except as disclosed in Note 29 to the financial statements.

Directors' remunerations

Details of directors' remunerations in accordance with the requirements of Companies Act 2016 are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Executive:				
Salaries and other emoluments	1,420	3,351	1,420	3,351
Contributions to defined contribution plans	185	137	185	137
Total executive directors' remuneration (excluding benefits-in-kind)	1,605	3,488	1,605	3,488
Estimated money value of benefits-in-kind	24	16	24	16
Total executive directors' remuneration (including benefits-in-kind)	1,629	3,504	1,629	3,504

DIRECTORS' REPORT

Directors' remunerations (contd.)

Non-executive:

Fees	505	475	457	427
Other emoluments	278	245	278	245
Total non-executive directors' remuneration (excluding benefits-in-kind)	783	720	735	672
Estimated money value of benefits-in-kind	-	1	-	1
Total non-executive directors' remuneration (including benefits-in-kind)	783	721	735	673
	2,412	4,225	2,364	4,177
Insurance effected to indemnify directors*	20	20	20	20
Total directors' remunerations	2,432	4,245	2,384	4,197

* The Company maintains a liability insurance for the directors of the Group. The total amount of sum insured for directors of the Group for the financial year amounted to RM20,000,000. No payment was made for any indemnification during the financial year and up to the date of this report.

Directors' interests

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests of the directors in office at the end of the financial year in shares in the Company or its related corporations during the financial year were as follows:

	Number of Ordinary Shares			
	As at 1 July 2021	**Acquired**	**Disposed**	**As at 30 June 2022**
Direct:				
Dato' Sri Dr. Tiong Ik King	341,790	-	-	341,790
Dato' Jin Kee Mou	73,825	-	-	73,825
Indirect:				
Tiong Choon*	1,452,428	-	(20,000)	1,432,428
Tiong Chiong Hee**	-	130,000	-	130,000
Clara Tiong Siew Ee***	-	795,936	-	795,936

* Deemed interest pursuant to Section 59(11)(c) of the Companies Act 2016.

** Deemed interest pursuant to Section 8(4) of the Companies Act 2016.

*** Deemed interest pursuant to Section 8(6) of the Companies Act 2016.

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.

DIRECTORS' REPORT

Other statutory information

(a) Before the statements of profit or loss and other comprehensive income and statements of financial position 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 have satisfied themselves that there were no known bad debts 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) it necessary to write off any bad debts or the amount of the allowance for doubtful debts in the financial statements inadequate to any substantial extent; and

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

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

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

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

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

 (ii) any contingent liability 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 substantially affect the ability of the Group or of the Company to meet their obligations as and when they fall due; and

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

Significant events

Details of significant events are disclosed in Note 35 to the financial statements.

DIRECTORS' REPORT

Auditors

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remunerations are disclosed in Note 8 to the financial statements.

To the extent permitted by law, the Group and the Company have agreed to indemnify their auditors, Ernst & Young PLT, as part of the terms of their audit engagements against claims by third parties arising from their audits (for an unspecified amount). No payment has been made to indemnify Ernst & Young PLT for the financial year ended 30 June 2022.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 October 2022.

Dato' Jin Kee Mou **Tiong Chiong Hee**

STATEMENT BY DIRECTORS
pursuant to Section 251(2) of the Companies Act 2016

We, **Dato' Jin Kee Mou** and **Tiong Chiong Hee**, being two of the directors of **Jaya Tiasa Holdings Berhad**, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 70 to 154 are drawn up in accordance with the 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 30 June 2022 and of their financial performances and their cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 October 2022.

Dato' Jin Kee Mou **Tiong Chiong Hee**

STATUTORY DECLARATION
pursuant to Section 251(1)(b) of the Companies Act 2016

I, **Hii Khing Siew**, being the officer primarily responsible for the financial management of **Jaya Tiasa Holdings Berhad**, do solemnly and sincerely declare that the accompanying financial statements set out on pages 70 to 154 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 **Hii Khing Siew** at
Sibu in the State of Sarawak
on 27 October 2022

Hii Khing Siew (MIA 8414)

Before me,

Belinda Hii Tai King
Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT
to the Members of Jaya Tiasa Holdings Berhad

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Jaya Tiasa Holdings Berhad**, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 70 to 154.

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 30 June 2022, and of their financial performance and their cash flows for the year then ended in accordance with the 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 report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. The key audit matters for the audit of the financial statements of the Group and of the Company are described below. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements. We have identified three key audit matters as follows:

Impairment review of property, plant and equipment ("PPE")

As at 30 June 2022, the carrying amount of the Group's PPE whose subsidiaries incurred operational losses amounted to RM177.9 million. The Group has performed impairment tests on these PPE during the financial year due to this reason.

The impairment reviews of these PPE are significant to our audit due to their quantum and the significant judgement and estimates involved in determining their recoverable amounts. Accordingly, the impairment reviews of these PPE have been identified as a key audit matter.

Management has determined the recoverable amounts of these PPE based on the higher of the estimated value-in-use ("VIU") and fair value less cost to sell ("FVLCTS").

Report on the audit of the financial statements (contd.)

Key audit matters

Impairment review of property, plant and equipment ("PPE") (contd.)

As part of the audit, we have assessed the reasonableness of the key assumptions used in determining the VIU, in particular, selling prices and gross margins and operating costs by taking into consideration historical trends and market information. We have also assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risk specific to the assets. We have also assessed the appropriateness of the FVLCTS of the relevant PPE by comparing their carrying amounts against prices from recent transactions and published prices of similar assets.

We have also considered the sensitivity of these key assumptions as disclosed in Note 3.2(a) to the financial statements and other disclosures included in the summary of significant accounting policies in Note 2.12 to the financial statements.

Valuation of biological assets – Planted Forest

As at 30 June 2022, the fair value of the Group's planted forest amounted to RM98.1 million. The planted forest was measured at cost at initial recognition and subsequently at fair value less costs to sell at the end of each reporting period.

The fair value of the planted forest was independently assessed by professional valuers during the financial year. The professional valuers engaged by the Group used industry accepted valuation methodology in assessing the fair value of the planted forest. Due to the measurement of fair value being inherently judgemental, we have considered this to be a key audit matter.

As part of the audit, we have assessed the significant assumptions used by the independent professional valuers in deriving the fair value. We have also assessed the competency, capability and objectivity of the independent professional valuers.

We have also considered the disclosures in Note 14 to the financial statements and other disclosures included in the summary of significant accounting policies in Note 2.11 to the financial statements, as well as in the significant accounting estimates in Note 3.2(c) to the financial statements.

Impairment review of investments in subsidiaries

Certain subsidiaries of the Group incurred operational losses during the financial year, which is an indicator of impairment. As at 30 June 2022, the carrying amount of the investment in these subsidiaries amounted to RM145.4 million. The Group has carried out impairment test to determine the recoverable amounts of the investments in these subsidiaries.

The impairment reviews of these investments in subsidiaries are significant to our audit due to the quantum of their carrying amounts and the significant judgement and estimates involved in determining their recoverable amounts. Accordingly, the impairment reviews of these investments have been identified as a key audit matter.

As part of the audit, we have assessed the reasonableness of the key assumptions used by the management to estimate the VIU of the investments which include the estimated revenue, gross margin and operating costs by taking into consideration historical trends and published market information. We have also assessed the appropriateness of the discount rate used to determine the present value of the cash flows which form the basis in arriving at their recoverable amounts.

We have also considered disclosures in Note 16 to the financial statements and other disclosures included in the summary of significant accounting policies in Note 2.12 to the financial statements, as well as in the significant accounting and estimates in Note 3.2(d) to the financial statements.

Report on the audit of the financial statements (contd.)

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 Directors' Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the annual report, which is expected to be made available to us after the date of this auditors' report.

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

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

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

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

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 Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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 Group's and the Company's internal control.

Report on the audit of the financial statements (contd.)

Auditors' responsibilities for the audit of the financial statements (contd.)

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

- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other matters

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

ERNST & YOUNG PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

LOW KHUNG LEONG
No. 02697/01/2023 J
Chartered Accountant

Kuching, Malaysia.
Date: 27 October 2022

STATEMENTS OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
For the financial year ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Revenue	4	810,770	723,407	145,177	104,805
Cost of sales	5	(535,987)	(529,287)	(66,442)	(95,039)
Gross profit		274,783	194,120	78,735	9,766
Other items of income					
Other income	6	22,105	33,322	60,736	15,003
Other items of expense					
Selling expenses		(17,720)	(19,630)	(4,471)	(4,277)
Administrative expenses		(37,379)	(30,103)	(15,771)	(13,259)
Other expenses		(7,612)	(68,538)	(66,318)	(12,523)
Finance costs	7	(33,619)	(33,042)	(16,619)	(8,842)
Profit/(loss) before tax	8	200,558	76,129	36,292	(14,132)
Income tax expense	11	(66,145)	(43,948)	(1,017)	(503)
Profit/(loss) net of tax		134,413	32,181	35,275	(14,635)
Other comprehensive income:					
Other comprehensive loss that will not be reclassified to profit or loss in subsequent periods:					
Net loss on equity instrument designated as fair value through other comprehensive income		(3,823)	(1,897)	-	-
Other comprehensive (loss)/income that will be reclassified to profit or loss in subsequent periods:					
Foreign currency translation, net of tax		(3)	4	-	-
Total comprehensive income/ (loss) for the year		130,587	30,288	35,275	(14,635)

STATEMENTS OF **PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the financial year ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Profit/(loss) attributable to:					
Owners of the parent		134,556	32,246	35,275	(14,635)
Non-controlling interests		(143)	(65)	-	-
		134,413	32,181	35,275	(14,635)
Total comprehensive income attributable to:					
Owners of the parent		130,730	30,353	35,275	(14,635)
Non-controlling interests		(143)	(65)	-	-
		130,587	30,288	35,275	(14,635)

	Note	2022	2021
Profit per share attributable to owners of the parent (sen per share):			
Basic, for profit for the year	12	13.90	3.33
Diluted, for profit for the year	12	13.90	3.33

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

STATEMENTS OF **FINANCIAL POSITION**

As at 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,558,772	1,702,643	38,511	39,959
Biological assets	14	98,133	93,842	-	-
Other intangible assets	15	495	640	340	454
Investments in subsidiaries	16	-	-	1,412,734	1,408,221
Investment in an associate	17	-	-	-	-
Investment securities	22	11,815	15,638	-	-
Deferred tax assets	18	18,453	10,159	-	-
		1,687,668	1,822,922	1,451,585	1,448,634
Current assets					
Inventories	19	48,246	36,698	6,452	7,447
Biological assets	14	18,068	10,222	-	-
Trade and other receivables	20	57,987	40,534	536,020	292,779
Other current assets	21	6,746	8,521	1,507	2,179
Cash and bank balances	23	247,217	23,425	235,324	3,569
		378,264	119,400	779,303	305,974
TOTAL ASSETS		2,065,932	1,942,322	2,230,888	1,754,608
EQUITY AND LIABILITIES					
Current liabilities					
Loans and borrowings	24	57,450	373,787	48,636	54,458
Trade and other payables	25	100,816	90,736	164,972	229,194
Income tax payable		982	723	-	-
		159,248	465,246	213,608	283,652

STATEMENTS OF **FINANCIAL POSITION**
As at 30 June 2022 (contd.)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
EQUITY AND LIABILITIES (CONTD.)					
Non-current liabilities					
Loans and borrowings	24	515,389	279,442	512,248	1,199
Deferred tax liabilities	18	121,602	58,528	-	-
		636,991	337,970	512,248	1,199
TOTAL LIABILITIES		796,239	803,216	725,856	284,851
Equity attributable to owners of the parent					
Share capital	26	977,402	977,402	977,402	977,402
Treasury shares	26	(13,687)	(13,687)	(13,687)	(13,687)
Other reserves	27	(22,934)	(19,111)	-	-
Retained earnings		330,149	195,596	541,317	506,042
		1,270,930	1,140,200	1,505,032	1,469,757
Non-controlling interests		(1,237)	(1,094)	-	-
TOTAL EQUITY		1,269,693	1,139,106	1,505,032	1,469,757
TOTAL EQUITY AND LIABILITIES		2,065,932	1,942,322	2,230,888	1,754,608
Net Current Assets/(Liabilities)		219,016	(345,846)	565,695	22,322
Net Assets		1,269,693	1,139,106	1,505,032	1,469,757

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

STATEMENTS OF **CHANGES IN EQUITY**
For the financial year ended 30 June 2022

		← Attributable to owners of the parent →					
	Total equity	Equity attributable to owners of the parent, total	Share capital (Note 26)	Treasury shares (Note 26)	Other reserves (Note 27)	Retained earnings	Non-controlling interests
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
Opening balance at 1 July 2021	1,139,106	1,140,200	977,402	(13,687)	(19,111)	195,596	(1,094)
Profit/(loss) for the year	134,413	134,556	-	-	-	134,556	(143)
Other comprehensive income	(3,826)	(3,826)	-	-	(3,826)	-	-
Total comprehensive income	130,587	130,730	-	-	(3,826)	134,556	(143)
Reclassification	-	-	-	-	3	(3)	-
Closing balance at 30 June 2022	1,269,693	1,270,930	977,402	(13,687)	(22,934)	330,149	(1,237)
Opening balance at 1 July 2020	1,108,818	1,109,847	977,402	(13,687)	(31,505)	177,637	(1,029)
Profit/(loss) for the year	32,181	32,246	-	-	-	32,246	(65)
Other comprehensive income	(1,893)	(1,893)	-	-	(1,893)	-	-
Total comprehensive income	30,288	30,353	-	-	(1,893)	32,246	(65)
Transfer of fair value adjustment upon disposal of equity instruments	-	-	-	-	14,285	(14,285)	-
Reclassification	-	-	-	-	2	(2)	-
Closing balance at 30 June 2021	1,139,106	1,140,200	977,402	(13,687)	(19,111)	195,596	(1,094)

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

STATEMENTS OF **CHANGES IN EQUITY**
For the financial year ended 30 June 2022

	Total equity RM'000	Share capital (Note 26) RM'000	Treasury shares (Note 26) RM'000	Retained earnings RM'000
Company				
Opening balance at 1 July 2021	1,469,757	977,402	(13,687)	506,042
Total comprehensive income	35,275	-	-	35,275
Closing balance at 30 June 2022	1,505,032	977,402	(13,687)	541,317
Opening balance at 1 July 2020	1,484,392	977,402	(13,687)	520,677
Total comprehensive loss	(14,635)	-	-	(14,635)
Closing balance at 30 June 2021	1,469,757	977,402	(13,687)	506,042

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

STATEMENTS OF **CASH FLOWS**

For the financial year ended 30 June 2022

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Operating activities					
Profit/(loss) before tax		200,558	76,129	36,292	(14,132)
Adjustments for:					
Amortisation of other intangible assets	8	149	154	118	123
Depreciation of property, plant and equipment	8	152,017	156,978	3,513	3,996
Dividend income from subsidiaries	4	-	-	(60,500)	-
Net change in fair value of biological assets	8	(1,399)	(19,443)	-	-
Impairment loss, net of reversal, on:					
- investment in subsidiaries	8	-	-	(4,513)	6,874
- property, plant and equipment	8	-	13,028	-	-
Expected credit loss on trade and other receivables	8	(368)	(78)	26,809	5,571
Interest expense	8	29,348	31,848	12,787	8,571
Interest income	8	(1,634)	(21)	(11,968)	(9,937)
Net (gain)/loss on disposal of property, plant and equipment	8	(2,132)	(2,614)	(274)	171
Net unrealised foreign exchange (gain)/loss	8	(140)	82	(41)	25
Property, plant and equipment written off	8	1,750	2,241	449	44
Write down of inventories	8	874	9,341	-	-
Total adjustments		178,465	191,516	(33,620)	15,438
Operating cash flows before changes in working capital		379,023	267,645	2,672	1,306
Changes in working capital					
(Increase)/decrease in inventories		(12,422)	17,041	995	4,352
(Increase)/decrease in receivables		(17,085)	(4,094)	(209,529)	13,087
(Increase)/decrease in prepayments		(1,123)	507	56	126
Increase/(decrease) in payables		10,080	(96,537)	(64,222)	1,960
Total changes in working capital		(20,550)	(83,083)	(272,700)	19,525
Cash flows from operations		358,473	184,562	(270,028)	20,831
Interest received		1,634	21	11,968	9,937
Interest paid		(29,348)	(31,848)	(12,787)	(8,571)
Income taxes paid, net of refund		(8,208)	(6,374)	(401)	286
Net cash flows from/(used in) operating activities		322,551	146,361	(271,248)	22,483

STATEMENTS OF **CASH FLOWS**
For the financial year ended 30 June 2022 (contd.)

	Note	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Investing activities					
Acquisition of property, plant and equipment	13(e)	(11,266)	(4,773)	(4,449)	(314)
Acquisition of intangible assets	15	(4)	-	(4)	-
Acquisition of biological assets (excluding depreciation)	14	(9,785)	(9,022)	-	-
Proceeds from disposal of property, plant and equipment		2,717	5,640	2,377	308
Proceeds from disposal of investment		-	20,965	-	-
Net cash flows (used in)/from investing activities		(18,338)	12,810	(2,076)	(6)
Financing activities					
Repayment of bankers' acceptances, net		(25,574)	(8,714)	-	-
Repayment of revolving credit, net		(285,500)	(54,000)	(40,000)	-
Repayment of lease liabilities		(4,838)	(7,327)	(3,895)	(5,106)
Drawndown/(repayment) of term loans, net		319,850	(40,650)	559,000	-
Net movement in debt service reserve accounts		(18,351)	-	(18,351)	-
Net cash flows (used in)/from financing activities		(14,413)	(110,691)	496,754	(5,106)
Net increase in cash and cash equivalents		289,800	48,480	223,430	17,371
Effects of exchange rate changes		137	(82)	20	(25)
Cash and cash equivalents at the beginning of the year		(61,593)	(109,991)	(6,999)	(24,345)
Cash and cash equivalents at the end of the year	23	228,344	(61,593)	216,451	(6,999)

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

NOTES TO **THE FINANCIAL STATEMENTS**
For the financial year ended 30 June 2022

1. Corporate information

The Company is a public limited liability company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office and principal place of business of the Company is located at No. 1 - 9, Pusat Suria Permata, Lorong Upper Lanang 10A, 96000 Sibu, Sarawak, Malaysia.

The principal activities of the Company are investment holding, provision of management services, extraction and sale of logs. The principal activities of the subsidiaries are set out in Note 16. There have been no significant changes in the nature of the principal activities during the financial year.

2. Basis of preparation and summary of significant accounting policies

2.1 Basis of preparation

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 ("IFRS") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company have also been prepared on the historical cost basis except as otherwise disclosed in the accounting policies below.

The financial statements of the Group and the Company are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand ("RM'000") except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group and the Company have adopted all the new and amended standards which are relevant to Group and the Company and are effective for annual financial periods beginning on or after 1 January 2021 as follows:

Description	**Effective for annual periods beginning on or after**
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendments to MFRS 16: Leases - COVID-19 - Related Rent Concessions beyond 30 June 2021	1 April 2021

The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's and the Company's financial statements are disclosed below. The Group and the Company intend to adopt these new and amended standards and interpretations, if applicable, when they become effective.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.3 Standards issued but not yet effective (contd.)

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to MFRS Standards 2018 – 2020 Cycle	1 January 2022
MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts	1 January 2023
Amendments to MFRS 17: Insurance Contracts (including amendments on Initial Application of MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 101: Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Deferred tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors do not expect any material impact from the adoption of the above standards in the period of initial application, except as disclosed below:

(a) Amendments to MFRS 101: Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies

In March 2020, the MASB issued amendments to paragraphs 69 to 76 of MFRS 101 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- what is meant by a right to defer settlement
- that a right to defer must exist at the end of the reporting period
- that classification is unaffected by the likelihood that an entity will exercise its deferral right
- that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

These amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. The Group and the Company are currently assessing the impact the amendments will have on current practice.

(b) Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract

In June 2020, the MASB issued amendments to MFRS 137 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.4 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Company controls an investee if and only if the Company has all the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
(ii) exposure, or rights, to variable returns from its investment with the investee; and
(iii) the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(i) the contractual arrangement(s) with the other vote holders of the investee;
(ii) rights arising from other contractual arrangements; and
(iii) the Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

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

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.4 Basis of consolidation (contd.)

Business combinations and goodwill (contd.)

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of MFRS 9 Financial Instruments, is measured at fair value with the changes in fair value recognised in the statement of profit or loss in accordance with MFRS 9. Other contingent consideration that is not within the scope of MFRS 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost (being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests and any previous interest held over the net identifiable assets acquired and liabilities assumed). If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.5 Current versus non-current classification

The Group and the Company present assets and liabilities in the statements of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.5 Current versus non-current classification (contd.)

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Group and the Company classify all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.6 Subsidiaries

A subsidiary is an entity over which the Group has all the following:

(a) Power over the investee (i.e existing rights that give it the current ability to direct the relevant activities of the investee);

(b) Exposure, or rights, to variable returns from its investment with the investee; and

(c) The ability to use its power over the investee to affect its returns.

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

2.7 Investments in associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The considerations made in determining significant influence are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss reflects the Group's share of the results of operations of the associate. Any change in OCI of the associate is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.7 Investments in associates (contd.)

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss within 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

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

2.8 Foreign currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. The Group uses the direct method of consolidation and on disposal of a foreign operation, the gain or loss that is reclassified to profit or loss reflects the amount that arises from using this method.

(a) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss with the exception of monetary items that are designated as part of the hedge of the Group's net investment in a foreign operation. These are recognised in other comprehensive income ("OCI") until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.8 Foreign currency (contd.)

(a) Transactions and balances (contd.)

If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(b) Group companies

On consolidation, the assets and liabilities of foreign operations are translated into RM at the rate of exchange prevailing at the reporting date and their statements of profit or loss are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in OCI. On disposal of a foreign operation, the component of OCI relating to that particular foreign operation is reclassified to profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition are treated as assets and liabilities of the foreign operation and translated at the spot rate of exchange at the reporting date.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment, except for freehold land, are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group and the Company recognise such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Bearer plants of oil palms consist of accumulated plantation development costs incurred from land clearing to the point of maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon the point of maturity, which is approximately 3 years. When a bearer crop has reached the end of its useful life and is replanted, the carrying amount of the old bearer plants are derecognised, and the costs of the new bearer plants are treated as a replacement of the old bearer plants and capitalised.

Freehold land has an unlimited useful life and therefore is not depreciated. Leasehold land is amortised over its remaining lease term. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Aircraft, watercraft, motor vehicles, plant and machinery	5 - 20 years
Bearer plants	25 years
Factories, buildings and quarters	10 - 50 years or over remaining land lease period
Office renovation, furniture, fittings and equipment	10 years
Roads and bridges	10 years

Capital work-in-progress is not depreciated as these assets are not available for use.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.9 Property, plant and equipment (contd.)

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

A contract which involves the use of an item of property, plant and equipment that meets the definition of a lease is recognised as a right-of-use asset.

2.10 Intangible assets

Other intangible assets

Intangible assets acquired separately are measured initially at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial acquisition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Computer software

The useful life of computer software is amortised on a straight-line basis over the estimated economic useful life of ten years.

2.11 Biological assets

Biological assets comprise fresh fruit bunches (“FFB”) prior to harvest and planted forest.

(a) FFB prior to harvest

FFB prior to harvest (plantation produce growing on bearer plants) are classified as current assets as they are expected to be harvested and sold or used for production on a date not more than two (2) weeks after the reporting date.

FFB prior to harvest are measured at fair value less costs to sell. Fair value is measured as the present value from the sale of the FFB, less appropriate cost to sell and discounted at an appropriate rate. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.11 Biological assets (contd.)

(b) Planted forest (forestry assets)

The fair value of the forestry assets is measured as the present value from the harvest of the planted forest which is discounted using a risk adjusted discount rate. The estimated volume of timber on hand is determined based on the maturity profile of the area under afforestation, the species, the geographic location and other environmental considerations and excludes future growth. The product of these is then adjusted to present value by applying applicable pre-tax weighted average cost of capital of the business unit.

Changes in fair value are recognised in the statement of profit or loss. At point of felling, the carrying value of forestry assets is transferred to inventories.

Directly attributable costs incurred during the year of biological growth and investments in standing timber are capitalised and presented within cash flows from investing activities.

2.12 Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash generating unit's ("CGU") fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.12 Impairment of non-financial assets (contd.)

Goodwill is tested for impairment annually as at the reporting date and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at the reporting date at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

2.13 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("OCI"), and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.13 Financial instruments (contd.)

(a) Financial assets (contd.)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Dividends on listed equity investments are recognised as other income in the statement of profit or loss when the right of payment has been established.

Financial assets at fair value through OCI (debt instruments)

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under MFRS 132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.13 Financial instruments (contd.)

(a) Financial assets (contd.)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a passthrough arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.13 Financial instruments (contd.)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

(i) Fair value through profit or loss ("FVTPL")

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied.

(ii) Amortised cost (loans and borrowings)

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

Derecognition

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

2. Basis of preparation and summary of significant accounting policies (contd.)

2.13 Financial instruments (contd.)

(c) 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 currently has a legally enforceable right to set off the amount and it intends either to settle them on a net basis or to realise the asset and liability simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and demand short-term deposit with maturity of three months or less. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Inventories

Inventories are measured at lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

- Raw materials: purchase costs on weighted average cost method.

- Finished goods and work-in-progress: cost of raw materials, direct labour, an appropriate proportion of fixed and variable factory overheads and all costs attributable to nursery and tree planting expenditure that can be allocated on a reasonable basis to such activities.

- Processed inventories: cost of raw materials, direct labour and an appropriate proportion of fixed and variable production overheads.

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

2.16 Provisions

Provisions are recognised when the Group or the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group or the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in profit or loss net of any reimbursement.

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

2.17 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.17 Financial guarantee contracts (contd.)

Financial guarantee contracts are recognised initially as a liability at fair value, net of transaction costs when the likelihood of default by the debtors is more than probable. Subsequent to initial recognition, financial guarantee contracts are recognised as income in profit or loss over the period of the guarantee. If the debtor fails to make payment relating to financial guarantee contract when it is due and the Group or the Company, as the issuer, is required to reimburse the holder for the associated loss, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised less cumulative amortisation.

2.18 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset.

All other borrowing costs are recognised in profit or loss in the year they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.19 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group and the Company recognise lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(i) Right-of-use assets

The Group and the Company recognise right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are classified within the same line item as the corresponding underlying assets would be presented if they were owned. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	5 to 893 years
Motor vehicles	5 to 15 years

If ownership of the leased asset is transferred to the Group and the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset instead of the lease term.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.19 Leases (contd.)

(a) As a lessee (contd.)

(ii) Lease liabilities

At the commencement date of the lease, the Group and the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and by the Company and payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group and the Company use its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group and the Company apply the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). They also apply the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Group or the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.20 Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.20 Revenue from contracts with customers (contd.)

Revenue is recognised when the Group and the Company satisfy a performance obligation by transferring a promised good and service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Sale of goods

Revenue from sale of goods is measured based on the consideration specified in a contract with a customer in exchange for transferring goods 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 to customer. An asset is transferred when (or as) the customer obtains control over the asset.

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

- the customer simultaneously receives and consumes the benefits provided as the Group or the Company performs;
- the performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the 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.

(b) Services rendered

Revenue from services is recognised when the Group and the Company transfer control upon performance of services over time to customers where the customer simultaneously receives and consumes the benefits provided as the Group and the Company perform.

(c) Other revenue

Revenue from other sources are recognised as follows:

(i) Interest income is recognised on an accrual basis using the effective interest method.
(ii) Rental income is accounted for on a straight-line basis over the lease terms.
(iii) Dividend income is recognised when the Group's and the Company's right to receive payment is established.
(iv) Management fees are recognised when services are rendered.

2.21 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

The Group and the Company participate in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.21 Employee benefits (contd.)

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they accrue to the employees. The estimated liabilities for leave are recognised for services rendered by employees up to the reporting date.

2.22 Taxes

(a) Income tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.22 Taxes (contd.)

(b) Deferred tax (contd.)

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Services Tax ("SST")

Revenue, expenses and assets are recognised net of the amount of SST except:

- Where the SST incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the SST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of SST included.

2.23 Share capital and share issuance expenses

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

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

2.24 Treasury shares

Own equity instruments that are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognised in the share capital.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.25 Fair value measurements

Fair value is 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 fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group or the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset 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.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group and the Company have determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the assets and liabilities and the level of the fair value hierarchy as explained above.

2.26 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the Group and the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and the Company but discloses its existence in the notes to the financial statements.

2. Basis of preparation and summary of significant accounting policies (contd.)

2.27 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

3. Significant accounting judgements and estimates

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

3.1 Critical judgements made in applying accounting policies

The following are judgements made by management in the process of applying the Group's and the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Determining the lease term of contracts with extension and termination options

The Group and the Company determine the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group and the Company have several lease contracts that include extension and termination options. The Group's and the Company's judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, they consider all relevant factors that create an economic incentive for it to exercise either the renewal or termination.

After the commencement date, the Group and the Company reassess the lease term if there is a significant event or change in circumstances that is within its control and affect their ability to exercise, renew or terminate.

The Group and the Company include the renewal periods as part of the lease term for leases of buildings when they are reasonably certain to be exercised. In addition, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

3.2 Key sources of estimation uncertainty

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

(a) Impairment assessment of property, plant and equipment (including right-of use assets)

Due to operational losses, the Group assessed the recoverable amount of the oil mills during the financial year.

3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(a) Impairment assessment of property, plant and equipment (including right-of use assets) (contd.)

The estimated recoverable amounts of the oil mills are determined based on the higher of their VIUs and fair value less costs of disposal ("FVLCTS"). The Group regards each mill as a separate CGU.

Changes to the following key assumptions may result in impairment:

Key assumption	Sensitivity - impairment would arise if:
Selling price	Decrease in prices of CPO ranging between 1.0% and 2.0%
Margin	Margin decrease between 0.7% and 1.4%
Other operational cost	Increase between 13.0% and 24.3%
Discount rate	Increase in the discount rate ranging from 6.3% to 20.7%

(b) Fair value of biological assets

Biological assets represent the produce growing on oil palms. FFB are harvested from the oil palms for use in the production of CPO and palm kernel (PK). The growing produce are essentially FFB prior to harvesting.

An oil palm fruit typically starts to develop oil from about 14 to 15 weeks after pollination. The oil content in the fruit increases exponentially over the next 5 weeks and reaches its maximum at about 22 weeks.

Management considered the maturity stages of FFB and concluded that unripen FFB of up to 15 days would be used in the computation of the fair value of biological assets.

The fair value of the growing produce is determined on the basis of present value of expected future cash flows which takes into consideration the production and estimated selling prices of CPO and PK adjusted for extraction rates, processing, harvesting and transport costs. The carrying amount of biological assets is disclosed in Note 14.

If the tonnage of unripen FFB vary by 5%, the fair value of the Group's biological assets would increase or decrease by RM903,419 (2021: RM511,094).

(c) Planted forest (forestry assets)

Planted forest are stated at fair value less estimated cost to sell at the harvesting stage and is a Level 3 measure in terms of the fair value measurement hierarchy as established by MFRS 13 *Fair Value Measurement*. The planted forest was independently assessed by professional valuers.

In arriving at plantation fair values, the key assumptions used are estimated selling prices, cost of production and delivery, grade of harvest and harvestable volume. All changes in fair value are recognised in the profit and loss in the period in which they arise.

The impact of changes in significant assumptions on the fair value of the planted forest is disclosed in Note 14.

3. Significant accounting judgements and estimates (contd.)

3.2 Key sources of estimation uncertainty (contd.)

(d) Impairment assessment of investment in subsidiaries

The Company carried out the impairment test on the carrying amounts of investment in those subsidiaries involved in crude palm oil milling operations as disclosed in Note 3.2(a) above. The Company estimates the recoverable amount of the investment based on the higher of VIU and fair value less cost to sell. The assumptions used are similar to those stated in Note 3.2(a) above. A terminal value is applied in the VIU computation where a long-term growth rate of 0% is assumed. Impairment will arise if similar changes were made to the significant assumptions as disclosed in Note 3.2(a).

4. Revenue

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Major product lines:				
Sale of crude palm oil, palm kernel and fresh fruit bunches	724,199	592,556	-	-
Sale of timber and related products	86,172	130,459	84,677	104,805
Dividend income from subsidiaries	-	-	60,500	-
Others	399	392	-	-
	810,770	723,407	145,177	104,805
Revenue from contracts with customers:				
- recognised at a point in time	810,770	723,407	145,177	104,805

There are no material unfulfilled performance obligations as at the reporting date, whether unsatisfied or partly satisfied, to be recognised over the subsequent periods.

Salient terms of sales are as follows:

(i) Crude palm oil, palm kernel and fresh fruit bunches - Credit period of 15 to 30 days (2021: 15 to 30 days) from invoicing date. No material warranty or refund obligation.

(ii) Timber and related products - Credit period of 15 days (2021: 15 days) from invoicing date. No material warranty or refund obligation.

5. Cost of sales

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Cost of crude palm oil, palm kernel and fresh fruit bunches	465,396	397,729	-	-
Cost of timber and related products	69,611	124,503	66,442	95,039
Others	980	7,055	-	-
	535,987	529,287	66,442	95,039

6. Other income

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Fair value gain on biological assets	7,932	20,403	-	-
Freight and handling income	699	1,110	668	915
Foreign exchange gain				
- realised	1	-	-	-
- unrealised	154	14	40	-
Commission income	16	18	16	18
Gain on disposal of property, plant and equipment	2,201	3,340	274	-
Interest income (Note 8)	1,634	21	11,968	9,937
Others	7,894	6,433	258	781
Rental income (Note 8)	290	404	258	274
Reversal of impairment loss on				
- other receivables (Note 20(d))	573	78	22,741	78
- investment in subsidiaries (Note 16(b))	-	-	21,280	-
Road maintenance fee income	-	-	3,000	3,000
Wage subsidy - government grant	711	1,501	233	-
	22,105	33,322	60,736	15,003

7. Finance costs

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Interest expense on:				
Bank loans and bank overdrafts	28,824	31,041	1,878	1,994
Lease liabilities (Note 24(c))	399	768	164	454
Amounts due to subsidiaries	-	-	10,745	6,115
Others	125	39	-	8
Interest expense (Note 8)	29,348	31,848	12,787	8,571
Add: Other charges				
Bank charges	3,844	618	3,540	62
Commitment fee	427	576	292	209
	4,271	1,194	3,832	271
	33,619	33,042	16,619	8,842

8. Profit/(loss) before tax

The following amounts have been included in arriving at profit/(loss) before tax:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Amortisation of other intangible assets (Note 15)	149	154	118	123
Auditors' remunerations statutory audit	809	809	250	250
Depreciation of property, plant and equipment (Note 13)	152,017	156,978	3,513	3,996
Expected credit loss on trade and other receivables (Note 20)	(368)	(78)	26,809	5,571
Hiring charges paid to a subsidiary	-	-	300	300
Impairment loss, net of reversal, on:				
- investment in subsidiaries (Note 16(b))	-	-	(4,513)	6,874
- property, plant and equipment (Note 13)	-	13,028	-	-
Interest expense (Note 7)	29,348	31,848	12,787	8,571
Interest income (Note 6)	(1,634)	(21)	(11,968)	(9,937)
Net fair value changes in biological assets (Note 14)	(1,399)	(19,443)	-	-
Net (gain)/loss on disposal of property, plant and equipment	(2,132)	(2,614)	(274)	171
Net foreign exchange loss/(gain)				
- realised	125	323	-	-
- unrealised	(140)	82	(41)	25
Non-executive directors' remunerations (Note 10)	783	721	735	673
Property, plant and equipment written off	1,750	2,241	449	44
Rental income (Note 6)	(290)	(404)	(258)	(274)
Realised fair value loss on commodity future contracts (Note 16(b))	-	45,496	-	-
Write down of inventories	874	9,341	-	-

9. Employee benefits expense

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Salaries, wages, allowances and bonus	79,722	82,035	10,546	11,758
Social security contributions	2,186	1,288	111	107
Contributions to defined contribution plan	7,639	8,309	1,143	1,063
Employment insurance scheme contributions	107	110	12	11
Other benefits	283	2,521	81	2,112
Total employee benefits expense (including executive directors)	89,937	94,263	11,893	15,051
Less: Employee benefits expense capitalised in biological assets (Note 14)	(1,093)	(907)	-	-
Total employee benefits expense	88,844	93,356	11,893	15,051
Included herein are: Executive directors' remunerations (Note 10)	1,605	3,488	1,605	3,488

10. Directors' remunerations

Details of remunerations receivable by directors of the Group and the Company during the year are as follows:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Directors of the Company				
Executive:				
Salaries and other emoluments	1,420	3,351	1,420	3,351
Contributions to defined contribution plans	185	137	185	137
Total executive directors' remunerations (Note 9)	1,605	3,488	1,605	3,488

10. Directors' remuneration (contd.)

Details of remunerations receivable by directors of the Group and the Company during the year are as follows: (contd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Directors of the Company (contd.)				
Executive: (contd.)				
Total executive directors' remunerations	1,605	3,488	1,605	3,488
Estimated money value of benefits-in-kind	24	16	24	16
Total executive directors' remunerations including benefits-in-kind	1,629	3,504	1,629	3,504
Non-executive:				
Fees	457	427	457	427
Other emoluments	278	245	278	245
Total non-executive directors' remuneration	735	672	735	672
Estimated money value of benefits-in-kind	-	1	-	1
Total non-executive directors' remunerations including benefits-in-kind	735	673	735	673
Directors of subsidiaries				
Non-executive:				
Fees	48	48	-	-
Total non-executive directors' remunerations excluding benefits-in-kind (Note 8)	783	721	735	673
Total directors' remunerations (Note 29)	2,412	4,225	2,364	4,177

11. Income tax expense

The major components of income tax expense for the year ended 30 June 2022 and 2021 are:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Malaysian income tax	12,545	8,194	974	503
(Over)/under provision in respect of previous years	(1,180)	41	43	-
	11,365	8,235	1,017	503
Deferred income tax (Note 18):				
Origination and reversal of temporary differences	54,815	35,219	-	11
(Over)/under provision in respect of previous years	(35)	494	-	(11)
	54,780	35,713	-	-
Income tax expense for the year	66,145	43,948	1,017	503

The reconciliations between tax expense and the product of accounting profit/(loss) multiplied by the applicable corporate tax rate are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Accounting profit/(loss) before tax	200,558	76,129	36,292	(14,132)
Tax at Malaysian statutory tax rate of 24% (2021: 24%)	48,134	18,271	8,710	(3,391)
Expenses not deductible for tax purposes	5,023	2,262	7,544	3,382
Income not subject to tax	(195)	(519)	(14,576)	(18)
Deferred tax assets not recognised	24,528	24,456	-	541
Utilisation of previously unrecognised unabsorbed capital allowances, unused tax losses and export incentive allowances	(10,130)	(1,057)	(704)	-
(Over)/under provision of income tax in respect of previous years	(1,180)	41	43	-
(Over)/under provision of deferred tax in respect of previous years	(35)	494	-	(11)
Income tax expense for the year	66,145	43,948	1,017	503

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

11. Income tax expense (contd.)

At the reporting date, the Group and the Company has the following for offset against future taxable income:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	710,957	635,932	20,394	20,394
Unutilised export sales incentive	39,041	39,041	-	-
Unabsorbed capital allowances	527,771	877,951	56,246	49,905
Unabsorbed reinvestment allowance	6,701	6,701	-	-
	1,284,470	1,559,625	76,640	70,299

Pursuant to Section 44(5F) of the Income Tax Act, 1967, the unutilised tax losses can only be carried forward until the following years of assessment:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses to be carried forward until:				
- Year of assessment 2025	-	428,871	-	-
- Year of assessment 2026	-	91,250	-	-
- Year of assessment 2027	-	49,120	-	20,394
- Year of assessment 2028	404,530	66,691	-	-
- Year of assessment 2029	91,250	-	-	-
- Year of assessment 2030	49,120	-	20,394	-
- Year of assessment 2031	66,691	-	-	-
- Year of assessment 2032	99,366	-	-	-
	710,957	635,932	20,394	20,394

In the previous financial year, unabsorbed business losses from year of assessment 2019 was allowed to be carried forward for a maximum period of seven (7) consecutive years of assessment. Any amount which is not utilised at the end of the period of seven (7) years of assessment shall be disregarded. However, based on the Finance Act 2021 which was gazetted on 31 December 2021, the period to carry forward the unabsorbed business losses has been extended to ten (10) years of assessment effective from the year of assessment 2019.

11. Income tax expense (contd.)

Pursuant to Schedule 7A, para 4B of the Income Tax Act, 1967, the unabsorbed reinvestment allowances can only be carried forward until the following year of assessment:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Unabsorbed reinvestment allowances to be carried forward until:				
- Year of assessment 2025	6,701	6,701	-	-

12. Earnings per share

Basic earnings per share

Basic earnings per share amounts are calculated by dividing the profit/(loss) for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares outstanding during the financial year, excluding treasury shares held by the Company.

The following table reflects the earnings used in the computation of basic earnings per share for the years ended 30 June 2022 and 2021:

	Group	
	2022	**2021**
Profit net of tax attributable to owners of the parent (RM'000)	134,556	32,246
Weighted average number of ordinary shares in issue ('000)	967,991	967,991
Basic earnings per share (sen)	13.90	3.33

There are no dilutive potential ordinary shares. As such, the diluted earnings per share of the Group is equivalent to basic earnings per share.

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of authorisation of these financial statements.

13. Property, plant and equipment

	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factories, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group									
Cost									
At 1 July 2020	8,389	100,065	1,479,698	701,866	1,235,453	245,874	52,414	5,209	3,828,968
Additions	-	9	-	335	1,752	-	131	2,555	4,782
Disposals	-	(1,340)	-	(5,486)	(4,040)	-	(189)	(216)	(11,271)
Written off	-	-	-	(2,799)	(2,953)	-	(498)	(102)	(6,352)
Adjustment	-	-	-	(940)	-	-	-	-	(940)
Reclassifications	-	-	-	697	369	-	40	(1,106)	-
At 30 June 2021 and 1 July 2021	8,389	98,734	1,479,698	693,673	1,230,581	245,874	51,898	6,340	3,815,187
Additions	-	168	-	1,352	3,918	-	853	5,143	11,434
Disposals	-	-	-	(2)	(3,923)	-	(537)	(44)	(4,506)
Written off	-	-	-	(167)	(5,029)	-	(373)	(612)	(6,181)
Reclassifications	4,020	6,130	-	(9,600)	774	-	27	(1,351)	-
At 30 June 2022	12,409	105,032	1,479,698	685,256	1,226,321	245,874	51,868	9,476	3,815,934

13. Property, plant and equipment (contd.)

Group (contd.)	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factories, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Accumulated depreciation									
At 1 July 2020	-	21,767	415,386	380,533	947,457	150,641	38,179	-	1,953,963
Depreciation charge for the year	-	2,437	58,823	40,406	42,429	11,260	2,554	-	157,909
Recognised in profit or loss (Note 8)	-	1,750	58,823	40,243	42,359	11,256	2,547	-	156,978
Capitalised in biological assets (Note 14)	-	687	-	163	70	4	7	-	931
Impairment for the year (Note 8)	-	-	-	5,157	5,487	2,384	-	-	13,028
Disposals	-	(238)	-	(5,218)	(2,547)	-	(242)	-	(8,245)
Written off	-	-	-	(1,972)	(1,737)	-	(402)	-	(4,111)
At 30 June 2021									
Accumulated depreciation	-	23,586	474,209	403,303	912,386	146,798	40,089	-	2,000,371
Accumulated impairment	-	380	-	15,603	78,703	17,487	-	-	112,173
	-	23,966	474,209	418,906	991,089	164,285	40,089	-	2,112,544

13. Property, plant and equipment (contd.)

	Freehold land RM'000	Leasehold land RM'000	Bearer plants RM'000	Factories, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Group (contd.)									
Accumulated depreciation (contd.)									
At 1 July 2021	-	23,966	474,209	418,906	991,089	164,285	40,089	-	2,112,544
Depreciation charge for the year	50	2,513	58,823	37,651	40,338	11,135	2,460	-	152,970
Recognised in profit or loss (Note 8)	50	1,826	58,823	37,488	40,245	11,131	2,454	-	152,017
Capitalised in biological assets (Note 14)	-	687	-	163	93	4	6	-	953
Disposals	-	-	-	-	(3,372)	-	(549)	-	(3,921)
Written off	-	-	-	(113)	(3,991)	-	(327)	-	(4,431)
Reclassifications	1,327	1,984	-	(3,311)	-	-	-	-	-
At 30 June 2022									
Accumulated depreciation	1,377	28,083	533,032	437,530	945,361	157,933	41,673	-	2,144,989
Accumulated impairment	-	380	-	15,603	78,703	17,487	-	-	112,173
	1,377	28,463	533,032	453,133	1,024,064	175,420	41,673	-	2,257,162
Net carrying amount									
At 30 June 2021	8,389	74,768	1,005,489	274,767	239,492	81,589	11,809	6,340	1,702,643
At 30 June 2022	11,032	76,569	946,666	232,123	202,257	70,454	10,195	9,476	1,558,772

13. Property, plant and equipment (contd.)

	Freehold land RM'000	Leasehold land RM'000	Factories, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Cost								
At 1 July 2020	3,865	1,739	17,000	194,894	51,524	17,057	1,340	287,419
Additions	-	9	-	2	-	14	298	323
Disposals	-	-	-	(395)	-	(4)	(216)	(615)
Written off	-	-	-	(319)	-	(75)	-	(394)
Reclassifications	-	-	-	-	-	3	(3)	-
At 30 June 2021 and 1 July 2021	3,865	1,748	17,000	194,182	51,524	16,995	1,419	286,733
Additions	-	168	286	3,912	-	159	92	4,617
Disposals	-	-	-	(36,715)	-	(3)	(30)	(36,748)
Written off	-	-	-	(436)	-	(215)	(374)	(1,025)
Reclassifications	4,020	-	(3,959)	45	-	3	(109)	-
At 30 June 2022	7,885	1,916	13,327	160,988	51,524	16,939	998	253,577

13. Property, plant and equipment (contd.)

	Freehold land RM'000	Leasehold land RM'000	Factories, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Company (contd.)								
Accumulated depreciation								
At 1 July 2020	-	215	8,893	169,536	49,061	15,559	-	243,264
Depreciation charge for the year (Note 8)	-	219	439	2,685	360	293	-	3,996
Disposals	-	-	-	(132)	-	(4)	-	(136)
Written off	-	-	-	(280)	-	(70)	-	(350)
At 30 June 2021								
Accumulated depreciation	-	434	8,887	125,767	34,318	15,778	-	185,184
Accumulated impairment	-	-	445	46,042	15,103	-	-	61,590
	-	434	9,332	171,809	49,421	15,778	-	246,774

13. Property, plant and equipment (contd.)

	Freehold land RM'000	Leasehold land RM'000	Factories, buildings and quarters RM'000	Aircraft, watercraft, motor vehicles, plant and machinery RM'000	Roads and bridges RM'000	Office renovation, furniture, fittings and equipment RM'000	Capital work-in-progress RM'000	Total RM'000
Company (contd.)								
Accumulated depreciation (contd.)								
At 1 July 2021								
Depreciation charge for the year (Note 8)	50	219	387	2,221	361	275	-	3,513
Disposals	-	-	-	(34,643)	-	(2)	-	(34,645)
Written off	-	-	-	(368)	-	(208)	-	(576)
Reclassification	1,327	-	(1,327)	-	-	-	-	-
At 30 June 2022								
Accumulated depreciation	1,377	653	7,947	92,977	34,679	15,843	-	153,476
Accumulated impairment	-	-	445	46,042	15,103	-	-	61,590
	1,377	653	8,392	139,019	49,782	15,843	-	215,066
Net carrying amount								
At 30 June 2021	3,865	1,314	7,668	22,373	2,103	1,217	1,419	39,959
At 30 June 2022	6,508	1,263	4,935	21,969	1,742	1,096	998	38,511

13. Property, plant and equipment (contd.)

(a) Right-of-use assets ("ROU")

Included in the property, plant and equipment are right-of-use assets as follows:

Group	Motor vehicles RM'000	Leasehold land RM'000	Total RM'000
At 1 July 2020	28,127	78,298	106,425
Additions during the year	-	9	9
Depreciation charge for the year (Note 24(c))	(1,803)	(2,437)	(4,240)
Derecognition upon settlement during the year	(5,009)	-	(5,009)
Disposals	-	(1,102)	(1,102)
At 30 June 2021	21,315	74,768	96,083
Additions during the year	-	168	168
Depreciation charge for the year (Note 24(c))	(1,803)	(2,513)	(4,316)
Derecognition upon settlement during the year	(6,589)	-	(6,589)
Reclassification	-	4,146	4,146
At 30 June 2022	12,923	76,569	89,492

Company	Motor vehicles RM'000	Leasehold land RM'000	Total RM'000
At 1 July 2020	15,000	1,524	16,524
Additions during the year	-	9	9
Depreciation charge for the year (Note 24(c))	(1,091)	(219)	(1,310)
At 30 June 2021 and 1 July 2021	13,909	1,314	15,223
Additions during the year	-	168	168
Depreciation charge for the year (Note 24(c))	(1,091)	(221)	(1,312)
At 30 June 2022	12,818	1,261	14,079

The Group and the Company have lease contracts for various items of land and motor vehicles used in their operations.

13. Property, plant and equipment (contd.)

(a) Right-of-use assets ("ROU") (contd.)

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

The table below describes the nature of the Group's and the Company's leasing activities by type of right-of-use asset recognised on the statements of financial position:

Group	**Motor vehicle**	**Leasehold land**
At 30 June 2022		
No. of right-of-use asset leased	40	51
No. of leases with extension option	-	-
At 30 June 2021		
No. of right-of-use asset leased	63	48
No. of leases with extension option	-	1

Company	**Motor vehicle**	**Leasehold land**
At 30 June 2022		
No. of right-of-use asset leased	39	20
No. of leases with extension option	-	-
At 30 June 2021		
No. of right-of-use asset leased	39	19
No. of leases with extension option	-	1

(b) Fully depreciated property, plant and equipment

Cost of fully depreciated property, plant and equipment that are still in use at the reporting date of the Group and of the Company were RM964,425,789 (2021: RM956,208,013) and RM193,510,961 (2021: RM225,804,385), respectively.

(c) Assets pledged for banking facilities

At the reporting date, certain plantation land, fixed fixture on the land and oil mill of the Group with carrying amount of RM122,045,211 (2021: Nil) are pledged for banking facilities of the Group and of the Company as disclosed in Note 24(a).

13. Property, plant and equipment (contd.)

(d) Impairment of property, plant and equipment

In the previous financial year, the Group had temporarily ceased operations of its timber manufacturing segment and hence resulted in the Group carrying out the impairment tests based on fair value less cost to sell. The Group recognised impairment losses of RM13,028,000 on certain property, plant and equipment in the statement of profit or loss as other expenses. The recoverable amounts of the property, plant and equipment were based on their fair value less cost to sell of RM25,125,000.

(e) Reconciliation to the statement of cash flows

Reconciliation to the cash flow for acquisitions of property, plant and equipment is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Additions for the financial year	11,434	4,782	4,617	323
Less: Leasing arrangements (Note 24(c))	(168)	(9)	(168)	(9)
Total cash payments during the financial year	11,266	4,773	4,449	314

14. Biological assets

	FFB prior to harvest		Planted forest (forestry assets)		Total	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
Fair value						
At beginning of year	10,222	10,173	93,842	64,495	104,064	74,668
Development expenditure	-	-	10,738	9,953	10,738	9,953
Changes in fair value (Note 8)	7,846	49	(6,447)	19,394	1,399	19,443
At end of year	18,068	10,222	98,133	93,842	116,201	104,064
Classified as:						
Non-current	-	-	98,133	93,842	98,133	93,842
Current	18,068	10,222	-	-	18,068	10,222
	18,068	10,222	98,133	93,842	116,201	104,064

14. Biological assets (contd.)

	FFB prior to harvest		Planted forest (forestry assets)	
	MT'000	MT'000	M3'000	M3'000
	2022	2021	2022	2021
Group				
Physical quantities:				
At 30 June	28	23	485	416
Production/sold during the year	738	862	-	-

Included in planted forest are the following expenses incurred and capitalised during the year:

	2022	2021
	RM'000	RM'000
Depreciation of property, plant and equipment (Note 13)	953	931
Employee benefits expense (Note 9)	1,093	907

(a) Fresh fruit bunches ("FFB") prior to harvest

To arrive at the fair value of FFB prior to harvest, the management considers the oil content of the unripe FFB. It is assumed that the net cash flow generated from FFB exceeding 15 days prior to harvest to be negligible and is accordingly excluded from valuation. The fair value of FFB prior to harvest is computed based on the market approach and takes into consideration the market prices of harvested FFB, adjusted to the estimated oil content of unharvested FFB less harvesting, transport and other costs to sell.

Harvested FFB is transferred to inventories at fair value less costs to sell upon harvest. The change in fair value of FFB in each accounting period is recognised in profit or loss.

The fair value of FFB have been consistently estimated using the same valuation techniques which is considered a Level 3 of the fair value hierarchy measurement.

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

Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
	The estimated fair value would increase/(decrease) if:
Estimated FFB prices	- the estimated FFB prices were higher/(lower);
Estimated production volume	- the estimated production volume was higher/(lower); or
Estimated harvest and transportation costs	- the estimated harvest and transportation costs were lower/(higher).

14. Biological assets (contd.)

(b) Planted forest (forestry assets)

As at the reporting date, the Group has 75,622 hectares ("ha") (2021: 75,662 ha) of leased land available for forestry activities, all of which is located in Sarawak, East Malaysia. 14,885 hectares (2021: 14,472 hectares) are under afforestation which forms the basis of the valuation.

Mature forestry assets are those plantations that are harvestable, while immature forestry assets have not yet reached the desired stage of growth. Management plans for timber harvest according to a rotation plan, once trees reach maturity at 10 years and above and also depending on the pricing of the timber at the point of harvest.

The planted forest was valued by independent valuers during the financial year. The following assumptions were used in the said valuation:

(i) The net selling price, which is defined as the selling price less the costs of transport, harvesting, extraction and loading ("cost to sell"). The net selling price is based on management estimates and is influenced by the species, maturity profile and location of timber.

(ii) For mature plantation is estimated a harvestable yield of 80 cubic metre per ha whilst for immature plantation, a harvestable yield of 20 cubic metre per ha is assumed.

(iii) The total harvestable area is estimated based on satellite imagery and supported with sample counts in specific area.

In the previous financial year, management used the following assumptions in the valuation of the Group's forestry assets:

(i) The net selling price, which is defined as the selling price less the costs of transport, harvesting, extraction and loading ("cost to sell"). The net selling price is based on management estimates and is influenced by the species, maturity profile and location of timber. In 2022, the estimated net selling price was revised upwards due to better market demand.

(ii) The conversion factor is used to convert hectares of land under afforestation to cubic metre of standing timber, which is dependent on the species and the plot planting spacing.

(iii) The discount rate of 12% (2021: 11%) based on a pre-tax yield adjusted for the risks associated with forestry assets.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant assumptions, holding other assumptions constant, would have affected the valuations by the amounts shown below.

	Group	
	2022	**2021**
	RM'000	RM'000
Harvestable volume (1% movement)	947	913
Harvestable area (1% movement)	947	913
Selling price (1% movement)	2,425	3,011
Cost to sell (1% movement)	1,478	2,907
Conversion factor (1% movement)	-	673
Discount rate (1% movement)	-	4,285

14. Biological assets (contd.)

(b) Planted forest (forestry assets) (contd.)

Sensitivity analysis (contd.)

The fair value of the biological assets is categorised under level 3 of the fair value hierarchy. The following table shows the valuation techniques used in measuring the fair value, as well as the significant unobservable inputs used.

Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
	The estimated fair value would increase/(decrease) if:
- Estimated logs transfer price	- the estimated logs transfer price were higher/(lower);
- Estimated yields per hectare	- the estimated yields per hectare were higher/(lower);
- Estimated harvest and transportation costs	- the estimated harvest and transportation costs were lower/(higher); or
- Pre-tax risk-adjusted discount rate	- the risk-adjusted discount rates were lower/(higher).

15. Other intangible assets

	Computer software RM'000
Group	
Cost	
At 1 July 2020 and 1 July 2021	5,269
Additions	4
At 30 June 2022	5,273
Accumulated amortisation	
At 1 July 2020	4,475
Amortisation for the year (Note 8)	154
At 30 June 2021 and 1 July 2021	4,629
Amortisation for the year (Note 8)	149
At 30 June 2022	4,778
Net carrying amount	
At 30 June 2021	640
At 30 June 2022	495

15. Other intangible assets (contd.)

	Computer software
	RM'000
Company	
Cost	
At 1 July 2020 and 1 July 2021	4,960
Additions	4
At 30 June 2022	4,964
Accumulated amortisation	
At 1 July 2020	4,383
Amortisation for the year (Note 8)	123
At 30 June 2021 and 1 July 2021	4,506
Amortisation for the year (Note 8)	118
At 30 June 2022	4,624
Net carrying amount	
At 30 June 2021	454
At 30 June 2022	340

16. Investments in subsidiaries

	Company	
	2022	**2021**
	RM'000	RM'000
Unquoted shares, at cost	1,868,270	1,868,270
Less: Accumulated impairment losses	(455,536)	(460,049)
	1,412,734	1,408,221

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2022 %	2021 %
Direct subsidiaries of the Company				
Curiah Sdn. Bhd.	Malaysia	Extraction and sale of logs	88.91	88.91
Eastern Eden Sdn. Bhd.	Malaysia	Development of oil palm plantations and its related activities	100	100

16. Investments in subsidiaries (contd.)

Details of the subsidiaries are as follows: (contd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2022 %	2021 %
Direct subsidiaries of the Company (contd.)				
Eastern Timber Ltd.	Federal Territory of Labuan, Malaysia	Dormant	100	100
Erajaya Synergy Sdn. Bhd.	Malaysia	Development of oil palm plantations and its related activities	100	100
Guanaco Sdn. Bhd.	Malaysia	Cultivation and trading of birds’ nests	100	100
Hak Jaya Sdn. Bhd.	Malaysia	Marketing of timber logs	100	100
Hariyama Sdn. Bhd.	Malaysia	Development of oil palm plantations, palm oil processing and its related activities	100	100
Jaras Sdn. Bhd.	Malaysia	Dormant	100	100
Jaya Tiasa Aviation Sdn. Bhd.	Malaysia	Provision of private air transportation services	100	100
Jaya Tiasa Forest Plantation Sdn. Bhd.	Malaysia	Development and maintenance of planted forests and forest plantation contractor	100	100
Jaya Tiasa R&D Sdn. Bhd.	Malaysia	Production and trading of coconuts	100	100
Jaya Tiasa Plywood Sdn. Bhd.	Malaysia	Manufacturing and sale of sawn timber, blockboard and veneer as well as plywood manufacturing but ceased operation in 2021	100	100
Jaya Tiasa Timber Products Sdn. Bhd.	Malaysia	Sale of plywood but ceased operations in 2021	100	100
JT Logging Sdn. Bhd.	Malaysia	Dormant	100	100

16. Investments in subsidiaries (contd.)

Details of the subsidiaries are as follows: (contd.)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2022 %	Proportion of ownership interest 2021 %
Direct subsidiaries of the Company (contd.)				
JT Oil Palm Development Sdn. Bhd.	Malaysia	Palm oil processing and its related activities	100	100
Kunari Timber Sdn. Bhd.	Malaysia	Dormant	100	100
Mantan Sdn. Bhd.	Malaysia	Logging contractor	100	100
Maujaya Sdn. Bhd.	Malaysia	Palm oil processing and its related activities	100	100
Maxiwealth Holdings Sdn. Bhd.	Malaysia	Palm oil processing and its related activities	100	100
Multi Greenview Sdn. Bhd.	Malaysia	Investment holding	100	100
Poh Zhen Sdn. Bhd.	Malaysia	Development of oil palm plantations and its related activities	100	100
Rimbunan Hijau Plywood Sdn. Bhd.	Malaysia	Fabrication and workshop services	100	100
Sericahaya Sdn. Bhd.	Malaysia	Dormant	88.91	88.91
Simalau Plantation Sdn. Bhd.	Malaysia	Development of oil palm plantations and its related activities	100	100
Atlantic Evergreen Holdings	Cayman Islands	Dormant	100	100
Atlantic Timber Holdings Limited	Cayman Islands	Dormant	100	100
Pacific Timber Holdings Limited	Cayman Islands	Dormant	100	100
Subsidiary of Atlantic Evergreen Holdings				
Western Timber Resources Limited	Cayman Islands	Dormant	100	100

16. Investments in subsidiaries (contd.)

(a) Non-controlling interests

None of the subsidiaries with non-controlling interests are material to the Group. Accordingly, the disclosure requirements of MFRS 12, Disclosure of Interests in Other Entities, are not presented.

(b) Impairment of investment in subsidiaries

During the financial year, the Company recognised an additional impairment of RM16.8 million on certain of its investments which are primarily involved in the timber manufacturing and aviation segment. The additional impairment arose mainly due to the decrease in their fair value less cost to sell. As at the reporting date, the recoverable amounts of these investment were approximately RM91.8 million.

In addition, the Company recognised a reversal of impairment of RM21.3 million during the financial year of which RM14.3 million relates to investments in subsidiaries involved in crude palm oil milling operations. The losses during the financial year sustained by these subsidiaries were caused by committed forward sales, ranging from one to twelve months, undertaken by these subsidiaries at prices which were lower than their costs of production at point of physical delivery. The Group has since taken step to mitigate such losses by committing to only short-term forward sales contracts of about one month. The recoverable amounts of investment in these subsidiaries have increased to RM189.8 million.

During the financial year, the Group did not enter into any commodity future contracts, which caused a realised loss of RM45,496,000 in the previous financial year.

17. Investment in associate

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Unquoted shares, at cost	2,000	2,000	2,000	2,000
Redeemable non-cumulative preference shares, at cost	2,400	2,400	5,000	2,400
	4,400	4,400	7,000	4,400
Less: Accumulated impairment losses	(2,400)	(2,400)	(7,000)	(4,400)
	2,000	2,000	-	-
Share of post-acquisition losses	(2,000)	(2,000)	-	-
	-	-	-	-

Details of the associate are as follows:

Name of associate	Country of incorporation	Principal activities	Proportion of ownership interest As at 2022 %	Proportion of ownership interest As at 2021 %
Mafrica Trading Sdn. Bhd.*	Malaysia	Dormant	32	40

* Audited by a firm of auditors other than Ernst & Young PLT

The associate is not material to the Group. Accordingly, the disclosure requirements of MFRS 12, Disclosure of Interests in Other Entities, are not presented.

18. Deferred tax assets/(liabilities)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
At July 2021/2020	(48,369)	(12,656)	-	-
Recognised in statements of profit or loss and other comprehensive income (Note 11)	(54,780)	(35,713)	-	-
At 30 June 2022/2021	(103,149)	(48,369)	-	-

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax authority. The net deferred tax assets and liabilities shown on the statement of financial position after appropriate offsetting are as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	18,453	10,159	-	-
Deferred tax liabilities	(121,602)	(58,528)	-	-
	(103,149)	(48,369)	-	-

Deferred tax assets and liabilities prior to offsetting are summarised as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Deferred tax assets	212,979	288,773	-	-
Deferred tax liabilities	(316,128)	(337,142)	-	-
	(103,149)	(48,369)	-	-

18. Deferred tax assets/(liabilities) (contd.)

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

	As at 1 July 2020	Recognised in profit or loss (Note 11)	As at 30 June 2021	Recognised in profit or loss (Note 11)	As at 30 June 2022
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
Deferred tax liabilities:					
Property, plant and equipment	(341,676)	25,488	(316,188)	22,018	(294,170)
Biological assets	(13,456)	(6,943)	(20,399)	(805)	(21,204)
Plantation development expenditure	-	(555)	(555)	(199)	(754)
Intangible assets	(2)	2	-	-	-
	(355,134)	17,992	(337,142)	21,014	(316,128)
Deferred tax assets:					
Unused tax losses and unabsorbed capital allowances	335,262	(47,551)	287,711	(75,462)	212,249
Property, plant and equipment	7,216	(6,154)	1,062	(332)	730
	342,478	(53,705)	288,773	(75,794)	212,979
Company					
Deferred tax liabilities:					
Property, plant and equipment	(383)	383	-	-	-
Deferred tax assets:					
Unabsorbed capital allowance	383	(383)	-	-	-

18. Deferred tax assets/(liabilities) (contd.)

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Unutilised tax losses	331,785	253,214	20,394	20,394
Unabsorbed capital allowances	103,866	125,284	48,511	51,443
Unutilised export sales incentive	39,041	39,041	-	-
Other deductible temporary differences	46,173	43,338	-	-
	520,865	460,877	68,905	71,837
Deferred tax asset @ 24%, if recognised	125,008	110,610	16,537	17,241
Expiry of unutilised tax losses is as follows:				
- Year of assessment 2025	-	83,966	-	-
- Year of assessment 2026	-	53,437	-	-
- Year of assessment 2027	-	49,120	-	20,394
- Year of assessment 2028	74,255	66,691	-	-
- Year of assessment 2029	43,794	-	-	-
- Year of assessment 2030	47,679	-	20,394	-
- Year of assessment 2031	66,691	-	-	-
- Year of assessment 2032	99,366	-	-	-
	331,785	253,214	20,394	20,394

At the reporting date, the deferred tax assets as shown above are available for offset against future taxable profits of the Group and of the Company, for which no deferred tax asset is recognised due to uncertainty of their recoverability and they may not be used to offset taxable profits elsewhere in the Group.

19. Inventories

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
At cost				
Crude palm oil	12,328	7,402	-	-
Fresh fruit bunches	457	225	-	-
General stores	27,924	20,322	1,499	1,653
Logs	4,953	5,794	4,953	5,794
Palm kernel	1,625	903	-	-
Raw nests	17	21	-	-
Sawn timber	-	220	-	-
Work-in-progress	157	136	-	-
	47,461	35,023	6,452	7,447

19. Inventories (contd.)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
At net realisable value				
General store	-	478	-	-
Crude palm oil	785	-	-	-
Plywood	-	1,197	-	-
	785	1,675	-	-
	48,246	36,698	6,452	7,447

During the financial year, inventories recognised as an expense in cost of sales of the Group and of the Company were RM257,136,000 (2021: RM247,913,000) and RM43,779,000 (2021: RM41,856,000) respectively.

20. Trade and other receivables

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Trade receivables				
Third parties	12,815	23,148	3,158	2,132
Related parties	34,677	9,591	-	-
Amounts due from subsidiaries	-	-	2,738	-
	47,492	32,739	5,896	2,132
Less: Allowance for impairment				
Third parties	(205)	-	(205)	-
	47,287	32,739	5,691	2,132
Other receivables				
Sundry receivables	8,387	6,032	447	363
Amounts due from related parties	2,534	2,591	-	-
Amounts due from subsidiaries	-	-	622,733	356,531
Amount due from an associate	-	2,600	-	2,600
	10,921	11,223	623,180	359,494
Less: Allowance for impairment				
Sundry receivables	(750)	(1,323)	-	-
Amount due from an associate	-	(2,600)	-	(2,600)
Amounts due from subsidiaries	-	-	(92,851)	(66,247)
	(750)	(3,923)	(92,851)	(68,847)

20. Trade and other receivables (contd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Other receivables (contd.)				
Other receivables, net	10,171	7,300	530,329	290,647
Refundable deposits	529	495	-	-
	10,700	7,795	530,329	290,647
Total trade and other receivables	57,987	40,534	536,020	292,779

(a) Trade receivables

The Group's primary exposure to credit risk arises through its trade receivables. The Group's trading terms with its customers are mainly on credit. The credit period is generally for a period of 30 days (2021: 30 days). Other credit terms are assessed and approved on a case-by-case basis. Each customer has a maximum credit limit. The Group seeks to maintain strict control over its outstanding receivables and has a credit control department to minimise credit risk. Overdue balances are reviewed regularly by senior management. Trade receivables are non-interest bearing. There was significant concentration of credit risk of the Group with two individual customers.

Ageing analysis of trade receivables

The ageing analysis of the Group's and of the Company's trade receivables is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	47,152	31,889	5,558	1,366
1 to 30 days past due not impaired	6	393	6	393
31 to 60 days past due not impaired	15	31	15	29
61 to 90 days past due not impaired	-	47	-	47
91 to 120 days past due not impaired	2	99	-	37
more than 121 days past due not impaired	112	280	112	260
	135	850	133	766
	47,287	32,739	5,691	2,132
Credit impaired				
Individually impaired	205	-	205	-
	47,492	32,739	5,896	2,132

20. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Receivables that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and the Company.

None of the Group's and the Company's trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to RM135,000 (2021: RM850,000) and RM133,000 (2021: RM766,000), respectively, that are past due at the reporting date but not impaired.

Trade receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 July 2021/2020	-	-	-	-
Charge for the year	205	-	205	-
At 30 June 2022/2021	205	-	205	-

(b) Amounts due from subsidiaries

The amounts due from subsidiaries bore interest at the rate 3.25% (2021: 3%) per annum during the financial year.

(c) Amount due from associate

The amount due from associate is unsecured, non-interest bearing and is repayable on demand.

(d) Other receivables

Generally, all other receivables are unsecured, non-interest bearing and receivable on demand.

Other receivables that are impaired

Movement in allowance accounts:

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 July 2021/2020	3,923	4,001	68,847	63,276
Charge for the year	-	-	49,345	5,649
Reversal of impairment loss (Note 6)	(573)	(78)	(22,741)	(78)
Reclassification	(2,600)	-	(2,600)	-
At 30 June 2022/2021	750	3,923	92,851	68,847

20. Trade and other receivables (contd.)

(a) Trade receivables (contd.)

Other receivables that are impaired (contd.)

As disclosed in Note 24, the Group and the Company undertook a debt restructuring exercise during the financial year whereby loans and borrowings of certain subsidiaries were repaid in full on their behalf by the Company. The Company recorded a corresponding increase in the amounts due from these subsidiaries. The Company recognised an additional expected credit loss of RM49.3 million which primarily relates to an amount due from a subsidiary which has temporarily ceased its timber manufacturing operation in the previous financial year.

Further details on related party transactions are disclosed in Note 29.

21. Other current assets

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Prepayments	2,189	1,066	180	236
Tax recoverable	4,557	7,455	1,327	1,943
	6,746	8,521	1,507	2,179

22. Investment securities

	Group	
	2022	**2021**
	RM'000	RM'000
Non-current		
Financial assets through other comprehensive income without re-cycling		
Equity instruments (quoted in Malaysia)	11,815	15,638

23. Cash and bank balances

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	247,217	23,425	235,324	3,569

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	247,217	23,425	235,324	3,569
Bank overdrafts (Note 24)	(522)	(85,018)	(522)	(10,568)
Less: Debt Service Reserve Accounts	(18,351)	-	(18,351)	-
Cash and cash equivalents	228,344	(61,593)	216,451	(6,999)

23. Cash and bank balances (contd.)

The Group and the Company shall maintain the Debt Service Reserve Accounts throughout the tenure of the term loan with minimum required balance which equivalent to next three months principal and interest repayment amounting to RM18,351,174 (2021: Nil).

24. Loans and borrowings

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Current				
Secured:				
Lease liabilities	293	4,833	191	3,890
Term loans	47,923	-	47,923	-
	48,216	4,833	48,114	3,890
Unsecured:				
Bank overdrafts (Note 23)	522	85,018	522	10,568
Bankers' acceptances	8,712	34,286	-	-
Revolving credits	-	187,500	-	40,000
Term loans	-	62,150	-	-
	9,234	368,954	522	50,568
	57,450	373,787	48,636	54,458
Non-current				
Secured:				
Lease liabilities	4,312	4,442	1,171	1,199
Term loans	511,077	-	511,077	-
	515,389	4,442	512,248	1,199
Unsecured:				
Revolving credit	-	98,000	-	-
Term loans	-	177,000	-	-
	-	275,000	-	-
	515,389	279,442	512,248	1,199
Total loans and borrowings	572,839	653,229	560,884	55,657

24. Loans and borrowings (contd.)

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
Total loans and borrowings (excluding lease liabilities)				
Bank overdraft	522	85,018	522	10,568
Bankers' acceptances	8,712	34,286	-	-
Revolving credits	-	285,500	-	40,000
Term loans	559,000	239,150	559,000	-
	568,234	643,954	559,522	50,568

The remaining maturities of loans and borrowings (excluding lease liabilities) as at the reporting date were as follows:

	Group 2022 RM'000	Group 2021 RM'000	Company 2022 RM'000	Company 2021 RM'000
On demand or within 1 year	57,157	368,954	48,445	50,568
More than 1 year or less than 2 years	55,443	109,620	55,443	-
More than 2 years or less than 5 years	181,811	159,080	181,811	-
More than 5 years	273,823	6,300	273,823	-
	568,234	643,954	559,522	50,568

The interest rates of the Group and of the Company are as follows:

	Group 2022 %	Group 2021 %	Company 2022 %	Company 2021 %
Bank overdrafts	-	5.95	-	5.95
Bankers' acceptances	2.49 - 5.14	2.47 - 4.68	-	-
Revolving credit	-	3.58 - 4.69	-	3.21 - 3.55
Term loans	4.50 - 5.04	3.67 - 5.78	4.50 - 5.04	-
Lease liabilities	5.50 - 6.00	4.53 - 6.00	6.00	6.00

During the financial year, the Company and four of its subsidiaries undertook a restructuring of their debts. The debt restructuring involved, inter alia, the extinguishments of loans and borrowings in certain subsidiaries, the securitisation of certain assets of the four subsidiaries and refinancing of those loans and borrowings into a new term loan undertaken by the Company with extended tenure. The four subsidiaries stand as guarantors for the term loan facility granted to the Company.

In the previous financial year, certain unsecured borrowings of the Group and of the Company amounting to RM77.2 million and RM45.2 million, respectively were secured by a negative pledge over the assets of the Company and respective subsidiaries. Unsecured borrowings of the Group amounting to RM593.6 million were covered by corporate guarantees provided by the Company.

24. Loans and borrowings (contd.)

(a) Term loans

Term loans of the Group and the Company are secured by certain assets disclosed in Note 13(c).

(b) Revolving credits

In the previous financial year, the Group obtained indulgence from the banker to vary the compliance conditions. As the indulgence was received subsequent to the financial year, the non-current portion amounting to RM154.0 million was presented as current liabilities in the financial statements as the Group did not have an unconditional right to defer settlement of the outstanding amount as at 30 June 2021.

(c) Lease liabilities

The movement of lease liabilities during the financial year is as follows:

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 July 2021/2020	9,275	16,593	5,089	10,186
Acquisition of new lease (Note 13(e))	168	9	168	9
Accretion of interest charged (Note 7)	399	768	164	454
Payment of:				
- principal	(4,838)	(7,327)	(3,895)	(5,106)
- interest	(399)	(768)	(164)	(454)
Total cash outflow	(5,237)	(8,095)	(4,059)	(5,560)
At 30 June 2022/2021	4,605	9,275	1,362	5,089
Analysed as follows:				
Current	293	4,833	191	3,890
Non-current	4,312	4,442	1,171	1,199
	4,605	9,275	1,362	5,089

The following expenses relate to payments not included in the measurement of the lease liabilities:

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Depreciation of right-of-use assets (Note 13(a))	4,316	4,240	1,312	1,310
Interest expense on finance leases (Note 7)	399	768	164	454
Expenses relating to short-term leases	10	15	10	14

There were no leases with residual value guarantee or leases not yet commenced to which the Group and the Company are committed.

24. Loans and borrowings (contd.)

Change in liabilities arising from financing activities

	Group		Company	
	RM'000	RM'000	RM'000	RM'000
At 1 July 2021/2020	653,229	802,160	55,657	77,934
Addition of new lease (Note 13(e))	168	9	168	9
Repayment of lease liabilities	(4,838)	(7,327)	(3,895)	(5,106)
Drawdown/(repayment) of term loan	319,850	(40,650)	559,000	-
Repayment of revolving credit	(285,500)	(54,000)	(40,000)	-
Repayment of bankers' acceptance	(25,574)	(8,714)	-	-
Reduction in bank overdraft	(84,496)	(38,249)	(10,046)	(17,180)
At 30 June 2022/2021	572,839	653,229	560,884	55,657

Other information on financial risks of loans and borrowings are disclosed in Note 31.

25. Trade and other payables

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	67,166	55,524	6,841	10,741
Related parties	6,601	11,832	1,007	4,354
	73,767	67,356	7,848	15,095
Other payables				
Accruals	7,358	11,874	1,565	2,493
Deposit received	45	45	45	45
Sundry payables	19,645	11,187	480	732
Related parties	1	-	-	-
Amounts due to related parties	-	274	-	271
Amounts due to subsidiaries	-	-	155,034	210,558
	27,049	23,380	157,124	214,099
Total trade and other payables	100,816	90,736	164,972	229,194

(a) Trade payables

Trade payables are generally non-interest bearing and the normal trade credit terms granted to the Group and to the Company range from 30 to 180 days (2021: 30 to 180 days).

(b) Amounts due to subsidiaries

The amounts due to subsidiaries under other payables bore interest at the rate of 3.25% (2021: 3%) per annum during the financial year. These amounts are payable on demand.

25. Trade and other payables (contd.)

(c) Sundry payables and amount due to related parties

These amounts are unsecured, non-interest bearing and payable on demand.

Further details on related party transactions are disclosed in Note 29.

26. Share capital and treasury shares

	Group and Company			
	Number of Ordinary Shares		← Amount →	
	Share capital (Issued and fully paid) '000	Treasury shares '000	Share capital (Issued and fully paid) RM'000	Treasury shares RM'000
At 1 July 2021 and 30 June 2022	973,718	(5,727)	977,402	(13,687)
At 1 July 2020 and 30 June 2021	973,718	(5,727)	977,402	(13,687)

Treasury shares

Treasury shares relate to ordinary shares of the Company that are held by the Company. The amount consists of the acquisition costs of treasury shares net of the proceeds received on their subsequent sale or issuance.

Of the total 973,717,797 (2021: 973,717,797) issued and fully paid ordinary shares as at 30 June 2022, 5,727,000 (2021: 5,727,000) were held as treasury shares by the Company. As at 30 June 2022, the number of outstanding ordinary shares in issue after the set-off were therefore 967,990,797 (2021: 967,990,797) ordinary shares.

The directors of the Company are committed to enhancing the value of the Company for its shareholders and believe that the repurchase plan can be applied in the best interests of the Company and its shareholders. The repurchase transactions were financed by internally generated funds. The shares repurchased are held as treasury shares in accordance with Section 127 of the Companies Act 2016.

27. Other reserves

	Fair value adjustment reserve RM'000	Foreign currency translation reserve RM'000	Total RM'000
Group			
At 1 July 2020	(31,500)	(5)	(31,505)
Fair value changes for investment securities held under fair value through other comprehensive income	(1,897)	4	(1,893)
Transfer of fair value adjustment reserve upon disposal of equity instruments	14,285	-	14,285
Reclassification	-	2	2
At 30 June 2021	(19,112)	1	(19,111)
Fair value changes for investment securities held under fair value through other comprehensive income	(3,823)	(3)	(3,826)
Reclassification	-	3	3
At 30 June 2022	(22,935)	1	(22,934)

(a) Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes of fair value through other comprehensive income financial assets until they are disposed.

(b) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations.

28. Commitments

Capital commitments as at the reporting date are as follows:

	Group 2022 RM'000	Group 2021 RM'000
Capital expenditure		
Approved and contracted for:		
Property, plant and equipment	8,346	9,260

29. Related party transactions

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

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Subsidiaries				
Interest income	-	-	(10,354)	(9,928)
Interest expense	-	-	10,745	6,115
Commission paid	-	-	378	408
Contract fees paid to subsidiary	-	-	2,603	1,825
Hiring charges paid to a subsidiary	-	-	300	300
Fabrication and repair expenses	-	-	70	26
Road maintenance income	-	-	(3,000)	(3,000)
Sale of timber products	-	-	(34,658)	(38,570)
Purchase of timber products	-	-	42,486	40,653
Dividend income	-	-	(60,500)	-
Other related parties				
Sale of timber products to:				
- Oriental Evermore Group (vi)	(479)	(61)	-	-
Sale of crude palm oil to:				
- Borneo Edible Oils Sdn. Bhd. (iv)	(332,025)	(339,364)	-	-
Sale of spare parts, fuel and lubricants, chemicals and servicing of machineries:				
- Oriental Evermore Group (vi)	(282)	(137)	(178)	(111)
- Subur Group (i)	-	(4)	-	-
Equipment/logpond/office rental (income) from/expenses paid to:				
- Oriental Evermore Group (vi)	(15)	(18)	(15)	(18)
- Subur Group (i)	9	9	-	-
- Rimbunan Hijau Sdn. Bhd. (xvi)	-	6	-	-
Sale of property to:				
- Oriental Evermore Group (vi)	-	(4,200)	-	-
Sale of motor vehicles to:				
- RH Forestry Sdn. Bhd. (xi)	(66)	(244)	-	-
Electricity and water charges received from:				
- Oriental Evermore Group (vi)	(50)	(64)	(50)	(64)
Towage and freight charges paid to:				
- Subur Group (i)	-	11	-	-
- Oriental Evermore Group (vi)	4,382	4,204	4,113	3,071

29. Related party transactions (contd.)

In addition to the related party information disclosed elsewhere in the financial statements, the following transaction between the Group and the Company with the related parties took place at terms agreed between parties during the financial year: (contd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Other related parties (contd.)				
Purchase of raw materials from:				
- Petanak Enterprises Sdn. Bhd. (viii)	-	968	-	-
Purchase of spare parts, fuel and lubricants, chemicals and servicing of machineries:				
- Rimbunan Hijau General Trading Sdn. Bhd. (ii)	4,314	3,938	97	98
- Oriental Evermore Group (vi)	20	6	-	-
- Perindustrian Jaya Tiasa Sdn. Bhd. (xiv)	-	3	-	-
Hotel accommodation and purchase of food and beverages paid to:				
- Regalia Ritz Enterprise Sdn. Bhd. (ix)	9	1	8	1
- Oriental Evermore Group (vi)	1	4	1	-
Land rental paid to:				
- Rejang Heights Sdn. Bhd. (x)	1,190	1,604	-	-
- R.H. Forest Corporation Sdn. Bhd. (xiii)	2,577	3,023	-	-
- Wealth Houses Development Sdn. Bhd. (xii)	256	300	-	-
Purchase of computer hardware and related products from:				
- Comserv Holding Sdn. Bhd. (xvii)	9	4	9	4
Technical and advisory fee paid to:				
- Palm Biolab Sdn. Bhd. (iii)	21	31	-	-
Construction fee paid to:				
- Oriental Evermore Group (vi)	406	1,423	286	-
Security contract fee paid to:				
- Oriental Evermore Group (vi)	50	48	-	-

29. Related party transactions (contd.)

In addition to the related party information disclosed elsewhere in the financial statements, the following transaction between the Group and the Company with the related parties took place at terms agreed between parties during the financial year: (contd.)

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RM'000	RM'000	RM'000	RM'000
Key management personnel				
Directors' remunerations (Note 10)	2,412	4,225	2,364	4,177
Other key management personnel				
Short-term employee benefits	3,456	5,783	3,051	5,114
Post-employment benefits:				
Defined contribution plan	301	261	287	234
	3,757	6,044	3,338	5,348
Total key management personnel	6,169	10,269	5,702	9,525

Other key management personnel comprise persons, having authority and responsibility for planning, directing and controlling the activities of the entity either directly or indirectly.

(i) Subur Group

Subur Group includes Subur Tiasa Holdings Bhd. ("STHB") and its wholly-owned subsidiaries, Subur Tiasa Plywood Sdn. Bhd..

The following major shareholder of the Company has substantial interests in STHB:

- Tan Sri Datuk Sir Diong Hiew King @ Tiong Hiew King ("Tan Sri THK") - direct interest 0.59% and indirect interest 37.87%.

Datuk Tiong Thai King ("Datuk TTK"), a director of certain subsidiaries, is the Chairman of STHB. He holds direct interest of 0.52% in STHB.

Dato' Tiong Ing, daughter of Tan Sri THK, is the Managing Director of STHB.

(ii) Rimbunan Hijau General Trading Sdn. Bhd. ("RHGT")

The following major shareholder of the Company has substantial interests in RHGT:

- Tan Sri THK (a director of RHGT) - direct interest 2.5% and indirect interest 81.52%.

Datuk TTK, a director of certain subsidiaries, is also a director of RHGT. He holds indirect interest of 2.46% in RHGT.

Tiong Choon ("TC"), a director of the Company, is also a director of RHGT.

29. Related party transactions (contd.)

(iii) Palm Biolab Sdn. Bhd. ("PBSB")

Tiong Chiong Hee ("TCHee"), a director of the Company, is also a director of PBSB. He holds indirect interest of 100% in PBSB.

Datuk TTK, a director of certain subsidiaries, is a director of PBSB. He holds indirect interest of 100% in PBSB.

(iv) Borneo Edible Oils Sdn. Bhd. ("BEO")

Tan Sri THK, a major shareholder of the Company, is also a director of BEO. He holds indirect interest of 100% in BEO.

Datuk TTK, a director of certain subsidiaries, is also a director of BEO.

TC, a director of the Company, is also a director of BEO.

(v) Tapak Megah Sdn. Bhd. ("TMSB")

Tan Sri THK, a major shareholder of the Company, has direct interest of 6% and indirect interest of 57% in TMSB.

Datuk TTK, a director of certain subsidiaries, is also a director of TMSB and holds direct interest of 7% in TMSB.

Dato' Sri Dr. Tiong Ik King ("Dato' Sri Dr. TIK"), a director of the Company, holds direct interest of 7% in TMSB.

(vi) Oriental Evermore Group

Oriental Evermore Group includes Oriental Evermore Sdn. Bhd. ("OESB") and its wholly-owned subsidiaries namely, Empayar Semarak Sdn. Bhd., Globular Sdn. Bhd., Trans-Allied Sdn. Bhd., Moverstar (M) Sdn. Bhd. and Bintara Perkasa Sdn. Bhd..

Clara Tiong Siew Ee, a director of the Company, is also a director of Oriental Evermore Group. She holds direct interest of 1.95% and indirect interest of 73.40% in OESB.

(vii) Binamewah Sdn. Bhd. ("BSB")

Dato' Sri Dr. TIK, a director of the Company, holds direct interest of 7% in BSB.

Datuk TTK, a director of certain subsidiaries, is also a director of BSB and has indirect interest of 7%.

A major shareholder of the Company, Tan Sri THK, holds direct interest of 6% and indirect interest of 57% in BSB.

(viii) Petanak Enterprises Sdn. Bhd. ("PESB")

Tan Sri THK, a major shareholder of the Company, hold indirect interests of 51% in PESB.

(ix) Regalia Ritz Enterprise Sdn. Bhd. ("RRE")

Tan Sri THK, a major shareholder of the Company, is a director of RRE and has indirect interest of 100% in RRE.

TC, a director of the Company, is also a director of RRE.

Datuk TTK, a director of certain subsidiaries, is also a director of RRE.

29. Related party transactions (contd.)

(x) Rejang Heights Sdn. Bhd. ("RHSB")

A major shareholder of the Company, Tan Sri THK, is a director of RHSB. He has direct interest of 1% and indirect interest of 99% in RHSB.

TC, a director of the Company, is also a director of RHSB.

(xi) R.H. Forestry Sdn. Bhd. ("RHF")

Clara Tiong Siew Ee, a director of the Company, is also a director of RHF.

(xii) Wealth Houses Development Sdn. Bhd. ("WHD")

Tan Sri THK, a major shareholder of the Company, a director of WHD, holds indirect interest of 85% in WHD.

Datuk TTK, a director of certain subsidiaries, is also a director of WHD.

(xiii) R.H. Forest Corporation Sdn. Bhd. ("RHFC")

A major shareholder of the Company, Tan Sri THK, is also a director of RHFC. He has direct interests of 0.5% and indirect interest of 99.5% in RHFC.

Datuk TTK, a director of certain subsidiaries, is also a director of RHFC.

TC, a director of the Company, is also a director of RHFC.

(xiv) Perindustrian Jaya Tiasa Sdn. Bhd. ("PJT")

Tan Sri THK, a major shareholder of the Company, is also a director of PJT. He has direct interests of 1% and indirect interest of 93.4% in PJT.

Datuk TTK, a director of certain subsidiaries, is also a director of PJT. He has indirect interest of 1% in PJT.

(xv) R.H. Tours and Travel Agency Sdn. Bhd. ("RHTT")

Tan Sri THK, a major shareholder of the Company, is a director of RHTT and has direct interest of 11.83% and indirect interest of 79% in RHTT.

Datuk TTK, a director of certain subsidiaries, is also a director of RHTT and holds direct interest of 1.83% in RHTT.

TC, a director of the Company, is also a director of RHTT.

(xvi) Rimbunan Hijau Sdn. Bhd. ("RHSB")

Tan Sri THK, a major shareholder of the Company, is also a director of RHSB. He has direct interest of 0.5% and indirect interest 79.56% in RHSB.

Datuk TTK, a director of certain subsidiaries, is also a director of RHSB. He holds indirect interest of 6.2% in RHSB.

Dato' Sri Dr. TIK, a director of the Company, is also a director of RHSB. He holds direct interest of 4.3% in RHSB.

TC, a director of the Company, is also a director of RHSB.

(xvii) Comserv Holding Sdn. Bhd. ("CHSB")

Tan Sri THK, a major shareholder of the Company has indirect interest of 70.25% in CHSB.

Information regarding outstanding balances arising from related party transactions as at 30 June 2022 are disclosed in Note 20 and 25.

30. Financial instruments and fair value

(a) Determination of fair value

For financial instruments measured at fair value, where available, quoted and observable market prices in an active market or dealer price quotations are used to measure fair value. These include listed equity securities and broker quotes on Bloomberg and Reuters.

Where such quoted and observable market prices are not available, fair values are determined using appropriate valuation techniques, which include the use of mathematical models, such as discounted cash flow models and option pricing models, comparison to similar instruments for which market observable prices exist and other valuation techniques. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length. Valuation techniques used incorporate assumptions regarding discount rates, interest/profit rate yield curves, estimates of future cash flows and other factors, as applicable. Changes in these assumptions could materially affect the fair values derived.

The Group and the Company generally use widely recognised valuation techniques with market observable inputs, if available, for the determination of fair value, which require minimal management judgement and estimation, due to the low complexity of the financial instruments held.

MFRS 13 Fair Value Measurement requires each class of assets and liabilities measured at fair value in the statements of financial position after initial recognition to be categorised according to a hierarchy that reflects the significance of inputs used in making the measurements, in particular, whether the inputs used are observable or unobservable. The following levels of hierarchy are used for determining and disclosing the fair value of those financial instruments and non-financial assets:

Level 1 - Quoted market prices: quoted prices (unadjusted) in active market for identical instruments;

Level 2 - Fair values based on observable inputs: inputs other than quoted prices included within Level 1 that are observable for the instrument, whether directly (i.e. prices) or indirectly (i.e. derived from prices), are used; and

Level 3 - Fair values derived using unobservable inputs: inputs used are not based on observable market data and the unobservable inputs may have a significant impact on the valuation of the financial instruments and non-financial assets.

(b) Financial instruments measured at fair value

The following tables provide an analysis of financial instruments carried at fair values at the reporting date analysed by the various levels within the fair value hierarchy:

	Level 1 RM'000	**Level 2** RM'000	**Level 3** RM'000	**Total** RM'000
Group				
2022				
Financial assets measured at fair value				
Investment securities				
- Equity investments quoted in Malaysia	11,815	-	-	11,815

30. Financial instruments and fair value (contd.)

(b) Financial instruments measured at fair value (contd.)

The following tables provide an analysis of financial instruments carried at fair values at the reporting date analysed by the various levels within the fair value hierarchy: (contd.)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2021				
Financial assets measured at fair value				
Investment securities				
- Equity investments quoted in Malaysia	15,638	-	-	15,638

The fair value of Level 1 financial instruments above is based on available quoted market prices.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the transfer has occurred. The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer. There were no transfers between the fair value hierarchy levels during the financial year.

(c) Financial instruments not measured at fair value

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

	Note
Trade and other receivables	20
Cash and bank balances	23
Loan and borrowings	24
Trade and other payables	25

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature, subject to normal trade terms or they are already discounted at appropriate discount rates.

(d) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

		Financial assets	
Group	Carrying amount RM'000	Amortised cost RM'000	At FVTOCI RM'000
30 June 2022			
Trade and other receivables	57,987	57,987	-
Cash and bank balances	247,217	247,217	-
Investment securities	11,815	-	11,815
	317,019	305,204	11,815

30. Financial instruments and fair value (contd.)

(d) Categories of financial instruments (contd.)

The table below provides an analysis of financial instruments categorised as follows: (contd.)

Group	Carrying amount RM'000	Financial assets Amortised cost RM'000	At FVTOCI RM'000
30 June 2021			
Trade and other receivables	40,534	40,534	-
Cash and bank balances	23,425	23,425	-
Investment securities	15,638	-	15,638
	79,597	63,959	15,638
30 June 2022			
Trade and other payables	100,816	100,816	-
Loans and borrowings	572,839	572,839	-
	673,655	673,655	-
30 June 2021			
Trade and other payables	90,736	90,736	-
Loans and borrowings	653,229	653,229	-
	743,965	743,965	-

Company	2022 Carrying amount RM'000	2022 Amortised cost RM'000	2021 Carrying amount RM'000	2021 Amortised cost RM'000
Financial assets				
Trade and other receivables	536,020	536,020	292,779	292,779
Cash and bank balances	235,324	235,324	3,569	3,569
	771,344	771,344	296,348	296,348
Financial liabilities				
Trade and other payables	164,972	164,972	229,194	229,194
Loans and borrowings	560,884	560,884	55,657	55,657
	725,856	725,856	284,851	284,851

31. 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 Group's and the Company's overall risk management strategy seeks to minimise potential adverse effects of financial performance of the Group and of the Company. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk, market price risk and equity price risk.

Financial risk management policies are reviewed and approved by the Board of Directors and executed by the management of the respective operating units. The Group Risk Management Committee provides independent oversight to the effectiveness of the risk management process.

Control and monitoring procedures include, amongst others, setting of trading limits and the manner and timing of management reporting. Derivative trading is also under the close supervision of an executive director who reports such activities to the Board of Directors. Control procedures are periodically reviewed and enhanced where necessary in response to changes in market conditions. The Group and the Company do not apply hedge accounting and do not involve themselves in speculative activities.

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. At the reporting date, the Group's exposure to credit risk arises primarily from trade and other receivables.

The Group manages its credit risk by trading only with recognised and creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant. Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Impairment reviews are performed regularly and at the reporting date using the simplified approach. Generally, trade receivables are provided for expected credit loss when past due for more than 180 days.

Exposure to credit risk

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

(i) the carrying amount of each class of financial assets recognised in the statements of financial position; and

(ii) a nominal amount of RM76,000,000 (2021: RM1,023,100,000) and RM6,500,000 (2021: RM6,550,000) relating to corporate guarantees provided by the Company to banks and financial institutions for the subsidiaries' loans and borrowings and suppliers of the subsidiaries, respectively.

31. Financial risk management objectives and policies (contd.)

(a) Credit risk (contd.)

Credit risk concentration profile

The Group and the Company determine concentration of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's and of the Company's trade receivables at the reporting date are as follows:

	Group			
	2022		2021	
	RM'000	% of total	RM'000	% of total
By country:				
India	1,975	4	4,409	13
Malaysia	45,517	96	26,968	82
Middle East	-	-	8	1
Vietnam	-	-	1,354	4
	47,492	100	32,739	100

	Company			
	2022		2021	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	5,896	100	2,132	100

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will not be able to meet their financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group adopts a prudent approach to managing its liquidity risk.

31. Financial risk management objectives and policies (contd.)

(b) Liquidity risk (contd.)

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.

		Cash Flows			
	Carrying amount RM'000	**On demand or within one year** RM'000	**One to five years** RM'000	**Over five years** RM'000	**Total** RM'000
As at 30 June 2022					
Group					
Financial liabilities:					
Trade and other payables	100,816	100,816	-	-	100,816
Loans and borrowings	572,839	149,200	240,431	277,954	667,585
	673,655	250,016	240,431	277,954	768,401
Company					
Financial liabilities:					
Trade and other payables	164,972	170,011	-	-	170,011
Loans and borrowings	560,884	137,819	239,248	273,823	650,890
	725,856	307,830	239,248	273,823	820,901
As at 30 June 2021					
Group					
Financial liabilities:					
Trade and other payables	90,736	90,736	-	-	90,736
Loans and borrowings	653,229	379,038	301,077	10,691	690,806
	743,965	469,774	301,077	10,691	781,542
Company					
Financial liabilities:					
Trade and other payables	229,194	235,511	-	-	235,511
Loans and borrowings	55,657	55,382	1,994	-	57,376
Financial guarantee contracts*	1,029,650	1,029,650	-	-	1,029,650
	1,314,501	1,320,543	1,994	-	1,322,537

* Based on the maximum amount that can be called under the financial guarantee contracts.

31. Financial risk management objectives and policies (contd.)

(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.

As the Group has no significant interest-bearing financial assets, the Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Company's interest-bearing financial assets are those balances with its subsidiaries.

The Group's and the Company's interest rate risk arises primarily from interest-bearing borrowings. Borrowings at floating rates expose the Group and the Company to cash flow interest rate risk. Interest on financial instruments at fixed rates are fixed until the maturity of the instruments.

The Group's policy is to manage interest cost using a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, it is estimated that a thousand basis points increase in interest rate, with all other variables held constant, would decrease the Group's profit net of tax by approximately RM2,161,491 (2021: RM2,220,951) and decrease the Company's profit net of tax by RM1,208,556 (2021: decrease loss net of tax by RM20,043) respectively, arising mainly as a result of higher interest expense on net floating borrowing position. A decrease in interest rate would have had the equal but opposite effect on the aforesaid amount, on the basis that all other variables remain constant.

(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 and the Company have exposure to foreign exchange risk as a result of transactions denominated in foreign currencies, arising from normal trading activities. It is the Group's policy to hedge these risks where the exposures are certain and cost-efficient.

The currency giving rise to this risk is primarily United States Dollars (USD). Exposure to foreign currency risk is monitored on an on-going basis to ensure that the exposure is at an acceptable level.

The Group and the Company use forward currency contracts to minimise the currency exposures arising from sales and purchases after a firm commitment has been entered. It is the Group's policy not to enter into forward contracts until firm commitment is in place.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible strengthening/weakening of the United States Dollars ("USD") exchange rates against the Malaysian Ringgit ("RM"), with all other variables held constant.

	Group	
	Profit net of tax	
	2022	**2021**
	RM'000	RM'000
USD - Strengthen 5% (2021: 5%)	161	281
USD - Weaken 5% (2021: 5%)	(161)	(281)

31. Financial risk management objectives and policies (contd.)

(e) Market price risk

The Group is exposed to market price risk from its operations. The market price of logs, wood processing products, plantation produce, crude palm oil and palm kernel is determined by the supply, pricing and demand. These factors can result in fluctuations in the market price.

(f) Equity price risk

The Group's listed equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group manages the equity price risk through diversification and by placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Board of Directors reviews and approves all equity investment decisions.

At the reporting date, the exposure to listed equity securities at fair value was RM11,815,000 (2021: RM15,638,000). A decrease of 5% on the FTSE Bursa Malaysia KLCI could have an impact of approximately RM591,000 (2021: RM782,000) on the equity attributable to the Group.

32. Capital management

The primary objective of the Group's and the Company's capital management is to ensure that they maintain healthy capital ratios to support their businesses and maximise shareholder value. No changes were made in the objective, policies and processes during the year ended 30 June 2022 and 2021.

The Group reviews its capital structure and makes adjustments to reflect economic conditions, business strategies and future commitments on a continuous basis.

The Group monitors capital using a gearing ratio which is net debt divided by total equity attributable to owners of the parent plus net debt. The Group includes within net debt, loans and borrowings, less cash and bank balances.

		Group		Company	
	Note	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Loans and borrowings	24	572,839	653,229	560,884	55,657
Less: Cash and bank balances	23	(247,217)	(23,425)	(235,324)	(3,569)
Net debt		325,622	629,804	325,560	52,088
Equity attributable to owners of the Company		1,270,930	1,140,200	1,505,032	1,469,757
Capital and net debt		1,596,552	1,770,004	1,830,592	1,521,845
Gearing ratio		20%	36%	18%	3%

33. Segment information

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

i. Oil Palm - development of oil palm plantations;

ii. Oil Mill - palm oil processing;

iii. Logs Trading - extraction and sales of logs and development of planted forests;

iv. Manufacturing - manufacturing and trading of sawn timber, plywood, veneer, blockboard and laminated wood. The Group temporarily ceased operations in this segment in the previous financial year; and

v. Others - mainly comprises the provision of air transportation services, fabrication and workshop services, and investment holding.

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

Segmental operating results are reviewed on a regular basis by the Group's key management personnel in order to make decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax.

Transactions between operating segments are on a mutually agreed basis.

Segment analysis by geographical locations has not been presented as the Group's operations are predominantly conducted in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

33. Segment information (contd.)

	Oil palm		Oil mill		Logs trading		Timber manufacturing		Others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021		2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue:															
External customers	68,730	43,597	655,469	548,959	84,677	101,942	1,495	28,504	399	405	-	-		810,770	723,407
Inter-segment	539,021	369,415	9,560	3,672	60,500	8,453	-	72	4,748	5,217	(613,829)	(386,829)	A	-	-
Total revenue	607,751	413,012	665,029	552,631	145,177	110,395	1,495	28,576	5,147	5,622	(613,829)	(386,829)		810,770	723,407
Results:															
Depreciation and amortisation	90,656	91,899	45,957	46,629	8,160	8,687	2,082	3,351	5,507	6,760	(196)	(194)		152,166	157,132
Impairment	-	-	-	-	-	-	-	13,028	-	-	-	-		-	13,028
Interest income	3,011	669	3,284	2,734	8,404	7,207	3,809	3,879	646	518	(17,520)	(14,986)		1,634	21
Interest expense	17,288	20,844	10,247	9,610	13,023	9,473	5,282	5,879	929	954	(17,421)	(14,912)		29,348	31,848
Change in fair value	(6,145)	(159)	(1,701)	110	6,447	(19,394)	-	-	-	-	-	-		(1,399)	(19,443)
Segment profit/(loss) before tax	273,554	132,697	(52,162)	(32,032)	(30,415)	3,269	(6,332)	(34,623)	(5,661)	(5,214)	21,574	12,032		200,558	76,129
Income tax expense	(62,487)	(32,147)	(2,837)	(5,119)	(1,515)	(6,537)	(427)	(13)	1,121	(132)	-	-		(66,145)	(43,948)
Assets:															
Additions to non-current assets	6,810	2,721	4,488	3,285	16,953	9,788	62	627	1,124	844	(7,265)	(2,530)	B	22,172	14,735
Segment assets	1,139,395	1,321,211	449,544	544,137	2,196,187	1,790,551	88,622	147,071	53,827	60,436	(1,861,643)	(1,921,084)	C	2,065,932	1,942,322
Segment liabilities	201,731	594,614	307,767	347,361	770,740	333,174	64,709	116,399	36,730	34,973	(585,438)	(623,305)	D	796,239	803,216

33. Segment information (contd.)

Notes: Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A Inter-segment revenues are eliminated on consolidation.

B Additions to non-current assets consist of:

	2022 RM'000	2021 RM'000
Property, plant and equipment	11,434	4,782
Biological assets	10,738	9,953
	22,172	14,735

C The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated statement of financial position:

	2022 RM'000	2021 RM'000
Deferred tax assets	18,453	10,159
Tax recoverable	4,557	7,455
Inter-segment assets	(1,884,653)	(1,938,698)
	(1,861,643)	(1,921,084)

D The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	2022 RM'000	2021 RM'000
Deferred tax liabilities	121,602	58,528
Income tax payable	982	723
Loans and borrowings	572,839	653,229
Inter-segment liabilities	(1,280,861)	(1,335,785)
	(585,438)	(623,305)

Revenue from two major customers amounted to RM635,135,538 (2021: RM522,175,803), arising from sales by the oil mill segment.

34. Dividends

Subsequent to the end of the current financial year, the Directors declared an interim dividend of 2.80 sen per share amounting to RM27,103,742 in respect of the financial year ended 30 June 2022. The dividend, which was paid on 18 October 2022, will be accounted for in equity as an appropriation of retained earnings for the financial year ending 30 June 2023.

The Directors do not recommend the payment of any final dividend for the current financial year.

35. Significant events

Impact of Coronavirus (“COVID-19”) pandemic

The threats posed by the COVID-19 outbreak continue to evolve and many businesses have been crippled by the loss in earnings and major disruption in the supply chains. This has also resulted in significant volatility in the global financial and commodities’ markets. The Group and the Company are not spared from the vulnerabilities faced by many businesses.

The country has reached herd immunity levels that are in line with the National Recovery Plan on COVID-19 in the current endemic phase. This has enabled the Group and the Company to resume operations at best capacity whilst complying with the necessary Standard Operating Procedures requirements including close monitoring of employees, suppliers and visitors that enter the premises. The Group and the Company are actively monitoring the supply chain and manpower to maintain an acceptable level of operational productivity. Barring unforeseen circumstances, the Group and the Company expect the business operations to progressively improve in the financial year ending 30 June 2023.

Nevertheless, management will continue to monitor the development and impact of COVID-19 on the Group’s operations and their financial performance.

36. Authorisation of financial statements for issue

The financial statements were authorised for issue by the Board in accordance with a resolution of the directors on 27 October 2022.

TOP 10 LIST OF PROPERTIES OWNED BY THE GROUP IN MALAYSIA

As at 30 June 2022

Description	Tenure	Existing use	Area	Approximate age of building	Net Book Value (RM'000)	Date of Acquisition
Pulau Bruit Bruit Land District	Rented land	Oil Palm Estate, CPO Mill, Building & Quarter	52,880 hectares	14 years	111,768	-
Retus, Mukah Lot 1, Block 6 Retus Land District	Leasehold land expiring on 23.2.2063	Oil Palm Estate, CPO Mill, Building & Quarter	7,233.4 hectares	15 years	57,169	28/Aug/2003
Pulau Bruit Lot 317 & 318 Block 15 Bruit Land District	Leasehold land expiring on 18.05.2064	CPO Mill, Building & Quarter	74.84 hectares	12 years	22,482	01/Jan/2014
Pulau Bruit Lot 5, 6, 14 & 15 Block 11 Bruit Land District	Leasehold land expiring on 18.05.2064	Oil Palm Estate, Building & Quarter	10,042.87 hectares	10 years	14,396	09/Dec/2004
Sibu Town Sibu Town District Blk 10, Lots 790 - 802	Leasehold land expiring on 06.09.2071	Building	2,260.8 sq metres	19 years	13,320	30/Apr/2005
Oya-Dalat District Lot 9, Block 362 Oya-Dalat District	Leasehold land expiring on 23.2.2063	Oil Palm Estate, Building & Quarter	3,454.9 hectares	14 years	7,160	28/Aug/2003
Pulau Bruit Lot 92, 93, 96 & 168 Block 6, Bruit Land District	Leasehold land expiring on 18.05.2064	Oil Palm Estate, Building & Quarter	4,176.58 hectares	12 years	6,912	09/Dec/2004
Suai & Niah Land District Lot 1 Block 1 Suai Land District & Lot 2 Block 2 Niah Land District	Leasehold land expiring on 06.12.2060	Oil Palm Estate, Building & Quarter	5,000.70 hectares	17 years	3,314	30/Apr/2001
Sibu LOT 920 & 1373, Block 16, Seduan Land District	Leasehold land expiring on 31.12.2915	Warehouse	1.35 hectares	10 years	3,052	14/Mar/2008
Tanjung Manis, Sarikei Sare Land District Block 3, Lot 143	Leasehold land expiring on 19.06.2062	Vacant Industrial Land	158.4 hectares	-	2,331	01/Sep/2003

ANALYSIS OF SHAREHOLDINGS
As at 30 September 2022

Number of Issued Shares : 973,717,797*
Class of shares : Ordinary shares
Voting Right : One vote for each share held

**inclusive of 5,727,000 shares bought-back by the Company and retained as treasury shares as at 30 September 2022*

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
Less than 100	158	1.69	5,419	0.00
100 – 1,000	796	8.49	509,106	0.05
1,001 – 10,000	4,768	50.85	26,729,238	2.76
10,001 – 100,000	3,037	32.39	102,818,390	10.62
100,001 to less than 5% of issued shares	614	6.55	551,424,472	56.97
5% and above of issued shares	3	0.03	286,504,172	29.60
TOTAL	**9,376**	**100.00**	**967,990,797**(1)	**100.00**

(1) *excluding 5,727,000 treasury shares*

DIRECTORS' SHAREHOLDINGS
(As per Register of Directors' Shareholdings)

Shares held in the Company

	No. of Shares Held			
Name	**Direct**	**%**	**Indirect**	**%**
Tan Sri Dato' Sri Mohamad Fuzi Bin Harun	-	-	-	-
Dato' Jin Kee Mou	73,825	0.01	-	-
Mr Tiong Chiong Hee	-	-	130,000+	-
Ms Clara Tiong Siew Ee	-	-	795,936#	0.08
Dato' Sri Dr Tiong Ik King	341,790	0.04	-	-
Mdm Tiong Choon	-	-	1,432,428*	0.15
Dato' Wong Lee Yun	-	-	-	-
Mr Yong Voon Kar	-	-	-	-

Notes:

+ *Deemed interested in shares held by Fatherland Enterprise Sdn Bhd by virtue of Section 8(4) of the Companies Act 2016 ("Act").*
# *Deemed interested in shares held by the late Tiong Chiong Hoo and Hoojin Holding Sdn Bhd by virtue of Section 8(6) of the Act.*
* *Deemed interested in shares held by her spouse by virtue of Section 59(11)(c) of the Act.*

Shares held in Subsidiary Company

None of the Directors holds any shares in subsidiary company.

ANALYSIS OF SHAREHOLDINGS
As at 30 September 2022

SUBSTANTIAL SHAREHOLDERS
(As per Register of Substantial Shareholders)

	No. of Shares Held				
Name	Direct	%	Indirect		%
Tiong Toh Siong Holdings Sdn Bhd	208,730,471	21.56	943,545	(a)	0.10
Genine Chain Limited	91,055,164	9.41			
Tiong Toh Siong Enterprises Sdn Bhd	50,449,008	5.21			
Tan Sri Datuk Sir Tiong Hiew King	8,871,408	0.92	283,257,149	(b)	29.26
Teck Sing Lik Enterprise Sdn Bhd	1,270,080	0.13	50,449,008	(c)	5.21
Ho Cheung Choi			91,055,164	(d)	9.41
Chang Meng			91,055,164	(d)	9.41

Notes: -

(a) Deemed interested in shares held by Tiong Toh Siong & Sons Sdn Bhd by virtue of Section 8(4) of the Act.
(b) Deemed interested in shares held by Tiong Toh Siong Holdings Sdn Bhd, Tiong Toh Siong & Sons Sdn Bhd, Tiong Toh Siong Enterprises Sdn Bhd, Teck Sing Lik Enterprise Sdn Bhd and Pertumbuhan Abadi Asia Sdn Bhd by virtue of Section 8(4) of the Act.
(c) Deemed interested in shares held by Tiong Toh Siong Enterprises Sdn Bhd by virtue of Section 8(4) of the Act.
(d) Deemed interested in shares held by Genine Chain Limited by virtue of Section 8(4) of the Act.

TOP 30 SECURITIES ACCOUNT HOLDERS
(Without aggregating the securities from different securities accounts belonging to the same Depositor)

No.	Name	No. of Shares	%
1	Malaysia Nominees (Tempatan) Sendirian Berhad Pledged Securities Account For Tiong Toh Siong Holdings Sdn Bhd	145,000,000	14.98
2	AMSEC Nominees (Asing) Sdn Bhd KGI Securities (Singapore) Pte. Ltd. for Genine Chain Limited	91,055,164	9.41
3	Tiong Toh Siong Enterprises Sdn Bhd	50,449,008	5.21
4	Amanas Sdn. Bhd.	48,294,961	4.99
5	Nustinas Sdn. Bhd.	48,293,154	4.99
6	Asanas Sdn Bhd	47,459,343	4.90
7	Tiong Toh Siong Holdings Sdn Bhd	45,730,471	4.72
8	Pertumbuhan Abadi Asia Sdn. Bhd.	21,864,045	2.26
9	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tiong Toh Siong Holdings Sdn Bhd	18,000,000	1.86
10	CIMB Group Nominees (Asing) Sdn. Bhd. Exempt An For DBS Bank Ltd (SFS-PB)	16,790,250	1.73
11	Roseate Garland Sdn Bhd	16,282,331	1.68
12	Diong Hiew King @ Tiong Hiew King	8,871,408	0.92
13	Olive Lim Swee Lian	8,764,200	0.91
14	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Kong Kok Choy	8,500,000	0.88
15	Inter-Pacific Equity Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account For Tan Heng Loon	8,462,300	0.87
16	HSBC Nominees (Asing) Sdn Bhd J.P. Morgan Securities PLC	5,698,496	0.59

ANALYSIS OF SHAREHOLDINGS
As at 30 September 2022

Top 30 Securities Account Holders (Cont'd)

No.	Name	No. of Shares	%
17	RHB Capital Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Fong Siling (CEB)	5,000,000	0.52
18	Citigroup Nominees (Asing) Sdn Bhd CBNY For Emerging Market Core Equity Portfolio DFA Investment Dimensions Group INC	4,765,438	0.49
19	Ooi Chin Hock	4,190,115	0.43
20	HSBC Nominees (Asing) Sdn Bhd JPMCB NA For Teachers' Retirement System Of The City Of New York	3,759,200	0.39
21	Kenanga Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Tiong Thai King	3,600,135	0.37
22	CIMB Group Nominees (Tempatan) Sdn Bhd Exempt AN For DBS Bank Ltd (SFS-PB)	3,307,500	0.34
23	Azerina Mohd Arip @ Gertie Chong Soke Hoon	3,256,725	0.34
24	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chin Yau Kong	2,970,000	0.31
25	Tiong Chiong Ong	2,920,896	0.30
26	Citigroup Nominees (Asing) Sdn Bhd UBS AG	2,698,760	0.28
27	Public Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Chee Lai Hock (E-BMM)	2,633,900	0.27
28	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account For Liew Sun Yick (CCTS)	2,598,900	0.27
29	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund 0MUA For Teachers' Retirement System Of The State Of Illinois	2,539,900	0.26
30	DB (Malaysia) Nominee (Asing) Sdn Bhd The Bank Of New York Mellon For Acadian Emerging Markets Small Cap Equity Fund, LLC	2,507,800	0.26
	Total	**636,264,400**	**65.73**

NOTICE OF **ANNUAL GENERAL MEETING**

NOTICE IS HEREBY GIVEN that the 62nd Annual General Meeting of the Company will be held on a fully virtual basis via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657) provided by Boardroom Share Registrars Sdn Bhd on Friday, 25 November 2022 at 10.00 a.m. for the following purposes:-

A G E N D A

AS ORDINARY BUSINESS

1 To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and Auditors thereon. **(Please refer to Note C 1)**

2 To re-elect the following Directors retiring pursuant to Article 81 of the Company's Constitution:-

i. Mr Tiong Chiong Hee **Resolution 1**
ii. Dato' Wong Lee Yun **Resolution 2**
iii. Mr Yong Voon Kar **Resolution 3**

3 To approve the payment of Directors' fees amounting to RM456,500 for the financial year ended 30 June 2022. **Resolution 4**

4 To approve the payment of Directors' benefits not exceeding RM400,000 in aggregate during the period from 26 November 2022 until the next Annual General Meeting of the Company. **Resolution 5**

5 To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Resolution 6**

AS SPECIAL BUSINESS

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

6 <u>Continuing in office as Independent Non-Executive Director</u> **Resolution 7**

"THAT approval be and is hereby given for Dato' Wong Lee Yun who has served as an Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to be designated as an Independent Non-Executive Director of the Company until 31 May 2023."

7 <u>Proposed Renewal of the Existing Shareholder Mandate for Recurrent Related Party Transactions</u> **Resolution 8**

"THAT approval be and is hereby given to the Company and/or its subsidiary companies to enter into recurrent related party transactions of a revenue or trading nature as set out in Section 2.2 of the Circular to Shareholders dated 28 October 2022 with specific classes of Related Parties which are necessary for the day-to-day operations and in the ordinary course of business on terms not more favourable to the Related Parties than those generally available to the public and are not to the detriment of the minority shareholders of the Company;

AND THAT such mandate shall commence upon the passing of this resolution until:

(i) the conclusion of the next Annual General Meeting ("AGM") of the Company at which time such authority will lapse, unless by an ordinary resolution passed at a general meeting of the Company, the authority of the Shareholder Mandate is renewed; or
(ii) the expiration of the period within which the next AGM of the Company is required by laws to be held; or
(iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting;

whichever occurs first.

THAT the Directors of the Company be authorised to do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Shareholder Mandate."

8 To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

NGU UNG HUONG [SSM PC No.: 201908002438 (MAICSA 7010077)]
Company Secretary

Sibu, Sarawak
28 October 2022

Notes:

(A) FULLY VIRTUAL AGM

The 62nd AGM of the Company will be held on a fully virtual basis through live streaming and online remote voting via the Remote Participation and Electronic Voting ("RPEV") Platform at https://meeting.boardroomlimited.my. The online meeting platform allows shareholders to attend and exercise their rights as a member to speak in the form of real time submission of typed texts and vote at the 62nd AGM remotely. Please refer to the Administrative Guide for details on registration to participate at our 62nd AGM and vote remotely via the RPEV Platform.

(B) PROXY AND VOTING

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **18 November 2022** shall be entitled to attend the meeting or appoint proxy(ies) to attend, vote and speak on his/her behalf.

2. A member of the Company entitled to attend and vote at the meeting is also entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.

3. Where a member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account.

   Where a member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.

   Where a member of the Company is an exempt authorised nominee who holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

4. The instrument appointing a proxy shall be signed by the appointor or by his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.

5. The proxy form may be made in hard copy or by electronic means as follows:

   (i) In hard copy form

   The instrument appointing a proxy must be deposited at Boardroom Share Registrars Sdn Bhd, Ground Floor or 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting, ie latest by **Wednesday 23 November 2022 at 10.00 a.m.**

   (ii) By electronic means

   Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through Boardroom Smart Investor Portal at https://investor.boardroomlimited.com or via email to bsr.helpdesk@boardroomlimited.com before the Proxy Form lodgement cut-off time as mentioned in (i) above.

6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

(C) EXPLANATORY NOTES ON ORDINARY/SPECIAL BUSINESS

1. Audited Financial Statements

Agenda 1 on the Audited Financial Statements ("AFS") is for the purpose of presenting the AFS to the shareholders in accordance with Section 340(1)(a) of the Companies Act, 2016 and does not require shareholders' approval.

2. Re-election of Directors

Resolutions No. 1 , 2 and 3

Mr Tiong Chiong Hee, Dato' Wong Lee Yun and Mr Yong Voon Kar (the "Retiring Directors") are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 62nd AGM.

The Board had, through the Nomination Committee ("NC"), considered the performance and "fit and proper" assessment on the Retiring Directors, and concluded that they had effectively discharged their roles as Directors and were able to act in the best interest of the Company. The Board endorsed the NC's recommendation on the re-election of the Retiring Directors.

The profiles of the Retiring Directors are set out in the Company's 2022 Annual Report.

3. Directors' Fees and Benefits

Resolutions No. 4 and 5

The Company pays fees and benefits to the Non-Executive Directors. The Executive Directors do not receive fees and benefits as Directors but they are remunerated with salaries, bonuses and other emoluments by virtue of their contract of service which do not require approval by the shareholders.

The Company is therefore seeking shareholders' approval on fees and benefits payable to the Non-Executive Directors under the proposed Resolutions No. 4 and 5. The directors' benefits comprise meeting allowance payable as and when incurred and fixed allowances payable monthly.

4. Continuing in office as Independent Director

Resolution No. 7

Dato' Wong Lee Yun was appointed as Independent Non-Executive Director on 21 June 2007.

The Board has via the Nomination Committee conducted assessment of Dato' Wong Lee Yun who has served as Independent Non-Executive Director for a cumulative term of more than nine (9) years and recommended her to continue to be designated as Independent Non-Executive Director of the Company up to 31 May 2023 based on the following justifications:

- Dato' Wong Lee Yun meets the criteria of "independence" as prescribed in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and, therefore, is able to bring independent and objective judgement on matters brought to the Board and Board Committees;

- her relevant experience and expertise in investment banking and corporate advisory coupled with her diverse skill set enables her to provide invaluable contribution to the Board and Board Committees; and

- she has discharged her duties diligently and always challenged management constructively. Her understanding of the Group's business operations gained over her tenure of service with the Company enables her to contribute effectively during Board and Board Committees meetings.

5. Proposed Recurrent Related Party Transactions ("RRPT") Mandate

Resolution No. 8

Please refer to the Circular to Shareholders dated 28 October 2022 for information on the Ordinary Resolution No. 8 for the Proposed RRPT Mandate.

STATEMENT ACCOMPANYING NOTICE OF THE 62ND AGM
(pursuant to Paragraph 8.27(2) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad)

Details of Individuals who are standing for election as Directors

No individual is standing for election as Directors at the 62nd AGM.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to participate and vote at the 62nd AGM and/or any adjournment thereof, a shareholder of the Company:

(i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the 62nd AGM (including any adjournment thereof), and the preparation and compilation of the attendance lists and other documents relating to the 62nd AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing requirements, regulations and/or guidelines (collectively, the "Purposes");

(ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and

(iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

JAYA TIASA

JAYA TIASA HOLDINGS BERHAD

[Registration No. 196001000095 (3751-V)]
Incorporated in Malaysia

PROXY FORM

*I/We ____ NRIC/ Passport/ Company No. ________________________________
(Full name in block and as per NRIC / Passport)

Tel/Hp No. ___________________________ of ____

being a member of Jaya Tiasa Holdings Berhad, hereby appoint:-

Full Name *(in Block)*	NRIC/ Passport No./ Company No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile No.	Email Address		

and / or failing him

Full Name *(in Block)*	NRIC/ Passport No./ Company No.	Proportion of Shareholdings	
		No. of Shares	%
Mobile No.	Email Address		

or failing him, the Chairman of the meeting as my/our proxy/proxies to vote for me/us and on my/our behalf at the 62nd Annual General Meeting of the Company to be held on a fully virtual basis via online meeting platform at https://meeting.boardroomlimited.my (Domain Registration No. with MYNIC-D6A357657) provided by Boardroom Share Registrars Sdn Bhd on Friday, 25 November 2022 at 10.00 a.m. and at any adjournment thereof.

My/our proxy is to vote as indicated below. If there is no specific indication given as to voting, the proxy will vote or abstain at his discretion.

		First Proxy "A"		**Second Proxy "B"**	
Ordinary Resolutions		**For**	**Against**	**For**	**Against**
1.	Re-election of Mr Tiong Chiong Hee as Director.				
2.	Re-election of Dato' Wong Lee Yun as Director.				
3.	Re-election of Mr Yong Voon Kar as Director.				
4.	Approval of payment of Directors' Fees.				
5.	Approval of payment of Directors' Benefits.				
6.	Re-appointment of Auditors.				
7.	Continuing in office of Dato' Wong Lee Yun as Independent Director.				
8.	Proposed Shareholder Mandate for Recurrent Related Party Transactions.				

Dated this ___________ day of ______________________ 2022

No. of Shares held : ____________________________

____
Signature of Shareholder/Common Seal

CDS Account No. :____________________________

Notes:

1. In respect of deposited securities, only members whose names appear in the Record of Depositors on **18 November 2022** shall be entitled to attend the meeting or appoint proxy(ies) to attend, vote and speak on his/her behalf.
2. A member of the Company entitled to attend and vote at the meeting is also entitled to appoint not more than two (2) proxies to attend and vote in his/her stead. A proxy may but need not be a member of the Company. A proxy appointed to attend and vote at a meeting of the Company shall have the same right as the member to speak at the meeting.
3. Where a member is an authorised nominee as defined in accordance with the provisions of the Securities Industry (Central Depositories) Act, 1991, it may appoint at least one (1) proxy but not more than 2 proxies in respect of each Securities Account it holds with ordinary shares in the Company standing to the credit of the said Securities Account. Where a member appoints 2 proxies, the appointment shall be invalid unless he specifies the proportions of his shareholdings to be represented by each proxy.
   Where a member of the Company is an exempt authorised nominee who holds ordinary share in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
4. The instrument appointing a proxy shall be signed by the appointor or by his attorney duly authorised in writing or if the appointor is a corporation, either under its common seal or under the hand of an officer or attorney of the corporation duly authorised.
5. The proxy form may be made in hard copy or by electronic means as follows:
   (i) In hard copy form
   The instrument appointing a proxy must be deposited at Boardroom Share Registrars Sdn Bhd, Ground Floor or 11th Floor, Menara Symphony, No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan not less than forty-eight (48) hours before the time for holding the meeting, ie latest by Wednesday 23 November 2022 at 10.00 a.m.
   (ii) By electronic means
   Alternatively, the instrument appointing a proxy can be deposited electronically (for individual shareholders only) through the Share Registrar's website, Boardroom Smart Investor Online Portal at https://investor.boardroomlimited.com or via email to bsr.helpdesk@boardroomlimited.com before the Proxy Form lodgement cut-off time as mentioned in (i) above.
6. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in this Notice will be put to vote by poll.

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AFFIX
STAMP

The Share Registrar
Jaya Tiasa Holdings Berhad

Boardroom Share Registrars Sdn Bhd
Ground Floor or 11th Floor, Menara Symphony,
No.5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya, Selangor Darul Ehsan

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JAYA TIASA

JAYA TIASA HOLDINGS BERHAD
[Registration No. 196001000095 (3751-V)]

No. 1-9, Pusat Suria Permata,
Lorong Upper Lanang 10A,
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