



Plantations

GROWING GREENER

Boustead Plantations Berhad
Integrated Report 2023



GROWING GREENER

An evocative cover that captures the Company's sustainable vision and aspirations through a full image-based rendition. A magazine effect is conveyed with the creative positioning of the theme within the image of lush trees. The sunrise reflects a new phase of growth in the Company as it focuses on new horizons of achievement.



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ABOUT THIS REPORT

INTEGRATED REPORTING APPROACH

This Integrated Report is intended to provide stakeholders of Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group) with a greater depth of understanding of our performance, direction as well as material assessment and risks for the financial year under review ended 31 December 2023. It is important for stakeholders to be aware that, at the point of preparing this Integrated Report, BPlant was delisted from the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 23 January 2024.

First introduced in 2021, the Integrated Report continues to holistically showcase our transformation efforts, while reflecting the International Integrated Reporting Council’s guidelines. Our objective remains unchanged: to communicate effectively and transparently with our stakeholders about the ways in which our strategies, values, and governance have contributed to the short, medium, and long-term value of the Group.

Our commitment to prioritising information accessibility remains a key focus in our reporting. In line with this, we have incorporated the use of various icons and links to provide stakeholders and readers with greater convenience and ease when navigating the report.

SCOPE AND BOUNDARY

In tandem with the reporting frameworks outlined on page 3, the Integrated Report herein provides information on both financial and non-financial performances, as well as key activities and events involving BPlant and subsidiaries in which we have a majority shareholding and exert significant influence. The reporting period spans from 1 January to 31 December 2023.

MATERIALITY

In assessing matters deemed material to BPlant, the Directors and Management carefully review stakeholders’ expectations, needs and concerns, taking into consideration BPlant’s key strategies as well as internal and external factors. This report contains the identified material issues, which are crucial to our value creation and ability to fulfil our core purpose.

NAVIGATION ICONS

Our Capitals



Financial Capital



Manufactured Capital



Intellectual Capital



Human Capital



Social and Relationship Capital



Natural Capital

Material Matters



Business Continuity



Creating Business Opportunities



Research and Development and Yield Improvement



Corporate Governance and Anti-Corruption



Traceability and Supply Chain



Data Privacy and Security



High Conservation Value Areas and Biodiversity



Energy Efficiency and Climate Resilience



Air, Water, Waste and Effluent Management



Occupational Safety and Health



Labour Practices and Standards



Diversity and Inclusion



Social Welfare and Community Investment

AUDITED FINANCIAL STATEMENT

Audited Financial Statement of BPlant for the financial year ended 31 December 2023 together with the Directors' Report and accompanying statements were issued on 5 April 2024 and approved during Annual General Meeting on 7 June 2024.

FORWARD-LOOKING STATEMENTS

This Integrated Report may include forward-looking statements which express the Group's expectations of its performance in the future. These statements however are based on current conditions, which may be impacted by numerous factors and differ substantially from the outcomes articulated herewith.

CROSS REFERENCES

You can find this report and other relevant information about BPlant at our corporate website:

<https://www.bousteadplantations.com.my/>



DIRECTORS' RESPONSIBILITY STATEMENT

This Integrated Report provides a fair representation of the Group's performance over the fiscal year 2023 and crucial material matters related to our value creation processes.

In line with the Board of Directors' responsibility to uphold the integrity of the BPlant Integrated Report 2023, this report was approved by the Board on 12 July 2024.

REPORTING FRAMEWORKS

This report has been guided by the principles and standards outlined in the following:

- International Integrated Reporting Framework by the International Integrated Reporting Council
- Main Market Listing Requirements of Bursa Malaysia
- Malaysian Code on Corporate Governance 2021 issued by the Securities Commission Malaysia
- Companies Act 2016
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards

The Sustainability Statement has been guided by the:

- Main Market Listing Requirements of Bursa Malaysia
- Bursa Malaysia Sustainability Reporting Guide
- Global Reporting Initiative Standards

Stakeholders

 Financial Community	 Employees	 Customers
 Business Partners	 Civil Society Organisations	 Government and Regulatory Bodies
 Industry Bodies/Associations	 Local Communities and Smallholders	

Risks

 Human Capital Risk	 Operational Productivity Risk
 Financial Risk	 Strategic Risk
 Legal and Compliance Risk	

Sustainable Development Goals

SECTION 1

OVERVIEW

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Aerial view of Telok Sengat Estate, Johor



**Towards increased
mechanisation in our
operations**



VISION

Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group) adopted a strategy to steer the Group not only towards optimising efficiency, productivity and profitability but also commitment towards environmental protection and conservation of biodiversity.



OVERVIEW OF BOUSTEAD PLANTATIONS BERHAD

MISSION

- ▶ To remain committed in our focus on research and development and implement breakthroughs at all levels and processes to maintain our technological edge.
- ▶ To achieve greater economies of scale by seizing opportunities to expand our landbank in Malaysia and the region.
- ▶ To enhance our efficiency and productivity via effective cost management and excellent managerial and agronomic practices to maximise productivity per unit area.
- ▶ To provide optimal coaching and training to all levels of employees, the primary engine that drives our business.
- ▶ To explore new business opportunities that will yield the highest returns.

VALUES

- ▶ We are committed towards environmental protection and conservation of biodiversity.
- ▶ We will conduct ourselves with the highest standards of integrity and honesty.
- ▶ We strive to be open-minded and receptive to new and diverse ideas, driven by information technology and innovation.
- ▶ We are committed to being a preferred provider by meeting, if not surpassing the quality and standards set by our customers.
- ▶ We are dedicated to the mutually beneficial relationship with our suppliers and contractors, who are our partners.
- ▶ We acknowledge and respect local cultures and values surrounding our operations.
- ▶ We are committed to ensuring sustainable long-term growth and the highest returns for our shareholders by steadfastly being productive and competitive.

WHO WE ARE

With over a 100 years of plantations expertise, BPlant has developed into one of Malaysia's most reputable upstream oil palm plantation companies, employing 6,568 individuals nationwide. Following its relisting on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia) on 26 June 2014, BPlant's market capitalisation stood at RM3.5 billion as of 31 December 2023. On 15 November 2023, the immediate holding company of BPlant changed from Boustead Holdings Berhad (BHB) to Lembaga Tabung Angkatan Tentera (LTAT). Subsequently, BPlant was delisted on 23 January 2024, following the acquisition by LTAT.



A worker collecting loose fruits at Bebar Estate, Pahang

PRESENCE

**Peninsular Malaysia,
Sabah and Sarawak**



REVENUE
RM852 million <<
(2022: RM1.2 billion)



PROFIT BEFORE TAXATION
AND ZAKAT
RM71 million >>
(2022: RM729 million)



TOTAL ASSETS
RM4.0 billion <<
(2022: RM4.2 billion)



EBITDA
RM231 million >>
(2022: RM425 million)



PROFIT FOR THE YEAR
RM36 million <<
(2022: RM589 million)









CAPITAL EXPENDITURE
RM153 million >>
(2022: RM86 million)



KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS

 <p>EARNINGS PER SHARE 1.9 sen (2022: 26.6 sen)</p>	 <p>NET ASSETS PER SHARE 130 sen (2022: 133 sen)</p>
 <p>RETURN ON EQUITY 1.4% (2022: 20.9%)</p>	 <p>DIVIDEND RM22.4 million (2022: RM324 million)</p>
 <p>BORROWINGS RM774 million (2022: RM857 million)</p>	 <p>GEARING RATIO 0.3 times (2022: 0.3 times)</p>

SUSTAINABILITY HIGHLIGHTS

<p>38,640 hectares (ha) ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO) CERTIFIED AREA (2022: 38,640 ha)</p>	<p>10 palm oil mills, 42 estates MALAYSIAN SUSTAINABLE PALM OIL (MSPO) CERTIFIED AREA (2022: 10 palm oil mills, 42 estates)</p>
<p>140,815 metric tonne (MT) TOTAL CERTIFIED SUSTAINABLE PALM OIL (CSPO) RSPO PRODUCED (2022: 126,723 MT)</p>	<p>24,871 MT TOTAL CERTIFIED SUSTAINABLE PALM KERNEL (CSPK) RSPO PRODUCED (2022: 21,301 MT)</p>
<p>a. 152 kilo tCO₂e (GHG Protocol*) b. 1,299 kilo tCO₂e (RSPO PalmGHG Calculator)</p> <p>TOTAL GREENHOUSE GAS EMISSIONS (2022: 1,364 kilo tCO₂e) Note: *Effective from 2023, we quantified and categorised GHG emissions into Scope 1, 2 and 3 in line with the GHG Protocol</p>	<p>1,424,220 MT BIOMASS PRODUCED (2022: 1,350,796 MT)</p>
<p>0 OCCUPATIONAL FATALITY (2022: 0)</p>	<p>11.76 LOST TIME INJURY FREQUENCY RATE (2022: 6.73)</p>

BUSINESS HIGHLIGHTS

Drive digital **transformation** and **explore new technologies**



Obtained **ISO 37001:2016 Anti Bribery Management Systems (ABMS) Certification**



FTSE4Good

Score improved from 3.1 in 2022 to

3.4 in 2023



FTSE4Good



Average Yield 13.9 MT per ha
(2022: 13.0 MT per ha)



All palm oil mills are ISO 9001:2015 certified



Highest Returns

to Shareholders Over Three Years (The Edge Billion Ringgit Club Awards 2023)



Oil Extraction Rate (OER) **improved to 20.8%** (2022: 20.6%)

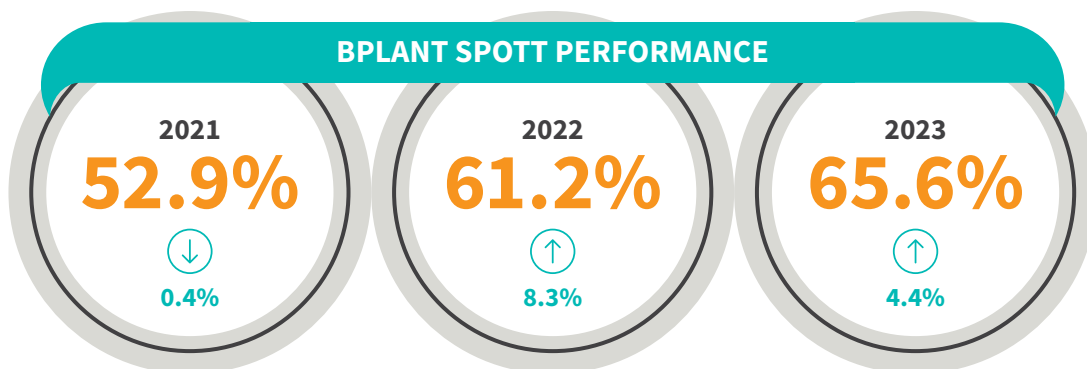


BPlant SPOTT rating has elevated to 65.6%, marking an improvement from 61.2% in 2022

OUR ACHIEVEMENTS



BPLANT SPOTT PERFORMANCE



AWARDS AND RECOGNITION



**Highest Returns to Shareholders Over Three Years
The Edge Billion Ringgit Club Awards 2023**



View of Segaria Estate, Sabah

WHAT WE DO

With 42 operational oil palm plantation estates, comprising 16 in Peninsular Malaysia and 26 in Sabah and Sarawak, BPlant is primarily engaged in the upstream portion of the crude palm oil market. Additionally, 10 palm oil mills are managed by BPlant concurrently throughout Malaysia: three in Peninsular Malaysia, five in Sabah and two in Sarawak. Of our 97,500 ha landbank, 74% or 72,200 ha are used for oil palm agriculture. This is made up of 23,400 ha in Peninsular Malaysia, 38,500 ha in Sabah, and 10,300 ha in Sarawak.

Our thriving plantation operations over the years have benefitted from the finest oil palm planting materials and sustainable agricultural practices thanks to our research and development (R&D) arm, Applied Agricultural Resources Sdn Bhd (AAR).

Additionally, BPlant through its subsidiary Boustead Life Sciences Research Sdn Bhd (BLSR) is gearing into the commercial production of non-oil palm planting material via Plant Tissue Culture technology. This strategic shift aims to contribute to the broader effort in ensuring a stable and secure food supply.

PLANTATION
PENINSULAR



PLANTATION
SABAH



PLANTATION
SARAWAK



RESEARCH AND
DEVELOPMENT



Our Peninsular Malaysia operations comprise of 20,200 ha (2022: 20,700 ha) of mature oil palm areas.

**FRESH FRUIT BUNCHES
(FFB) PRODUCTION**

351,111 MT

(2022: 366,724 MT)

OER

21.2%

(2022: 20.8%)

AVERAGE YIELD

17.4 MT per ha

(2022: 17.3 MT per ha)

Our Sabah operations comprise of 29,300 ha (2022: 34,600 ha) of mature oil palm areas.

FFB PRODUCTION

420,684 MT

(2022: 432,404 MT)

OER

20.9%

(2022: 21.0%)

AVERAGE YIELD

14.0 MT per ha

(2022: 12.2 MT per ha)

Our Sarawak operations comprise of 10,300 ha (2022: 10,300 ha) of mature oil palm areas.

FFB PRODUCTION

60,021 MT

(2022: 72,159 MT)

OER

17.8%

(2022: 18.1%)

AVERAGE YIELD

6.1 MT per ha

(2022: 7.0 MT per ha)

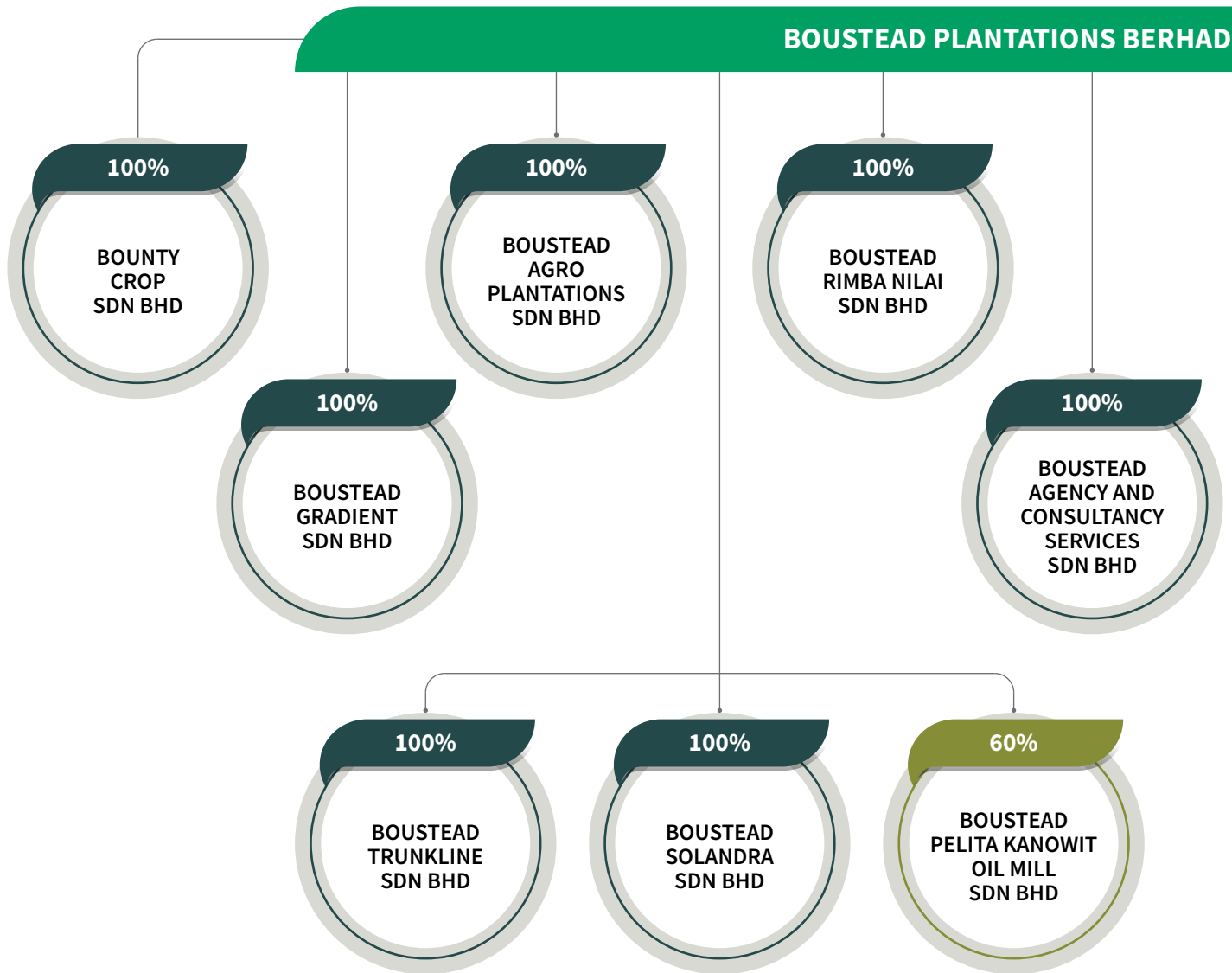
In order to maximise the yield, extraction rate and profitability of our estates, we continuously strive to plant only the best planting materials and implement the most sustainable planting practices. This objective is realised by capitalising on the vast knowledge and experience accumulated over 35 years by our R&D arm, AAR. We also rely on scientific research and expert advice from agronomists, pathologists, entomologists, microbiologists, specialists in remote sensing and geographic information systems, data analysts, information technology and other university professionals to further support our sustainable practices.

In response to the rising global concerns about food insecurity, our subsidiary, BLSR is venturing into the commercialisation of planting materials crops propagated such as banana, MD2 pineapple and ginger via Plant Tissue Culture technology, a move that will also bolster the Group's resilience and sustainability.

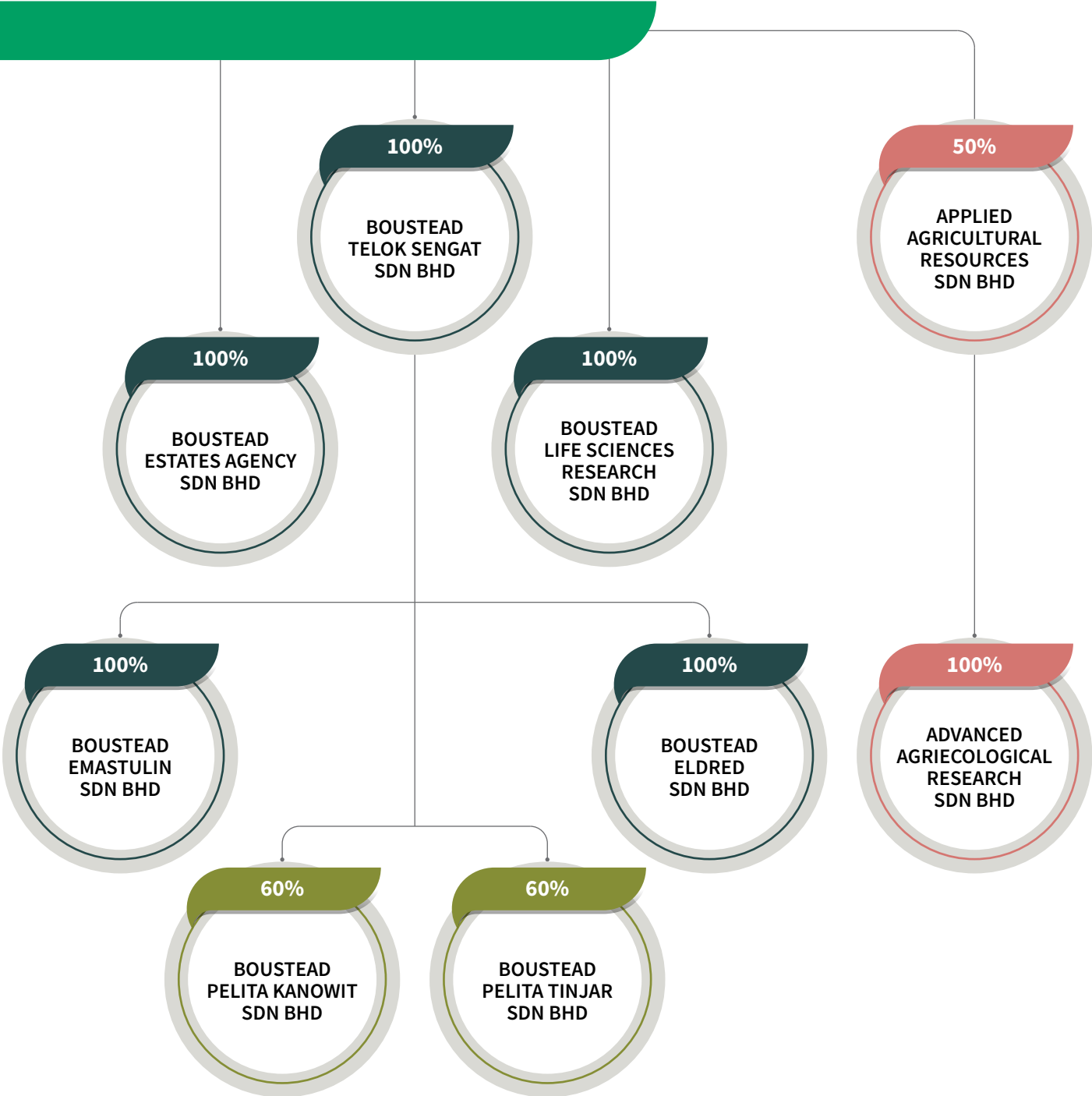
GROUP STRUCTURE



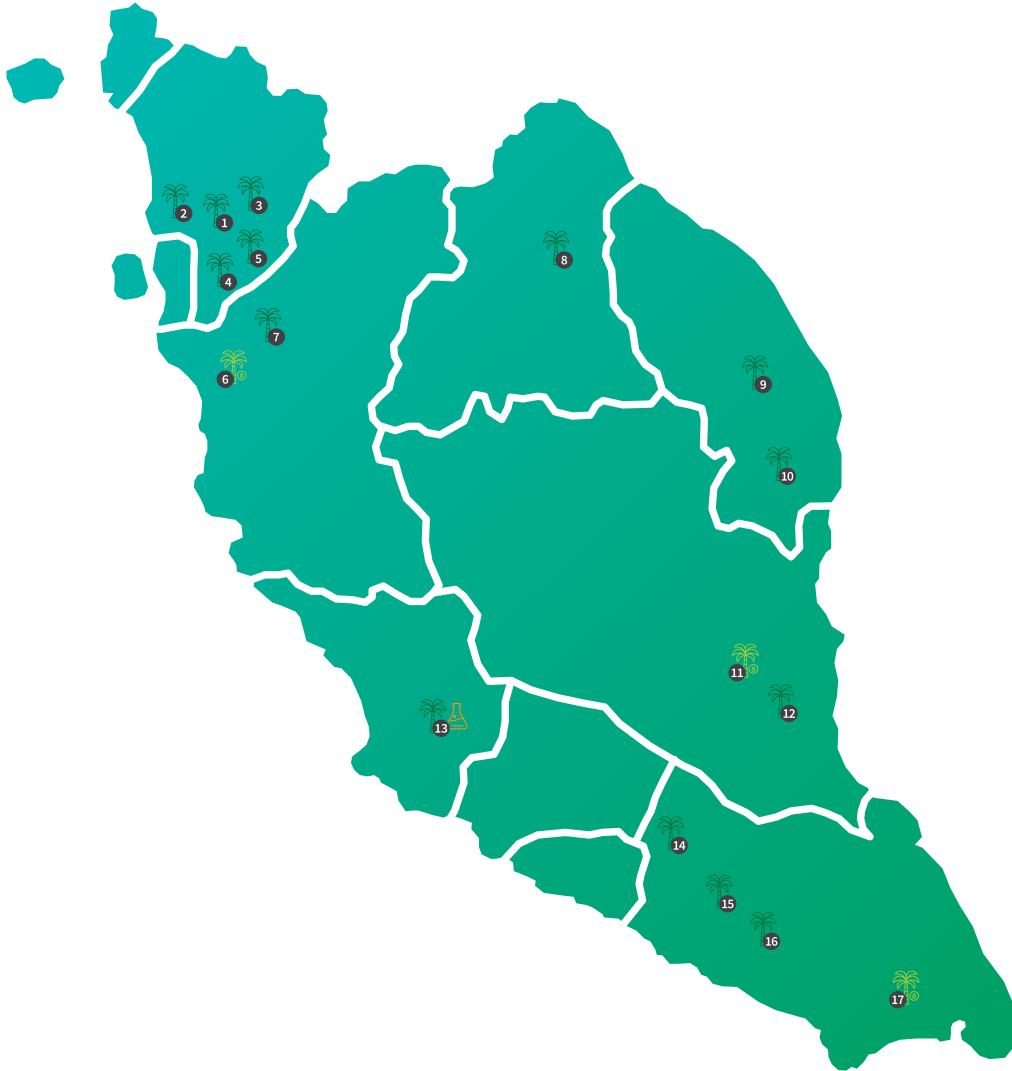
Plantations



- Wholly-owned subsidiary
- Non wholly-owned subsidiary
- Associate



WHERE WE OPERATE



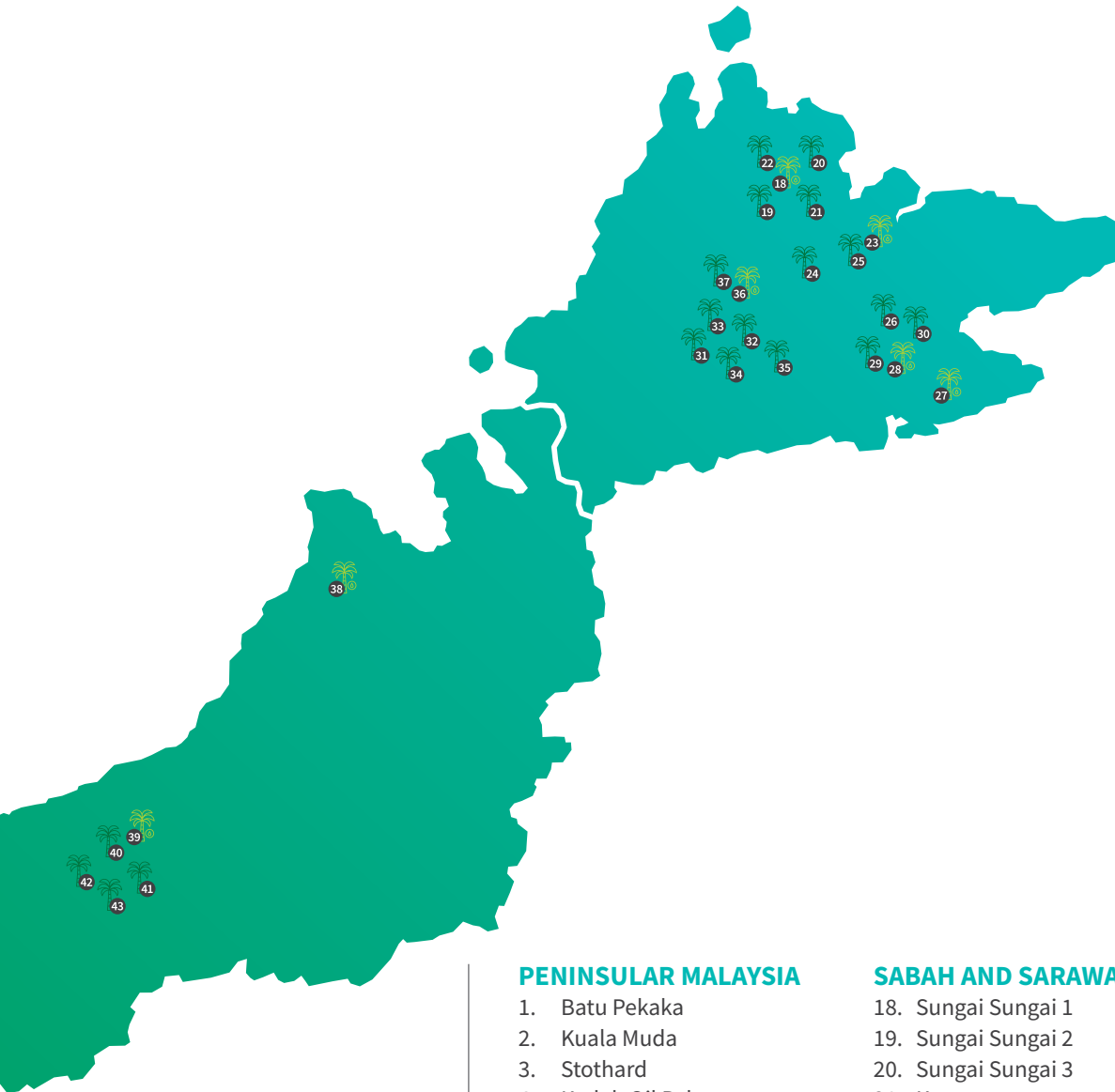
Planted Areas
72,200 ha

Matured Areas
59,800 ha

Total Landbank
97,500 ha

NO. OF
PALM OIL
MILLS
10

NO. OF
OPERATING
ESTATES
42



LEGEND



Estate



Estate with Palm Oil Mill



Tissue culture laboratory

PENINSULAR MALAYSIA

1. Batu Pekaka
2. Kuala Muda
3. Stothard
4. Kedah Oil Palms
5. Bukit Mertajam
6. Taiping Rubber Plantation
7. Malaya
8. Lelan Kabu
9. Solandra
10. LTT-Terengganu
11. Sungai Jernih
12. Bebar
13. Balau (Not in operation)
14. Bekoh
15. Eldred
16. Chamek
17. Telok Sengat

SABAH AND SARAWAK

- | | |
|----------------------|---------------------------|
| 18. Sungai Sungai 1 | 32. Boustead Ruku Ruku |
| 19. Sungai Sungai 2 | 33. Boustead Sapa Payau |
| 20. Sungai Sungai 3 | 34. Boustead Sungai Lokan |
| 21. Kawananan | 35. Boustead Lokan Baru |
| 22. Lembah Paitan | 36. Boustead Tawai 1 |
| 23. Nak | 37. Boustead Tawai 2 |
| 24. Resort | 38. Loagan Bunut |
| 25. Sutera | 39. Jih |
| 26. LTT-Sabah | 40. Pedai |
| 27. Segaria | 41. Kelimut |
| 28. Sungai Segamaha | 42. Bawan |
| 29. Bukit Segamaha | 43. Mapai |
| 30. G&G | |
| 31. Boustead Pertama | |

INDICES REPRESENTATION

Bursa Malaysia

OUR CERTIFICATIONS

**RSPO
Certification**

**MSPO
Certification**

**ISO 9001:2015
Certification**

**ISO 37001:2016
Certification**

OUR COLLABORATIONS



Vendors



Smallholders



Outgrowers

**Local Major Crude Palm Oil (CPO) Refineries
and Palm Kernel (PK) Crusher**



INTEGRATED VALUE CHAIN



FFB HARVESTING

- 01 All available FFB are harvested at optimum ripeness standards.
- 02 Harvesting activities are conducted at appropriate intervals to ensure consistently high yields of FFB MT per ha.
- 03 All relevant staff and machinery are fully utilised for fieldwork.
- 04 FFB are realigned for evacuation.



FFB EVACUATION

- 01 FFB and loose fruits are mechanically transferred with the Badang or Mini Tractor Grabber or manually moved using wheelbarrows to roadside FFB collection platforms or into bins or trailers.
- 02 FFB and loose fruits are realigned for evacuation.





**FFB
TRANSPORTATION**

- 01 Streamlined and coordinated internal and external transportation systems enable ideal efficiency and productivity to be achieved.
- 02 Prompt delivery of FFB to palm oil mills ensures optimal extraction and minimises free fatty acid formation, preventing significant loss of yield.



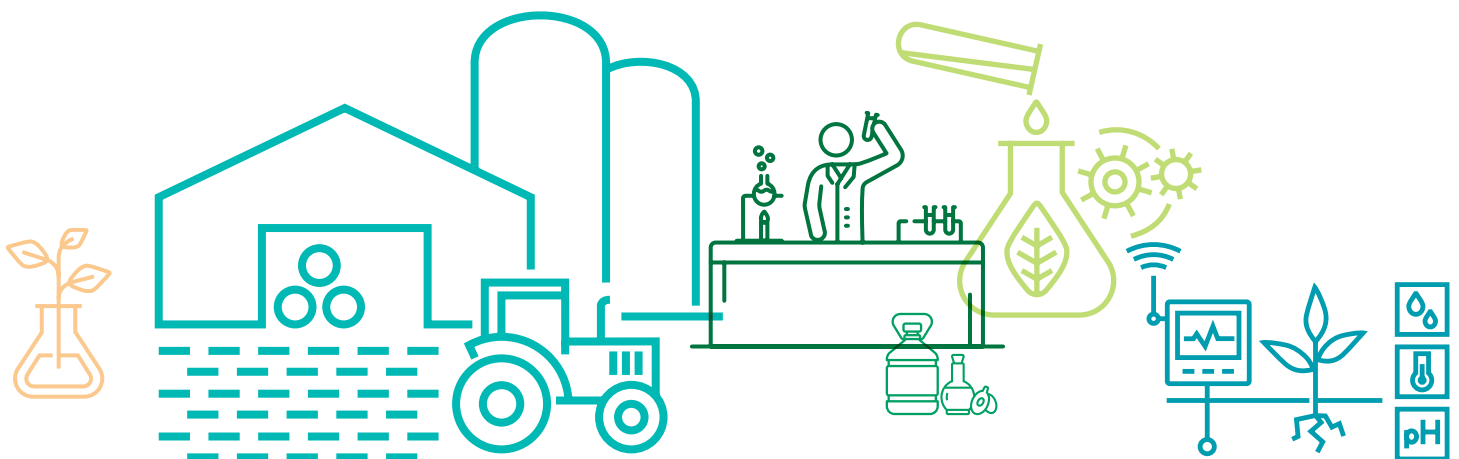
**FFB
PROCESSING**

- 01 CPO and PK products are derived by carefully processing FFB and loose fruits with highest OER at the palm oil mill.



**ON-PAR CPO AND
PK PRODUCTS**

- 01 RSPO and MSPO certifications and other pertinent standards are stringently upheld to ensure our CPO and PK products meet consumer demand and expectations.



CORPORATE MILESTONES

1800s

1828
Boustead & Company was established in Singapore



1900s

1910
The Barlow family was involved in large scale agriculture, primarily rubber and palm oil, in Malaya



1940s to 1950s

1946
Incorporated as a public limited company under the name of The Kuala Sidim Rubber Company Limited (KSRL)

1960s

1960
Boustead & Company was split into Boustead Plc in London and Boustead Holdings Berhad (BHB), which held the assets in Singapore and Malaysia

1970s

1970
KSRCB began acquiring landbank in Sabah

1973
BHB was split into BHB, which held the Malaysia assets and Taiping Singapore Pte Ltd, which held the Singapore, Hong Kong and Brunei assets

1973
KSRCB was listed on Bursa Malaysia and Singapore Stock Exchange



1973
KSRCB established Highland Research Unit Sdn Bhd (HRU), a joint venture agricultural research entity

1990s

1990
Delisted from the Singapore Stock Exchange

1993
Became the principal listed vehicle for BHB Group's plantation interests

1994
Changed name to Kuala Sidim Berhad

1994
Began expanding oil palm business in Sarawak

1994
Expanded directly-owned plantation interests



2000s

2003
Delisted from Bursa Malaysia following takeover offer by BHB

2004
Changed name to Boustead Plantations Berhad (BPlant)

2007
Al-Hadharah Boustead REIT listed on the Main Market of Bursa Malaysia

2022

27 January
Completed disposal of Kulai Young land

1 March
Initiated move towards certification of ISO 37001:2016 Anti-Bribery Management Systems for oil palm estate and palm oil mill operations, as well as corporate services


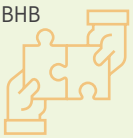
29 March
Signing of Document of Understanding with Cargill Palm Products Sdn Bhd for the long-term supply of high-quality and sustainable crude palm oil

7 June
Entered into a RM45 million green financing agreement with China Construction Bank (Malaysia) Berhad for replanting programme

25 August
Boustead Tawai Palm Oil Mill awarded with ISO 9001:2015, completing the certification for all 10 palm oil mills

13 December
Listed on FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index

20 December
Completion of the condition precedent for the partial disposal of land in Bukit Mertajam Estate

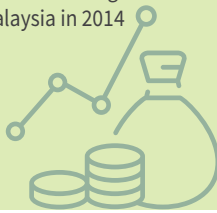
- 1960**
 KSRCCL began converting rubber crops to oil palm

- 1966**
 Changed name to The Kuala Sidim Rubber Company Berhad (KSRCB)
- 1966**
 Barlow Boustead Estates Agency Limited (BBEA) was established through a merger between BHB and Barlow & Company

- 1969**
 BBEA became a substantial shareholder of KSRCB and assumed role of managing agent

1980s

- 1976**
 BHB became a wholly-owned Malaysian entity with Lembaga Tabung Angkatan Tentera (LTAT) as its shareholder
- 1977**
 Nationalisation of BBEA with shares purchased by BHB, FELDA, Lembaga Tabung Haji and LTAT
- 1982**
 BHB acquired all interest in BBEA. Renamed it to Boustead Estates Agency Sdn Bhd (BEA)
- 1986**
 Co-founded Applied Agricultural Resources Sdn Bhd, an agricultural research and advisory services unit

- 1987**
 Disposed entire interest in HRU

2010s to 2021s

- 2013**
 Acquired 2,400 ha of oil palm plantations land in Lahad Datu, Sabah
- 2013**
 Acquired BEA from BHB
- 2014**
 Relisting of BPlant on Bursa Malaysia
- 2017**
 Disposal of 678 ha Malakoff Estate, Penang
- 2018**
 Acquired 11,579 ha of oil palm plantation land in Labuk and Sugut, Sabah
- 2019**
 Disposal of 139 ha Malakoff Estate, Penang
- 2019**
 Acquired 4,415 ha of palm plantation land and palm oil mill in Beluran, Kinabatangan and Labuk and Sugut, Sabah
- 2021**
 BPlant achieved a record-high revenue of above RM1.0 billion, the first since relisting on Bursa Malaysia in 2014

- 2021**
 Reinvesting Boustead Strategy was introduced

2023

- 31 December**
 Registered a record-high revenue of RM1.2 billion in financial year 2022, highest since relisting on Bursa Malaysia in 2014
- 24 August**
 LTAT, BHB and Kuala Lumpur Kepong Berhad signed a tripartite Strategic Collaboration Agreement (SCA) to initiate a mandatory takeover offer for BPlant
- 25 August**
 Signed Memorandum of Agreement between Boustead Life Sciences Research Sdn Bhd and Malaysian Agricultural Research and Development Institute on tissue culture research
- 4 October**
 Mutually terminated tripartite SCA for the mandatory takeover offer for BPlant
- 23 October**
 Recognised by The Edge Billion Ringgit Club Awards 2023 for 'Highest Returns to Shareholders Over Three Years'
- 10 November**
 LTAT initiated unconditional takeover offer on BPlant
- 18 December**
 FTSE4Good score improved from 3.1 in 2022 to 3.4 in 2023
- 22 December**
 ESG-based SPOTT rating for 2023 assessment improved to 65.6%

SECTION 2

KEY MESSAGES

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View of biogas plant at Telok Sengat Palm Oil Mill, Johor



**Towards replanting for
greater productivity**

CHAIRMAN'S STATEMENT

Dear Shareholder,

In 2023, Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group), navigated a series of challenges within the oil palm industry. These included lower demand from certain markets, uncertainties of vegetable oil prices further impacted by geopolitical disruptions, unfavourable global weather patterns, and supply disruptions due to labour shortage. Despite these obstacles, the Group managed to deliver moderate earnings, supported by favourable oil extraction rates and yields.

Lieutenant General Datuk Ahmad Norihan Jalal (R)
Chairman

Consistent with our strategic response to these challenges, we recognised the urgent need to bolster operational resilience and seize opportunities that enhance our long-term position as a prominent producer of palm oil. Consequently, a pivotal decision was made to privatise BPlant, leading to its delisting from Bursa Malaysia Securities Berhad on 23 January 2024. BPlant is currently a subsidiary of Lembaga Tabung Angkatan Tentera.

Stepping into the role of Chairman at BPlant is a great honour and a deep responsibility to undertake. On this note, I am pleased to pen my inaugural statement and present the Group's Integrated Report for the financial year ended 31 December 2023. The content of the Integrated Report reflects advancements in global reporting standards and the Integrated Reporting Framework.

OUR OPERATING LANDSCAPE

In the aftermath of robust economic recovery in 2022, the global gross domestic growth (GDP) is expected to shift from 3.5% to 3.0% in 2023 according to the International Monetary Fund. Malaysia's economy remained resilient with a GDP of 3.7% last year, slightly lower than the projected 4.0%.

An integral pillar of the country's economic development, palm oil's supply and demand dynamics continued to seek balance after the record-breaking prices of 2022. The financial year 2023 witnessed a normalisation of crude palm oil (CPO) prices, with a notable decline throughout the year.

The industry also contended with a reduction in planted area, partly due to ongoing replanting activities, while persistent labour shortages continued to pose challenges. Ongoing Government initiatives, however, resulted in some improvement in labour supply during the year, which was a contributing factor to the national production of CPO rising marginally to 18.6 million metric tonne (MT) from 18.5 million MT in 2022. Additionally, there was an upward trend in the national yield of fresh fruit bunches (FFB) and the national oil extraction rate (OER), increasing to 15.8 MT per hectare (ha) and 19.9% compared with 15.5 MT per ha and 19.7% in 2022, respectively.

On the downside, palm oil export was affected by lower demand from major markets, dipping to 15.1 million MT last year from 15.7 million MT in 2022. India maintained its lead as Malaysia's largest export market, followed by China, the European Union and four other key markets that comprised 54% of the country's total palm oil exports in 2023.



CPO prices experienced some volatility during the year due to higher palm oil stockpiles, negative growth in planted areas, lower-priced sunflower oil as the impact of the Ukraine-Russia conflict lessened, coupled with Indonesia's temporary lifting of its export ban along with increased domestic use of biodiesel. Consequently, the Malaysian Palm Oil Board's average price in 2023 fell to RM3,810 per MT compared with 2022's RM5,088 per MT.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM852 million, a 28% decrease from RM1.2 billion in the previous year. With profit before taxation and zakat of RM71 million in 2023, it was a 90% reduction from the previous corresponding period's RM729 million. The Group's results were hampered by the decline in palm product prices. However, this effect was partially alleviated by lower operating costs.

Total dividend payout was 1.0 sen per share for the year ended 31 December 2023.

SUSTAINING ESG

With global environmental concerns on the rise, sustainability is critical for the long-term success of the sector. BPlant remains committed to delivering improved operational efficiencies and profit by upholding our Environmental, Social and Governance (ESG) Strategy Framework.

Tackling critical environmental challenges such as deforestation, biodiversity loss, and greenhouse gas emissions is fundamental to how we operate. We prioritise BPlant's sustainability values across our entire supply chain, aligning our efforts with national goals to transition towards net zero emissions. This holistic approach ensures that our sustainability practices are not only maintained but are continually advanced in line with global standards and expectations.

Internally, heightening integrity and corporate governance through responsible anti-corruption and bribery initiatives remained crucial to our sustainability goals. Robust internal controls, in addition to awareness and training programmes, were utilised to maintain a culture that understands and complies with the Group's policies, procedures, and regulatory standards. During the fiscal year, BPlant successfully obtained the ISO 37001:2016 Anti-Bribery Management Systems Certification, underscoring the efficiency of our governance practices.

To further enhance our operations, the Group continued to elevate standards in labour relations with ongoing internal measures and upskilling activities implemented to empower our workforce. We place a strong emphasis on safety and wellbeing, ensuring that these priorities are integrated throughout our operations. Our active participation in Government initiatives contributed towards improving BPlant's foreign worker supply in an industry that currently still relies on skilled foreign workers, even as we strive to make inroads in plantation mechanisation and automation, aligning with modern technological advancements to future-proof our business.

With transparency and integrity in mind, we used the Global Reporting Initiative standards as a guide for the preparation of the Integrated Report 2023. To ensure our global ranking and management of ESG risks remain on track, we utilised the internationally-recognised Sustainability Policy Transparency Toolkit and the Roundtable on Sustainable Palm Oil PalmGHG calculator and GHG Protocol, among other assessment tools.

OUTLOOK

BPlant's commitment to transforming into a resilient, technology-centric operation is unwavering as we enter the new financial year. Our emphasis will be centred on enhancing yield rates and maintaining the momentum of our replanting efforts through our 25-Year Replanting Programme, alongside boosting operational efficiencies with the support of the ongoing Plantations Performance Improvement Programme 2.0 aimed at refining business processes Group-wide.

The new year will not be without its challenges, including temperamental weather, more stringent ESG policies and rising business cost. However, we are cautiously optimistic on delivering stronger growth. This confidence is bolstered by anticipated increases in both national CPO production and demand from key export markets, alongside improvements in labour supply thanks to supportive Government initiatives.

With a proactive approach and an emphasis on sustainability and technological integration, we are focused on making steady progress as we move forward in 2024 and beyond.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to convey our deep appreciation for the tireless contributions and guidance of the late Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. during his tenure as a Director of the Company from 10 April 2014 to 7 February 2024.

I am pleased to welcome to the Board, Mohammad Ashraf Md. Radzi as a Non-Independent Non-Executive Director and Jasmaliha Jaafar as an Alternate Director to Mohammad Ashraf Md. Radzi.

A warm welcome as well to our new Chief Executive Officer (CEO), Datuk Zulkarnain Md Eusope. I would also like to thank Fahmy Ismail for his contributions during his tenure as Director and Acting CEO.

In addition, I would also like to take this opportunity to express our humble gratitude to our valued shareholders who have been loyal supporters of BPlant. Thank you for the trust and faith you have placed in us.

Furthermore, the dedication and commitment of our employees and senior management have been instrumental to the ongoing transformation of the Group.

Our sincere appreciation is extended to our external stakeholders, including our financiers, business associates and partners, as well as the regulatory authorities for their support.

CHIEF EXECUTIVE OFFICER'S STATEMENT



TOTAL ASSETS

RM4.0 billion

(2022: RM4.2 billion)



TOTAL LIABILITIES

RM1.2 billion

(2022: RM1.4 billion)



TOTAL EQUITY

RM2.8 billion

(2022: RM2.9 billion)

Dear Shareholder,

Faced with disruptive global market conditions and fluctuating crude palm oil (CPO) prices, Boustead Plantations Berhad (BPlant) concluded the 2023 financial year on a more modest note in comparison with the previous year.

Datuk Zulkarnain Md Eusope

Chief Executive Officer





Towards resilient and sustainable growth

Preserved pocket jungle in the vicinity of Telok Sengat Estate, Johor

The Group's performance was impacted by normalising CPO prices after their historic highs in the previous year, coupled with sluggish global demand, with the average price shrinking to RM3,874 per metric tonne (MT) in 2023 compared with 2022's RM5,066 per MT. The Group's average palm kernel prices reduced significantly by RM1,053 per MT to RM2,103 per MT from RM3,156 per MT in 2022.

The downward trend in palm product prices led to the Group's revenue moving downward by 28% or RM325 million to RM852 million, while profit before taxation and zakat stood at RM71 million. The Group's agile and stringent management of operational costs slightly offset the effect of the unfavourable pricing.

We were able to maintain our gearing ratio at 0.3 times and our earnings per share stood at 1.9 sen, while our market capitalisation increased to RM3.5 billion as at 31 December 2023.

On 23 January 2024, BPlant was delisted from Bursa Malaysia Securities Berhad following the privatisation by Lembaga Tabung Angkatan Tentera.

OPERATIONAL LANDSCAPE

The Group continued to pursue efforts to maximise productivity at our 42 plantation estates across Peninsular Malaysia, Sabah and Sarawak, comprising a planted landbank of 72,200 hectares (ha). In 2023, we focused on palm age profile management and boosting yield and oil extraction rate (OER), in tandem with our long-term plan to efficiently mitigate the impact of maturing palms.

Our adherence to good agricultural practices coupled with the successful implementation of our Group-wide Plantations Performance Improvement Programme (PPIP 2.0) as well as strategic replanting efforts, have allowed us to bolster our productivity, driving our OER above the national average. The PPIP 2.0 has been pivotal in refining our operations and leveraging technology to progressively shore up the overall yield profile of our estates. This was further complemented by alleviated labour woes.

These efforts enabled us to successfully reduced the underperforming fields from 185 to 129 fields. Yield disparities in Peninsular Malaysia improved from 37% to 50%, while the Sabah region showed a slight decline in performance, from 62% to 55%.

During the year under review, we observed an uplift in yield from 13.0 MT per ha to 13.9 MT per ha, primarily due to heightened replanting in Sabah, which also nudged our OER from 20.6% to 20.8%.

CHIEF EXECUTIVE OFFICER'S STATEMENT

We made further strides in our 25-Year Replanting Programme (RP25), designed to manage the age profile of our estates and enhance field infrastructure. Through RP25 we have replanted 5,400 ha of our estates to-date, with 21,200 ha of our oil palm trees at the prime age of 10 to 20 years old in 2023.

We maintained the utilisation of Zip Zap battery-operated cutters for the harvesting of fresh fruit bunches, while closely monitoring the Mechanical Assisted Infield Collection for crop evacuation. Ongoing soil fertility enhancements also saw the utilisation of 187,912 MT of empty fruit bunches for mulching.

Data-driven insights are integral to our plantation management. Led by Applied Agricultural Resources Sdn Bhd (AAR), our research and development initiatives continue to leverage advanced tissue culture methods to optimise our resources and minimise environmental impact. The resulting higher oil-yielding palms from cultivation and deployment of high-quality DxP seeds have seen oil production increase by up to 20%, compared with more traditional planting materials. In addition, we have identified four potential endophytic nitrogen-fixing (NF) bacteria capable of colonising oil palm tissues, which offer a higher nitrogen fixation rate compared to soil-borne NF bacteria. Results from nursery trials demonstrated a significant 25% reduction in the usage of inorganic fertilisers.

Alongside this, our subsidiary, Boustead Life Sciences Research Sdn Bhd (BLSR), is venturing into commercialisation of planting materials via tissue culture technology of other crops such as banana, MD2 pineapple and ginger. During the year, BLSR also entered into an agreement with the Malaysian Agricultural Research and Development Institute on tissue culture research.

We expect the efforts of AAR and BLSR to potentially enable new engines of growth for the long-term sustainability of the Group.

Embracing the Fourth Industrial Revolution, we have harnessed artificial intelligence and advanced technologies to spur gains in yield



Aerial view of Sungai Jernih Palm Oil Mill, Pahang

and crop resilience. Drone technology has been instrumental in terrain and crop mapping, and we have adopted proactive measures against extreme weather, such as rainwater harvesting and efficient irrigation, fortifying us against unpredictable weather patterns.

Although advancements in mechanisation and automation in harvesting will eventually allow us to reduce the involvement of foreign labour, the current reality is that sufficient labour supply is fundamental to the progress of the oil palm industry. To this end, the Group was able to increase our foreign labour force to 3,798 in 2023 from 2,777 in 2022, primarily due to Government initiatives and BPlant's human resource programmes. We are pleased to report that our Malaysian workforce has expanded to 2,770 from 2,377 in 2022.

BPlant steadfastly upholds stringent Environmental, Social and Governance (ESG) standards. Our commitment spans from reducing our carbon footprint and conserving biodiversity to nurturing the well-being of our workforce and their families, thereby contributing positively to the socio-economic fabric of our communities.

Through rigorous adherence to international sustainability standards and proactive stakeholder engagements, we are not only enhancing our conservation efforts but also future-proofing our operations.





Lines of oil palm trees at Bebar Estate, Pahang

OUTLOOK

As BPlant enters the 2024 fiscal year as a delisted entity, we adopt a cautiously optimistic outlook. Our focus will be on tightening cost efficiencies and implementing strategic operational decisions to unlock emerging prospects that enable us to strengthen as a resilient palm oil producer.

In sync with global demands for robust ESG practices, operating responsibly will continue to drive the Group and our entire supply chain as we move forward.

We anticipate continued industry challenges, including volatile CPO prices, the management of ageing palms and its accompanying issues of rising cost of fertiliser, labour, and diesel, and the surge in soybean oil supply. Additionally, unpredictable weather patterns, such as monsoons, and geopolitical tensions could pose further complications, alongside uncertainties of global demand.

Nevertheless, conditions in our favour include stable palm oil production, narrowing of the labour supply shortage as foreign workers return to Malaysia largely thanks to ongoing Government initiatives, and the rising domestic reliance on B35 biodiesel in Indonesia which could curb their exports. In addition, we are optimistic that demand from India and China, our primary trade partners, will continue to grow.

BPlant's ongoing transformation will be buoyed by strategic measures that include making substantial headway in our yield and oil extraction in prime planted areas and reducing operational costs. Replanting under RP25 will progress with the use of higher-yielding semi-clonal and bi-clonal planting materials and choice superior palms for cloning. This will be amid the ongoing implementation of mechanisation and digitalisation, including the utilisation of drone technology for precise mapping of terrain and elevation, to further boost our operations.

As we forge ahead in 2024, we remain committed to harnessing our strategic roadmap and positive market factors to continue our transformation as a leading participant in an industry that is a key driver in our nation's economic and sustainability development.

ACKNOWLEDGEMENT

In closing, I extend my deepest gratitude to our members of the Board, senior management and dedicated employees, whose resilience and commitment have been pivotal in our journey in 2023. Our sincere appreciation is also extended to the late Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. for his distinguished service and guidance as Director of the Company from 10 April 2014 to 7 February 2024. I would also like to express appreciation to my predecessor, Fahmy Ismail, for his stewardship in managing the Group as well as former Chief Financial Officer, Mohamad Mahazir Mustafa, for his long-term dedication and contributions to BPlant. To our valued shareholders, we deeply appreciate the steadfast support and trust you have placed in BPlant over the years. Although we have transitioned to a delisted entity, your contributions have been fundamental to our growth. We are grateful for the role you have played in our journey.

CHIEF FINANCIAL OFFICER'S STATEMENT



General view of BPlant's plantation

Dear Shareholder,

Boustead Plantations Berhad experienced a challenging year in 2023, navigating a landscape marked by fluctuating market conditions and operational hurdles. Despite these challenges, we were able to close the year profitably, with a profit before taxation and zakat of RM71 million. The reduction compared with 2022 was largely due to a decrease in revenue. Notably, the gains on disposal of plantation assets, which in 2022 totalled RM459 million, were not repeated in 2023.

Mohamad Mahazir Mustaffa

Chief Financial Officer

BALANCE SHEET MANAGEMENT

Our balance sheet reflects prudent financial management amidst challenging times. We ended the year with lower borrowings of RM774 million compared with RM857 million last year, demonstrating our ongoing commitment to reducing financial leverage and enhancing financial stability.

REVIEW OF INCOME STATEMENTS

Revenue

In 2023 our revenue reduced to RM852 million, attributed primarily to lower palm product prices and reduced sales volumes.

Operating Costs

The operating costs, while lower than the previous year at RM750 million, reflecting our stringent cost control measures and efficiency improvements across our operations, still placed considerable pressure on our profit margins.

Finance Costs

Finance costs were higher at RM40 million during the year, compared with RM34 million in the previous financial year despite a reduction in total borrowings. This was primarily due to the increase in Malaysia's Overnight Policy Rate (OPR) by Bank Negara Malaysia, with OPR averaging at 2.75% to 3.00% in 2023 compared with 1.75% in 2022. Nonetheless, we continue to uphold our commitment to optimising capital management and enhancing our debt profile.

Taxation and Zakat

Taxation and zakat for the year amounted to RM35 million, consisting of RM31 million in taxation and RM4 million in zakat payment. The Group's effective tax rate for the year however is higher than the statutory tax rate mainly due to the unabsorbed tax losses and certain expenses which were non-deductible for tax purposes. This figure underscores our commitment to compliance and fiscal responsibility.

REVIEW OF STATEMENTS OF FINANCIAL POSITION

Total Assets

Our total assets slightly decreased to RM4.0 billion, reflecting the impact of lower current receivables and cash balances. Current receivables reduced to RM43 million mainly due to the settlement of outstanding proceeds from plantation land disposal, while cash balances lessened as a result of declining operational cash inflows.

Total Liabilities

Total liabilities were carefully managed down to RM1.2 billion from RM1.4 billion in 2022, as part of our efforts to strengthen our financial foundation and reduce our debt burden. This is reflected in lower borrowings of RM774 million in 2023, primarily due to repayment of term loans amounting to RM118 million during the financial year.

Total Equity

Total equity was stable at RM2.8 billion, reflecting the challenging operational environment but also our resilience in maintaining a solid equity base.

REVIEW OF STATEMENTS OF CASH FLOWS

In 2023, cash and cash equivalents stood at RM63 million, a reduction from RM166 million in the previous year. Reduced customer collections resulting from weaker palm product prices had an adverse impact on our cash position. Nevertheless, our commitment to improve age profile and better infrastructure remained as planned whereby we spent a total of RM153 million on replanting and capital expenditure as against RM86 million in 2022.



FFB evacuation via mechanisation at Telok Sengat Estate, Johor

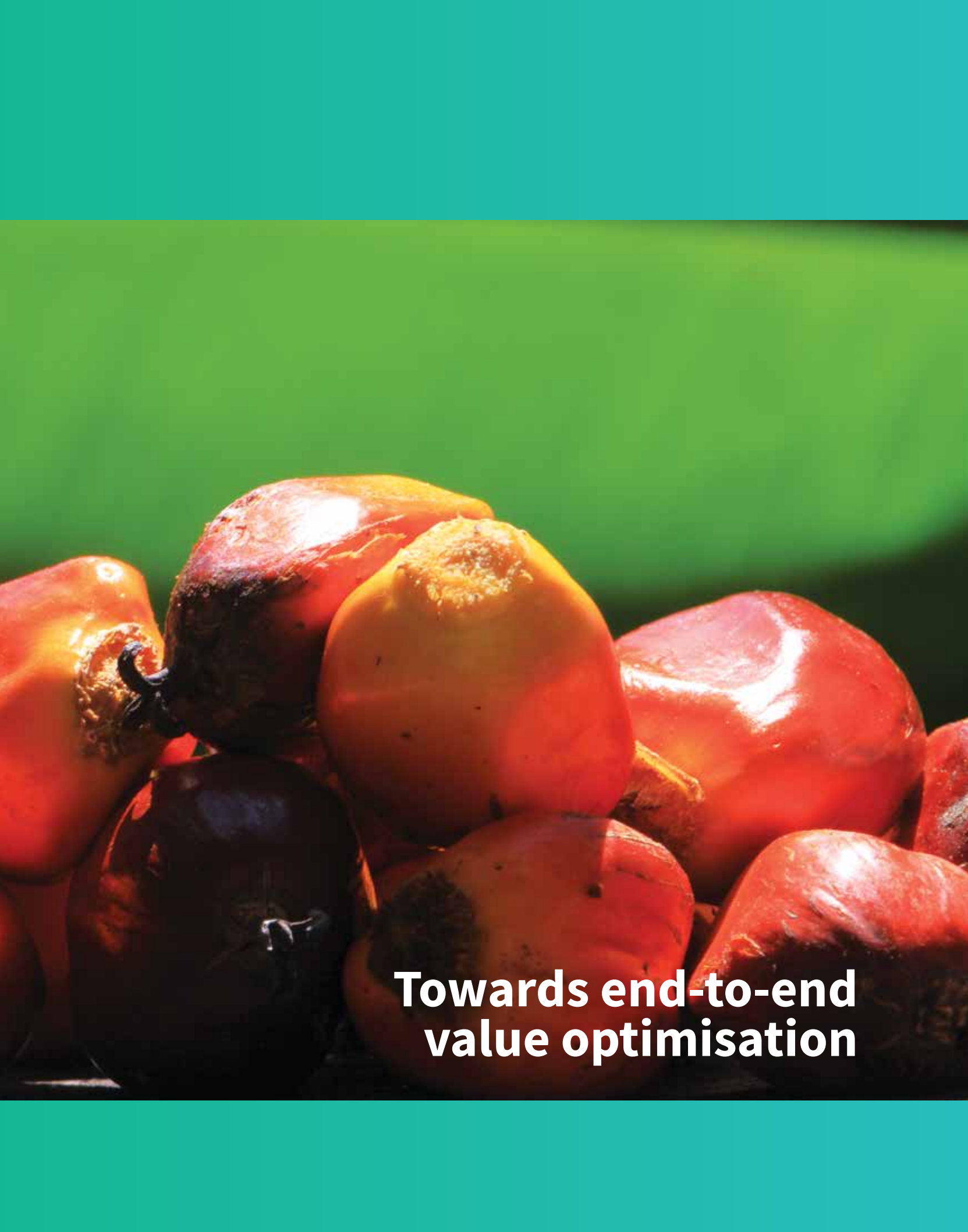
SECTION 3

**VALUE
CREATION**

Our Key Capitals	036
Our Value Creating Business Model	038
Stakeholder Engagement	040



Oil palm loose fruits



**Towards end-to-end
value optimisation**

OUR KEY CAPITALS

Our ongoing progress as a Group is premised on six vital capitals, namely financial, manufactured, intellectual, human, social and relationship as well as natural. Providing diverse relationships and a network of resources, these interconnected assets ensure our business operations, including estates and palm oil mills, function in a well-maintained, consistent and sustainable manner.

FINANCIAL CAPITAL



The profits from our effective business management, shareholders' equity and funding from capital providers together comprise the financial capital that ensures our smooth day-to-day operations. With cost and returns optimisation a primary objective, we strive to focus on generating steady stakeholder value and increasing business volume through the expansion of our financial capital.



MARKET CAPITALISATION
RM3.5 billion
 (2022: RM1.5 billion)

TOTAL EQUITY
RM2.8 billion
 (2022: RM2.9 billion)

TOTAL ASSETS
RM4.0 billion
 (2022: RM4.2 billion)

MANUFACTURED CAPITAL



Our manufactured capital are the tangible assets that sustain the Group-wide business operations. Instrumental to our success, the equipment, machinery, and infrastructure situated at our estates and palm oil mills are regularly and diligently maintained. All necessary upgrades are undertaken promptly to ensure these assets remain in optimal condition, which includes adhering to relevant industry standards.



42 Operating Estates	10 Palm Oil Mills	1 Biogas Plant
Particulate Matter Trapping System		
Electrostatic Precipitator 9 units	Wet Scrubber 1 unit	
2 Tilting Sterilisers	1 Tissue Culture Lab	

FRESH FRUIT BUNCHES (FFB) PROCESSED
954,944 metric tonne (MT)
 (2022: 1,050,823 MT)

INTELLECTUAL CAPITAL



Innovation is the driving force of the numerous systems in our business that ensure operational efficiencies. Led by our research and development (R&D) associate, the team continues to make waves with strategic advances, such as the use of drones for enhanced estate management, improvements to the quality of our planting material, and the development of more sustainable biofertilisers. Coupled with continuous digital enhancement of our management, administration and accounting processes, we are able to consistently generate long-term stakeholder value.



DIGITAL SOLUTIONS

Enhancement of Operations including Drones and Artificial Intelligence

R&D

Strength and Capabilities

ENHANCED PLANTING

Materials Technology

HUMAN CAPITAL



Our workforce is large-scale, consisting of both local and foreign skilled labour to meet the gruelling demands of plantation work at our estates and palm oil mills. The smooth running of our operations relies heavily on us providing a supportive and conducive work environment, while safeguarding employees' rights and adhering to all applicable labour regulations. We also invest in developing capabilities through regular training and development programmes.



INVESTMENT IN EMPLOYEE TRAINING AND DEVELOPMENT AND STAFF WELFARE
RM6.0 million
 (2022: RM4.6 million)

SOCIAL AND RELATIONSHIP CAPITAL



We value the deep relationships we have built with various partners who contribute to our sustainable development and business scalability. Key among these stakeholders are our valued small and medium-sized local vendor partners. As part of our commitment to safeguard their livelihoods, we undertake initiatives such as the Boustead Community Road Maintenance Programme. Concurrently, given the ever-growing importance of environmental, social and governance (ESG) values in our operations, our active membership in the Roundtable on Sustainable Palm Oil (RSPO) ensures we stay informed about and adhere to current industry best practices.



TOTAL NUMBER OF ACTIVE SUPPLIERS
1,045
 (2022: 717)

LOCAL PROCUREMENT AT BOUSTEAD ESTATES AGENCY SDN BHD
100%
 (2022: 100%)

ACTIVE FFB SUPPLIERS
55
 (2022: 66)

NATURAL CAPITAL



As an established plantation company, we are well-aware of the impact of our operations on the natural environment and the responsibility we have towards maintaining ecological balance. Our sustainability-driven mindset sees us actively collaborating with the Department of Wildlife and National Parks of Peninsular Malaysia, Sabah Forestry Department, Sabah Wildlife Department, Environmental Protection Department of Sabah and the Natural Resources and Environment Board Sarawak to protect biodiversity in areas with high conservation value. Additionally, our commitment to high environmental standards has resulted in rigorous policies and procedures in place for waste management, which is further supported by our Zero Waste Strategy.



ELECTRICITY CONSUMPTION
31,358 MWh
 (2022: 36,841 MWh)

WATER CONSUMPTION
4,770,739 m³
 (palm oil mill and domestic processing)
 (*2022: 3,645,790 m³)

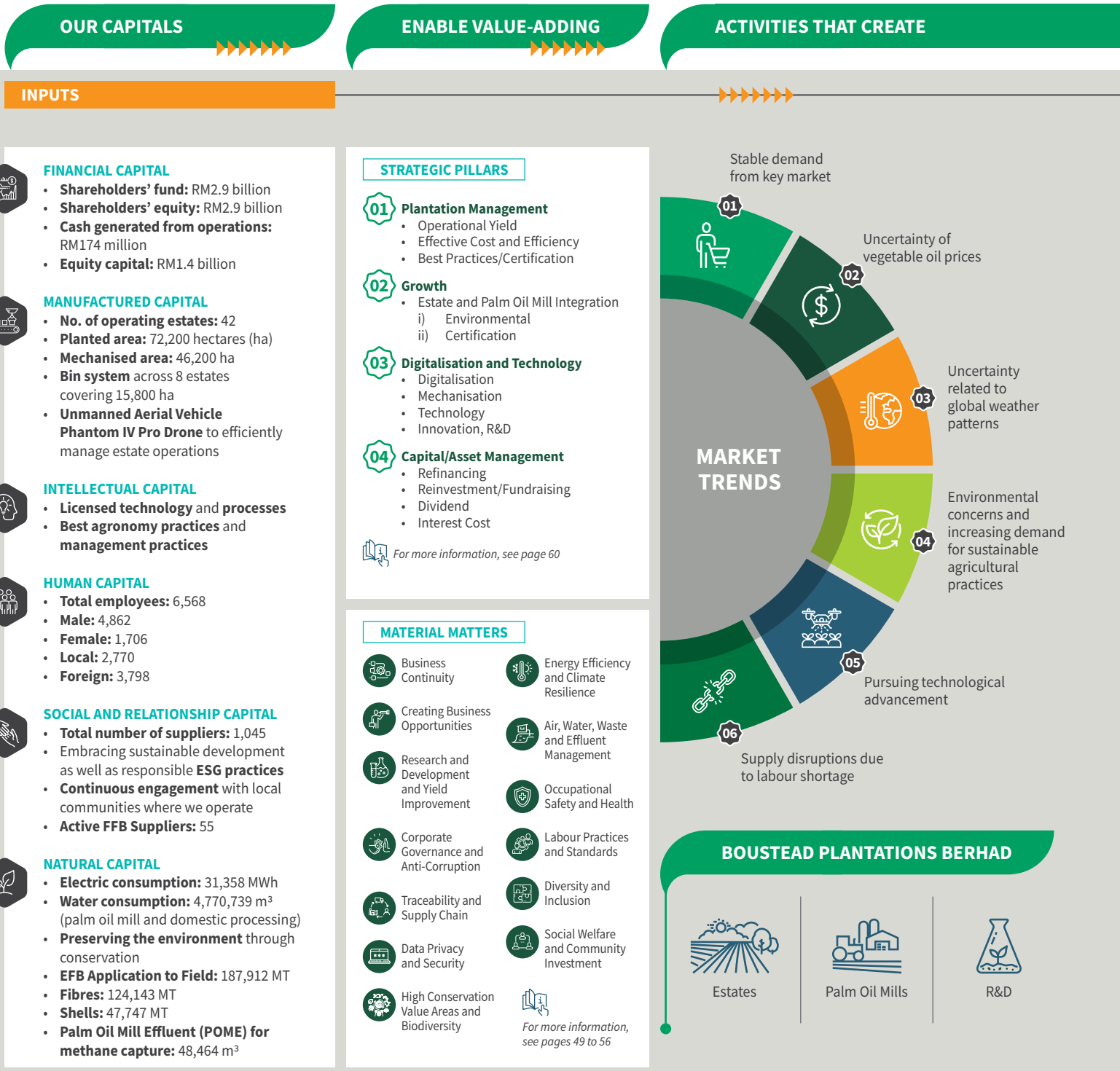
EMPTY FRUIT BUNCH (EFB) PRODUCTION
214,340 MT
 (2022: 241,907 MT)

EFB APPLICATION TO FIELD
187,912 MT
 (2022: 209,358 MT)

* We have restated the figure for 2022 to reflect the validated amount.

OUR VALUE CREATING BUSINESS MODEL

The value we generate for our stakeholders is supported by a dynamic business model which ensures effective management of relationships and resources for optimal outcomes of the Group. Always striving for excellence in our core plantation business with clear strategic direction, our strong governance facilitates efficient handling of material matters. As a result, we are able to unlock opportunities and manage risks efficiently.



VALUE FOR OUR STAKEHOLDERS

OUTPUT

- 01 FFB: 831,816 MT**
- 02 Crude Palm Oil (CPO): 198,972 MT**
- 03 Palm Kernel (PK): 37,335 MT**
- 04 Biomass (palm fronds, trunks, EFB, palm fibres, kernel shells, POME)**
 - EFB: 214,340 MT
 - Fibres: 124,143 MT
 - Shells: 47,747 MT
 - POME cake: 2,800 MT
 - Boiler ash: 3,666 MT
 - POME discharge: 1,024,888 m³ (Assume density 1,000kg per m³ POME)
- 05 Biogas produced for methane capture: 934,811 m³**
- 06 Renewable energy (from biogas): 794 MWh**
- 07 Fuel (fibre and shells used as boiler fuels in the palm oil mills):**
 - Fibre: 124,143 MT
 - Shell: 47,747 MT
- 08 Fertilisers (from fronds, composted EFB and treated POME):**
 - EFB (mulching): 187,912 MT
 - Solids from dewatering system: 2,800 MT
 - POME land irrigation: 816,796 m³

OUTCOMES

FINANCIAL CAPITAL

Rewarding Shareholders

- Dividend payout ratio: 53% (2022: 54%)
- Dividend payout: RM22 million (2022: RM324 million)
- Share price: RM1.55 (2022: RM0.65)

Profitable growth

- Revenue: RM852 million (2022: RM1,177 million)
- Profit for the year: RM36 million (2022: RM589 million)

Earnings before interest, taxation, depreciation and amortisation:

- RM231 million (2022: RM425 million)
- Return on equity: 1.4% (2022: 20.9%)
- Net assets per share: RM1.30 (2022: RM1.33)



MANUFACTURED CAPITAL

Production and sales of certified high-quality sustainable products

- CSPO RSP0 production: 140,815 MT (2022: 126,723 MT)
- Yield: 13.9 MT per ha (2022: 13.0 MT per ha)

- CSPK RSP0 production: 24,871 MT (2022: 21,301 MT)
- Operational capital expenditure: RM53 million (2022: RM45 million)

Significant operational efficiencies and synergies

- Replanting cost: RM100 million (2022: RM41 million)



INTELLECTUAL CAPITAL

R&D and technology driven to optimise yield

- Superior, high-yielding planting materials of AA Hybrida and AA VITROA with high oil to bunch ratios of more than 25% and above 28% respectively
- All palm oil mills and estates: 100% MSP0 certified
- 6 out of 10 palm oil mills and 19 estates: RSP0 certified

- All 10 palm oil mills upgraded to ISO 9001:2015 by Sirim QAS International
- Deployment of 38 units of Zip Zap battery-operated cutters across 6 estates
- Two units of Tapir and two units of Land Surf are concentrated and being evaluated for mechanised in-field collection in Malaya Estate

- Implementation of a pilot project for digital replanting utilising drone technology at Boustead Ruku-Ruku, Boustead Pertama and Boustead Sungai Lokan Estate



HUMAN CAPITAL

- Training investment: RM165 per employee (2022: RM100 per employee) → Increase by 65%

- Number of training attendances: 30,477 (2022: 10,092) → Increase by 302%

- Total hours of training: 8.7 hours per year per employee (2022: 5.7 hours per year per employee)

- Number of training programmes: Conducted and participated 1,230 programmes (2022: 253)

- Providing a healthy and safe working environment
- Inculcating an inclusive work environment
- Investment in employee training and development and staff welfare RM6.0 million (2022: RM4.6 million)



SOCIAL AND RELATIONSHIP CAPITAL

- Socio-economic investment RM4.9 million (2022: RM3.5 million)
- Total procurement spending on local suppliers at Boustead Estates Agency Sdn Bhd: 100% (2022: 100%)

- Taxation paid: RM58 million (2022: RM152 million)
- Zakat paid: RM4 million (2022: RM3 million)

- Committed to ensuring social-economic development for all stakeholders
- Improve livelihoods and uphold land rights of local communities



NATURAL CAPITAL

Sustainable palm oil practices support climate action and maintain ecosystem health.

- Total Solid biomass: 392,696 MT (2022: 430,525 MT)
- Fibre: 124,143 MT (2022: 136,607 MT)
- Shell: 47,747 MT (2022: 43,986 MT)
- EFB: 214,340 MT (2022: 241,907 MT)
- Solids from dewatering system: 2,800 MT (2022: 2,301 MT)

Water

- Water withdrawal intensity for milling processing: 1.3 m³ per MT FFB (2022: 1.3 m³ per MT FFB)
- Waste water discharged (POME): 1,024,888 m³ (2022: 920,271 m³)
- Key focus and investments in biogas produced from methane capture: 934,811 m³ (2022: 1,407, 217 m³)
- Renewable energy generated: → Biogas: 794 MWh (2022: 1,160 MWh)

- Power generation from steam turbine: 19,016 MWh (2022: 21,717 MWh)
- No deforestation. Protection of high conservation value areas 576 ha identified within our estates
- Air pollution control systems
- Particulate matter emission: <150 mg per m³ (2022: <150 mg per m³)



STAKEHOLDER ENGAGEMENT

Stakeholders can exercise significant influence over our business and are vital to how we operate. By communicating with key groups in a structured and consistent manner, we keep them well-informed and updated of our performance, strategies, and direction, as well as gain pertinent feedback on material matters. These engagements allow us to pinpoint critical issues and prioritise focus areas that support the development of our business. In line with this, we have undertaken the following stakeholder engagements:

FINANCIAL COMMUNITY (SHAREHOLDERS, INVESTORS, BANKS)

Material Matters



Business Continuity. High Conservation Value Areas and Biodiversity. Labour Practices and Standards. Energy Efficiency and Climate Resilience. Research and Development and Yield Improvement. Corporate Governance and Anti-Corruption.

Why We Engage

As key contributors to our financial resources, shareholders and investors play a pivotal role in supporting our growth momentum. We actively engage with these stakeholders to keep them abreast of the Group's performance and gain insights into their expectations. This serves to support our business operations and steer us towards delivering long-term sustainability and value creation.

Engagement Platforms and Frequency of Engagement

- Annual General Meeting (AGM)
- Reports
- Analyst Briefings
- Announcement
- ESG Ratings



Key Concerns

- Return on investment
- Market presence
- Group's strategies
- Sustainable practices
- Company branding and reputation
- Shareholder value

Our Response

- Maximised productivity and streamlined business operations
- Maximised profits for greater returns and payouts through effective resource management
- Organised investor relations engagement
- Emphasised good corporate governance and disclosure
- Adopted sustainable financing

EMPLOYEES

Material Matters



Business Continuity. Research and Development and Yield Improvement. Data Privacy and Security. Corporate Governance and Anti-Corruption. High Conservation Value Areas and Biodiversity. Air, Water, Waste and Effluents Management. Labour Practices and Standards. Energy Efficiency and Climate Resilience. Occupational Safety and Health. Social Welfare and Community Investment. Diversity and Inclusion.

Why We Engage

Ensuring our employees thrive in a healthy and safe work environment, where diversity is respected and tools are provided to promote their growth, is essential for sustaining our business. Through regular employee engagements, we keep them well-informed about our strategic priorities and encourage feedback that can help enhance their performance and work conditions.

Engagement Platforms and Frequency of Engagement

- Annual Performance Appraisal
- Open Day
- Townhalls
- Estate and Mill Satisfaction Survey



Key Concerns

- Safe and fair practices for a healthy work environment
- Company's business continuity
- Decent living conditions
- Career progression
- Growth and development

Our Response

- Enhanced relevant policies
- Regularly engaged with employees to improve understanding of the Group's policies and procedures
- Conducted regular training and development

Frequency of Engagement:



Annual



Quarterly



Monthly



Weekly



On-going

CUSTOMERS



Material Matters



Business Continuity. Research and Development and Yield Improvement. Labour Practices and Standards. Traceability and Supply Chain. Data Privacy and Security. Occupational Safety and Health.

Why We Engage

Customer engagements are conducted in a number of ways to understand their evolving needs with the end goal of delivering high-quality goods that surpass expectations.

Engagement Platforms and Frequency of Engagement

- Meetings and Dialogue Sessions
- Customer Satisfaction Surveys
- Company's Website
- Conferences/Forums
- Training and Awareness

Key Concerns

- Products and services quality
- Transparency and traceability of products
- No Deforestation, No Peat, No Exploitation (NDPE) commitments
- Sustainability practices
- European Union Deforestation Regulation (EUDR)

Our Response

- Continuously improved product quality
- Deliver high-quality goods and services
- Ensured sustainable practices in line with customers' expectations

BUSINESS PARTNERS (JOINT VENTURES, CONTRACTORS, FFB SUPPLIERS)



Material Matters



Business Continuity. Research and Development and Yield Improvement. Creating Business Opportunities. Corporate Governance and Anti-Corruption. Data Privacy and Security.

Why We Engage

We engage with all our business partners to foster collaborative growth and support their ongoing development.

Engagement Platforms and Frequency of Engagement

- Business Meetings
- AGM
- Operational Site Visit
- Tender Briefing
- Stakeholder Meeting at Each Operation Units

Key Concerns

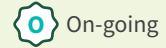
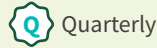
- | | |
|---|--|
| <p>Joint Ventures</p> <ul style="list-style-type: none"> • Company performance • Good governance and strategy | <p>FFB Suppliers</p> <ul style="list-style-type: none"> • Ethical sourcing • Product quality • Pricing |
| <p>Contractors/Vendors</p> <ul style="list-style-type: none"> • Vendor development • Ethical business practices • Quality of vendors' products and services | |

Our Response

- Organised consistent engagements with business partners
- Implemented Vendor's Code of Conduct
- Organised tender briefings
- Implemented an e-procurement platform
- Awareness engagement platform on NDPE and EUDR

STAKEHOLDER ENGAGEMENT

Frequency of Engagement:



CIVIL SOCIETY ORGANISATIONS (NGOs, UNIONS)



Material Matters



Occupational Safety and Health. Labour Practices and Standards. Social Welfare and Community Investment. Diversity and Inclusion. Corporate Governance and Anti-Corruption.

Why We Engage

Our engagement with civil society organisations allows us to actively participate in the welfare of our workers and work hand-in-hand to cultivate a conducive workplace.

Engagement Platforms and Frequency of Engagement

- Periodic Meetings
- Negotiations
- Special Briefings on Operations
- Site Visit
- Meeting and Dialogue

Key Concerns

- | | |
|--|---|
| • Equal career development opportunities | • Responsible sourcing of human capital |
| • Fair remuneration practices | • Buyers' interest towards sustainable operations |
| • Healthy and safe work environment | • Labour practices and standards |
| | • Collective bargaining |

Our Response

- Upheld transparency in our communications with unions
- Abided by regulations and ethical practices to ensure the protection of our workers' health and safety
- Upheld labour standards and human rights

GOVERNMENT AND REGULATORY BODIES



Material Matters



Research and Development and Yield Improvement. High Conservation Value Areas and Biodiversity. Air, Water, Waste and Effluents Management. Corporate Governance and Anti-Corruption. Labour Practices and Standards. Traceability and Supply Chain. Energy Efficiency and Climate Resilience. Occupational Safety and Health.

Why We Engage

Periodic meetings with regulatory bodies ensure we remain on track and up-to-date with legal and regulatory compliance and practices affecting our business and operations, enabling us to uphold the highest standards.

Engagement Platforms and Frequency of Engagement

- Dialogue Sessions
- Formal Meetings
- Periodic Reports
- On-Site Inspections and Audits

Key Concerns

- | | |
|-----------------------------------|-------------------------------------|
| • Legal and regulatory compliance | • Supporting local businesses |
| • Environmental stewardship | • Healthy and safe work environment |
| • Ethical business practices | |

Our Response

- Enhanced guidelines to improve compliance
- Collaborated with like-minded agencies
- Complied with all regulations and guidelines

Frequency of Engagement:



Annual



Quarterly



Monthly



Weekly



On-going

INDUSTRY BODIES/ASSOCIATIONS



Material Matters



Research and Development and Yield Improvement.

Why We Engage

To keep abreast of evolving industry trends, regulations, and best practices, as well as collaborate to advance industry-wide sustainability and address shared challenges.

Engagement Platforms and Frequency of Engagement

- Conferences/Seminars/Forums
- Meeting
- Associations' AGM



Key Concerns

- Collective bargaining
- Company performance
- Current industry trends

Our Response

- Monitored our performance across all operation units
- Implemented relevant practices to adapt to current industry trends

LOCAL COMMUNITIES AND SMALLHOLDERS



Material Matters



High Conservation Value Areas and Biodiversity. Air, Water, Waste and Effluents Management. Creating Business Opportunities. Energy Efficiency and Climate Resilience. Social Welfare and Community Investment.

Why We Engage

Fostering positive relationships with the communities linked to our operations while minimising our environmental impact ensures business continuity and value-creation.

Engagement Platforms and Frequency of Engagement

- On-site Meetings
- RSPO Complaints and Grievances
- Grievances Channel
- Whistleblowing Channel
- Disaster Relief Efforts
- Community Outreach and Development Programmes



Key Concerns

- Community investment and partnerships
- Pollution prevention
- Preservation of biodiversity and natural resources
- Employment opportunities
- Safety and security
- Support for local businesses

Our Response

- Invested in a range of community-enriching projects and initiatives
- Implemented the Sustainability Policy
- Regularly monitored air and water quality surrounding our operations

SECTION 4

MANAGEMENT DISCUSSION AND ANALYSIS

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Boustead Life Sciences Research Sdn Bhd lab in Semenyih, Selangor



**Towards enhanced
research capabilities**

STRATEGIC REVIEW

KEY MARKET TRENDS SHAPING OUR BUSINESS

A thorough understanding of the market trends that impact our operations enables us to take advantage of the opportunities that arise. This understanding is crucial for managing associated risks with thoughtful and timely solutions that allow us to remain competitive.



STABLE DEMAND FROM KEY MARKETS

Robust demand from India and China, which are key importers of Malaysian palm oil, remains a positive force amid economic uncertainties, bolstered by global recognition of palm oil's antioxidant properties and versatility in food, cosmetics and biofuels.

Potential Impact

- Exponential demand as a result of China and India's ever-increasing urbanisation, income levels and population growth coupled with palm oil being a cost-efficient cooking oil and ingredient in the food industry
- Continuously high demand requires a consistent supply and efficient production of palm oil

How We Responded

We focused on enhancing, increasing efficiency and utilising sustainable production methods to maintain sufficient supplies.

Outlook

Prices of vegetable oils are interrelated. With sunflower oil supply continuing to be impacted by the conflict between Russia and Ukraine, who are the world's top exporters of the oil, supply fluctuations in the short and long term will continue to affect the pricing of other vegetable oils, particularly palm oil. Due to geopolitical unrest in Ukraine and the Middle East, we anticipate that crude oil prices will be supported, thus bringing consistency to palm oil prices.



UNCERTAINTY OF VEGETABLE OIL PRICES

Changes in worldwide supply and demand, weather, currency volatility and regulatory conditions are the key contributors to price fluctuations in Malaysia. Furthermore, Indonesia's Domestic Market Obligation policy to protect domestic consumption also influences the stability of Malaysia's crude palm oil (CPO) pricing. Given Indonesia's export restrictions and increasing local biodiesel usage, the added pressure on the global vegetable oil supply impacts Southeast Asian and Latin American markets.

Potential Impact

- Volatility due to the interconnectedness of global markets and geopolitical developments
- Price fluctuations and shifting market conditions that require nimble measures to remain competitive in the face of global challenges
- Price instabilities affect industry stakeholders differently. While lower prices can be to the advantage of consumers and downstream sectors, they frequently present challenges for exporters and producers of palm oil, resulting in decreased profitability and economic growth of palm oil producing markets

How We Responded

- We improved production, thus cushion price instability
- We focused on analysing market trends and implementing market intervention strategies according to market conditions

Outlook

With Malaysia's palm oil production expected to improve in the second half of 2024 and Indonesia's national biodiesel mandate implementation likely to constrain the global palm oil supply, CPO prices are expected to stay within steady range.



UNCERTAINTY RELATED TO GLOBAL WEATHER PATTERNS

The country's palm oil production was significantly impacted by ongoing climate change and erratic global weather conditions throughout the year. In addition to the La Niña weather phenomenon in 2023, torrential rainfall resulted in floods in certain regions which were a hinderance to harvesting and logistics.

Potential Impact

- Pollination and planting schedule disruptions, along with compromised crop health
- Industry volatility from fluctuations in palm oil production affecting palm oil prices and market dynamics

How We Responded

We maximised production to mitigate the impact of erratic weather conditions.

Outlook

The uncertainty of weather pattern in 2024 could alter conventional precipitation patterns, impacting agricultural output and commodity markets. Should this be counterbalanced by higher-than-average rainfall, the anticipated effect on palm oil production in 2024 is expected to be minimal, despite potential irregularities in usual rainfall trends.



ENVIRONMENTAL CONCERNS AND INCREASING DEMAND FOR SUSTAINABLE AGRICULTURE PRACTICES

Environmental concerns, including greenhouse gas (GHG) emissions, deforestation, loss of biodiversity, soil and water quality degradation, alongside potential human rights issues, persist in the cultivation and production of palm oil.

Potential Impact

- Persistent consumer concerns regarding the sustainability and traceability of palm oil products
- The increasingly detrimental effects of environmental degradation and climate change on the global economy and businesses
- Lack of sufficiently reasonable steps taken to maintain environmental, social and governance (ESG) values throughout the entire supply chain

How We Responded

- We maintained a diligent commitment to upholding our ESG principles
- We strengthened our global ranking by utilising internationally-recognised assessment instruments like the Sustainability Policy Transparency Toolkit (SPOTT) to address the management of risks pertaining to ESG
- We upheld strict compliance across all aspects of our operations, including and not limited to:
 - i) Consistent tracking of emissions with the Roundtable on Sustainable Palm Oil (RSPO) PalmGHG calculator and GHG Protocol
 - ii) Vigilantly protecting areas of high conservation value (HCV) and biodiversity, as well as upholding the No Deforestation, No Peat and No Exploitation Policy
 - iii) Complying with applicable acts and legislation as well as upholding the Zero Burning Policy
- We continue to ensure sustainability standards are maintained throughout the supply chain by actively interacting with our smallholders, vendors and contractors every year

Outlook

With consumer awareness and desire for ESG-compliant products on the rise, environmental concerns and the call for greater sustainability in agriculture will only intensify. Further impetus from the European Union's strict requirements to mitigate the negative effects from palm oil activities on the environment will also drive more sustainable practices industry-wide.

STRATEGIC REVIEW

KEY MARKET TRENDS SHAPING OUR BUSINESS



PURSUING TECHNOLOGICAL ADVANCEMENT

The progress of the industry hinges on embracing technology to boost mechanisation and automation, facilitating precise, resilient, and efficient palm oil production, ultimately reducing reliance on foreign labour. Technological advancements in oil palm cultivation are essential for enhancing operational effectiveness and efficiency, cutting production costs and time, and ensuring industry sustainability, granting producers a competitive edge.

Potential Impact

- The challenge of consistently implementing the most advanced and suitable technology for our operations is heightened by the rapid and aggressive evolution in technology and digitalisation
- Challenges in securing mechanisation and automation that are suitable for the specific infrastructure and profile of our plantation operations

How We Responded

- We are dedicated to exploring new technologies that are compatible with our core activities and facilitate higher levels of productivity and cost efficiency
- We ensure our employees are kept well-informed on the latest IT advancements and we utilise effective methods to consistently enhance our operations
- We refined our planning and monitoring strategies to ensure effectiveness and cost-efficiency when integrating machinery
- As part of the Plantations Performance Programme 2.0 (PIIP 2.0), we continue to implement our mechanisation plan to increase productivity

Outlook

Despite current challenges, the Fourth Industrial Revolution offers the potential to revolutionise palm oil operations, boosting productivity and efficiency with automated decision-making, networked machinery, and data analytics. Over time, this will reduce the carbon footprint of palm oil products and elevate industry sustainability.



SUPPLY DISRUPTIONS DUE TO LABOUR SHORTAGE

Foreign labour plays a pivotal role in the palm oil sector. While the labour shortage has been marginally alleviated since the restrictions on hiring foreign workers were lifted in 2022, production levels continue to be impacted by the industry's reliance on foreign labour.

Potential Impact

Labour shortage can result in a decrease in the harvesting of fresh fruit bunches (FFB), thereby impacting yields.

How We Responded

- We streamlined the requirements and processes for recruiting foreign workers to ensure a sufficient workforce and uninterrupted operations
- We increased mechanisation and automation in our operations to decrease our reliance on physical labour
- We launched a strategic initiative to utilise our remaining quota for the recruitment of new Indonesian employees
- Our Workforce Management Unit actively participated in the Foreign Worker Employment Relaxation Plan, a scheme by the Ministry of Human Resources, to secure adequate quota for additional workers to address our workforce shortage

Outlook

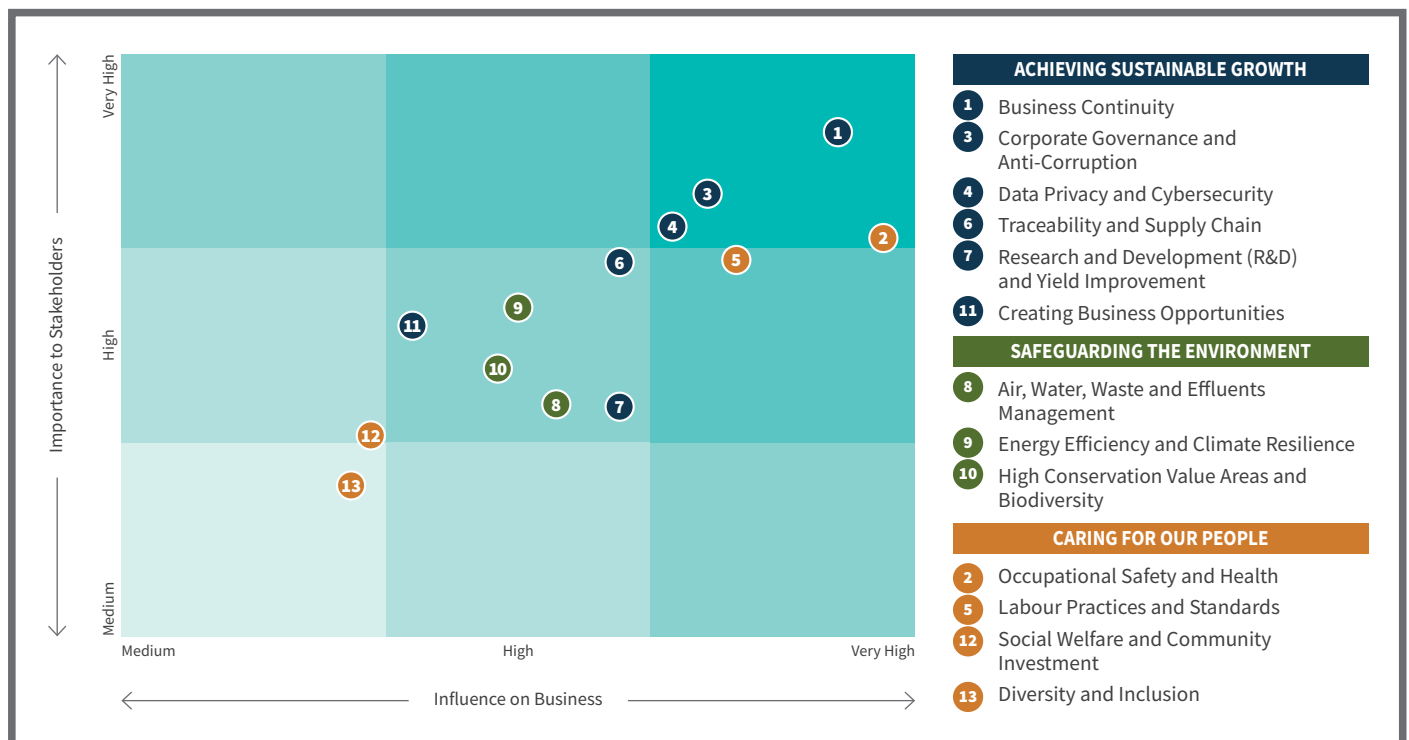
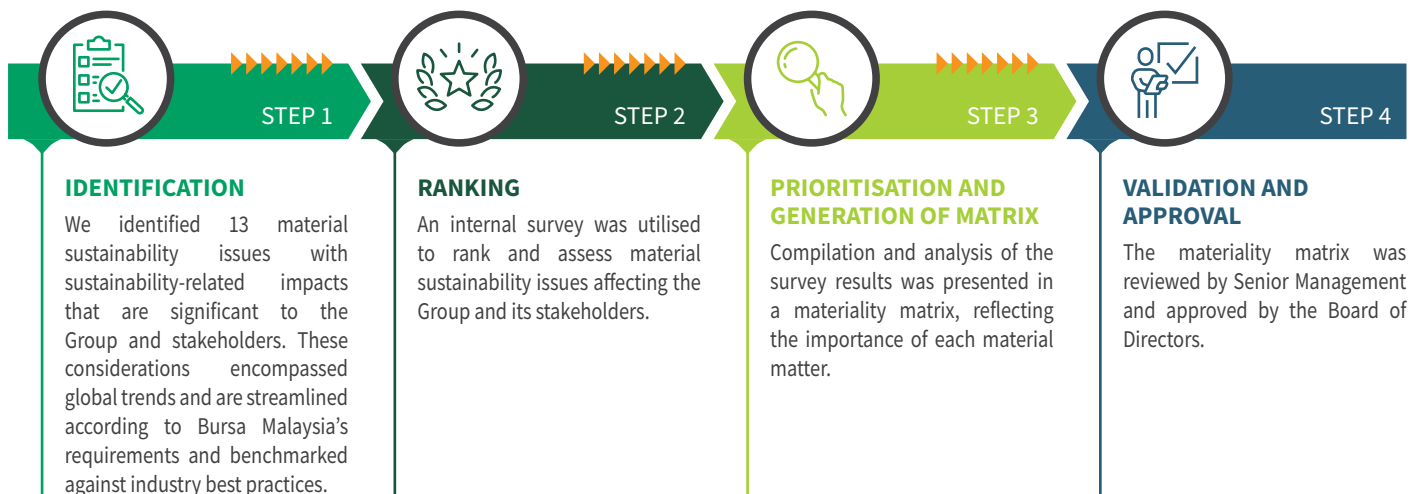
In view of the Foreign Worker Employment Relaxation Plan being implemented by the Malaysian Government, it is anticipated that procedures and policies involving the admission of foreign workers will continue to ease the labour shortage issues experienced by industries such as palm oil.

STRATEGIC REVIEW MATERIAL MATTERS

Material matters are defined as those that are important for achieving business goals while generating value for our stakeholders. By determining our material matters, we can develop effective policies and plans to manage our sustainability risks while capitalising on relevant opportunities.

HOW WE DETERMINE OUR MATERIAL MATTERS

To identify our material matters, we follow the guidelines set forth by the Bursa Malaysia’s Sustainability Reporting Guide and Global Reporting Initiative. This involved us adopting a four-step approach: identification, ranking, prioritisation and validation, as detailed below.



STRATEGIC REVIEW MATERIAL MATTERS

The 13 material matters we identified comprise:

1 BUSINESS CONTINUITY



Why It Is Important

Our employees, smallholders, vendors, shareholders and local communities are among numerous stakeholders who depend on our continued operations.

Our Response

- Continuation of the 25-Year Replanting Programme (RP25) until 2045 to address ongoing plantation aging concerns

2 OCCUPATIONAL SAFETY AND HEALTH



Why It Is Important

Achieving a high level of productivity and seamless operations throughout our value chain is also dependent on us ensuring the safety and well-being of all employees.

Our Response

- Ensured strict adherence to the Occupational Safety and Health (OSH) policy and framework
- Establishment of a Safety and Health Committee for each of our operations to manage and monitor all OSH related issues
- Improve our accident monitoring and reporting
- Initiate preventive action plans to minimise and eliminate future accidents

3 CORPORATE GOVERNANCE AND ANTI-CORRUPTION



Why It Is Important

Sound governance ensures ethical corporate practices, transparent decision-making and strong accountability through systems, policies and procedures that prevent corruption, bribery and unscrupulous activities.

Our Response

- Place a strong emphasis on corporate governance to ensure accountability, transparency and ethical conduct across all our operations
- Establishment of the Enterprise Risk Management Policy and Framework

4 DATA PRIVACY AND SECURITY



Why It Is Important

We prioritise the protection of personal information and the Group's digital assets against unauthorised access, breaches and misuse that may harm our image and reputation.

Our Response

- Implementation of Standard Operating Procedures to ensure consistency and clarity in cybersecurity protocols
- All software is licensed to minimise vulnerabilities
- Regular distribution of awareness emails to keep stakeholders informed about evolving cybersecurity risks and best practices

STRATEGIC REVIEW
MATERIAL MATTERS

5 LABOUR PRACTICES AND STANDARDS



Why It Is Important

By upholding human rights and labour laws, we ensure fair and respectful treatment of all employees.

- Our Response**
- Monitoring labour standards and human rights compliance
 - Provide accommodation for our workers in accordance with the Employees’ Housing, Accommodations and Amenities Act 446
 - Ensure ethical recruitment is conducted by appointed agents to prevent child and forced labour
 - Implementation of the Learning and Development Policy Human Resource 2022 to enhance talent retention
 - Conduct regular Training Needs Analyses to identify skill gaps and tailor training programmes accordingly
 - Implementation of structured performance review process

6 TRACEABILITY AND SUPPLY CHAIN



Why It Is Important

By monitoring and documenting the origin of raw material and products produced, we can provide assurance of transparency and accountability across the supply chain.

- Our Response**
- Selection of vendors that adhere to regulations to ensure ethical and reliable supply
 - Improve our procurement system, through an e-procurement platform, which streamlines procurement processes
 - Maintain constant engagement with our vendors to enhance our supply chain transparency and traceability

7 RESEARCH AND DEVELOPMENT AND YIELD IMPROVEMENT



Why It Is Important

This enables us to improve our planting materials, fertiliser application efficiency and methods to maintain soil fertility in order to maximise production.

Our Response

- Various R&D activities were undertaken by Applied Agricultural Resources Sdn Bhd
- Spent a total of RM16 million on R&D in the fiscal year (2022: RM16 million)
- Enhancement of PPIP 2.0 to continuously improve productivity and cost efficiencies
- Utilisation of the Zip Zap battery-operated cutter and light carbon fibre poles in tall palm areas
- Closely monitoring the monthly number of bunches per palm

8 AIR, WATER, WASTE AND EFFLUENTS MANAGEMENT



Why It Is Important

To safeguard the well-being of communities and prevent harm to the ecology, we rigorously enforce proper waste management practices.

Our Response

- All our operation bio-waste products adhered to our Zero Waste Strategy
- Reduction of dust particulate emissions by installing wet scrubbers and electrostatic precipitators at the boilers in our palm oil mills
- Establishment of an efficient water management plan in operations
- Monitor the usage of natural materials such as water ratio per FFB processed
- Expand the utilisation of byproducts to contribute towards achieving the United Nation Sustainable Development Goals (Goal 13: Climate Action)
- Implementation of reuse, reduce and recycle initiatives by deploying recycle bins at each of our operational units
- Utilisation of byproducts to generate energy for the palm oil mills

STRATEGIC REVIEW
MATERIAL MATTERS

9 ENERGY EFFICIENCY AND CLIMATE RESILIENCE



Why It Is Important

Our sustainable practices allow us to do our part to combat climate change through renewable energy sources, increased energy efficiency and improved production efficiency.

- Our Response**
- Continuous operation of our biogas plant at Telok Sengat Palm Oil Mill
 - Utilisation of other byproducts such as empty fruit bunch and palm kernel shells
 - Installation of solar panels at our guard house and streelights at some of our operating units
 - Utilising the RSPO PalmGHG calculator and GHG Protocol to monitor and track greenhouse gas emissions

10 HIGH CONSERVATION VALUE AREAS AND BIODIVERSITY



Why It Is Important

With a number of our plantations situated in HCV areas with significant biodiversity, we safeguard the delicate balance of the ecosystem through preservation efforts that ensure environmental impact is minimal.

- Our Response**
- 576 hectares (ha) of jungle, wetlands and riparian buffer zones were designated as HCV areas
 - Collaborate with Peninsular Malaysia's Department of Wildlife and National Parks, Sabah Forestry Department, Sabah Wildlife Department, Environmental Protection Department of Sabah and Natural Resources and Environment Board Sarawak, to protect and manage wildlife conflicts
 - Assist the Forestry Department in controlling encroachment of forest reserves that bordering our operations
 - Document and monitor wildlife found within our plantations
 - Conduct HCV assessments that are aligned with RSPO and MSPO Standard
 - Active engagement with Department Wildlife and National Park to seek advice and monitor our HCV and biodiversity
 - Introduction of a soil conservation programme to address the potential pollution of soil, surface water and groundwater
 - Implementation of the Integrated Site-Specific Fertiliser Recommendations System to monitor and prevent overuse of fertilisers as well as mitigating the risk of the pollution

11 CREATING BUSINESS OPPORTUNITIES



Why It Is Important

By identifying, developing and strategically leveraging situations and activities, we can generate value, growth, or profit for the organisation.

Our Response

- Contribute to sustainable long-lasting business and economic growth in local communities
- Collaboration with over 1,000 local vendors across the Group

12 SOCIAL WELFARE AND COMMUNITY INVESTMENT



Why It Is Important

Our commitment to invest in the social welfare of our plantation workers and their families fosters a positive environment. Additionally, as we depend on local communities for support in a variety of concrete and intangible ways, their well-being is part of our responsibility.

Our Response

- Provide a variety of amenities to make our plantation workers' lives conducive, including comfortable living quarters, free school transport and creches for the care of young children
- Established several Humana schools and Community Learning Centres for children in our estates
- In collaboration with the Community Development Department, we established preschools in remote estates and palm oil mills across Peninsular Malaysia
- Employed certified Hospital Assistants for our estate clinics
- Initiated Open Days in selected operating units to engage with workers, their dependents and the surrounding communities
- Provide support to workers' dependents, particularly children to ensure access to education
- Conduct regular water samplings of rivers that are connected to local communities as part of an initiative to safeguard the rights and well-being of the local residents

STRATEGIC REVIEW MATERIAL MATTERS

13

DIVERSITY AND INCLUSION



Why It Is Important

As a responsible company, we invest resources and effort in improving the well-being and economic development of local communities.

Our Response

- Established a centralised Gender Committee to streamline and strengthen our existing gender committees at each operating unit
- Provide fair and equal employment opportunities regardless of race, nationality, religion or gender and practice no contract substitution
- Inclusion of worker's dependents in the gender committee

STRATEGIC REVIEW

RISKS AND MITIGATION

INTRODUCTION

The Group is cognisant of the inherent risks associated with our business operations. To manage this, we have implemented a comprehensive Enterprise Risk Management framework, which enables us to proactively identify and address emerging and existing risks. Supported by a dedicated risk department, risks and their controls are monitored, evaluated and deliberated at risk committees, ensuring our risk exposure is consistently managed and remains within the acceptable limits of our risk appetite. Prioritising risk management is crucial in our aim to deliver sustainable value to our stakeholders, while safeguarding against obstacles that could impede our business operations.

Key Risks for the Financial Year Ended 2023



Risk Description:

- ① Human Capital Risk
- ② Operational Productivity Risk
- ③ Financial Risk
- ④ Strategic Risk
- ⑤ Legal and Compliance Risk

STRATEGIC REVIEW

RISKS AND MITIGATION



HUMAN CAPITAL RISK

Description	Potential Impact	Key Mitigation
Labour shortages and lack of skilled workers for harvesters and general workers.	<ul style="list-style-type: none"> Revenue loss Inadequate field maintenance programmes Lower FFB yield Disruption in our operational business processes 	<ul style="list-style-type: none"> Mechanising operations to lessen reliance on manual labour Social initiatives to retain employees Strategic Recruitment Initiative Inclusive recruitment process emphasizing hiring with the right skill set Enhancing workers' skills and productivity through training programmes



OPERATIONAL PRODUCTIVITY RISK

Description	Potential Impact	Key Mitigation
Low FFB yield contributed by shortage of workers, agronomic and productivity related factors.	<ul style="list-style-type: none"> Revenue loss Lower FFB production High estate unit production cost Inability to meet targeted FFB yield 	<ul style="list-style-type: none"> Implementing the Group's Replanting Programme Exploring technology for tall palm harvesting Implementing PPIP 2.0 Enhancing workers' skills and productivity through training programmes Rebalancing assets Improving FFB evacuation infrastructure



FINANCIAL RISK

Description	Potential Impact	Key Mitigation
Increase in operational expenses primarily due to a rise in costs associated with manuring, collection, fixed overhead and ESG compliance.	<ul style="list-style-type: none"> Lower profitability Higher cash requirement from operations Lower cash inflow from operations Lower dividend 	<ul style="list-style-type: none"> Implementing PPIP 2.0 Efficient cost and cash flow management



STRATEGIC RISK (i)

Description	Potential Impact	Key Mitigation
Lower crop production at the Tawai Business Unit as a result of the ageing profile of oil palms, low stand per ha, inadequate terrace construction and challenging hill terrain.	<ul style="list-style-type: none"> • Lower FFB production • Possible revenue loss 	<ul style="list-style-type: none"> • Implementing the Group's Replanting Programme • Continuously improving workers' welfare and amenities • Mechanising operations



STRATEGIC RISK (ii)

Description	Potential Impact	Key Mitigation
Operational challenges in Sarawak arising from land disputes, field blockades, ageing profile of oil palms, adverse weather conditions and labour shortages.	<ul style="list-style-type: none"> • Low profitability • Legal liability • High unit production cost • Reputation loss • Lower productivity 	<ul style="list-style-type: none"> • Continuously improving workers' productivity • Mechanising operations



LEGAL AND COMPLIANCE RISK

Description	Potential Impact	Key Mitigation
Emerging laws and regulations, particularly those related to our ESG compliance.	<ul style="list-style-type: none"> • Heavy fine • Legal liability • Reputation loss • Unfavorable financial rates • Erosion of investor confidence 	<ul style="list-style-type: none"> • Adherence to Bursa's Sustainability Disclosure Requirements • Maintaining certifications for sustainable palm oil • Enhancing awareness of ESG principles and practices • Exploring Green Loan financing from banks • Utilising SPOTT and FTSE4Good Bursa Malaysia Index for ESG benchmarking • Adherence to the International Labour Organization's Task Force guidelines for monitoring and tracking labour compliance. • Raising awareness on grievance mechanism • Establishment of BPlant Gender Committee

STRATEGIC REVIEW FIVE-YEAR STRATEGIC ROADMAP

OUR STRATEGIC OBJECTIVE

“BPlant towards becoming a sustainable technology-based plantation company”

OUR ENABLERS



Our People
Strategy-driven organisation structure



Our Processes
Best practices in operational management



Technology-based Systems



Environmental, Social and Governance

THRUST



Plantation Management



Growth



Digitalisation and Technology



Capital/Asset Management

STRATEGIC THRUSTS

- 01 Operational Yield
- 02 Effective Cost and Efficiency
- 03 Best Practices/ Certification

Estate and Palm Oil Mill Integration

- 01 Environmental
- 02 Certification

- 01 Digitalisation
- 02 Mechanisation
- 03 Technology
- 04 Innovation, Research and Development

- 01 Refinancing
- 02 Reinvestment/ Fundraising
- 03 Dividend
- 04 Interest Cost

STRATEGIC FUNCTIONS

- 01 Drive core activities to full potential
- 02 Yield improvement programme
- 03 Estate and palm oil mill cost optimisation
- 04 Operational efficiency of estates and palm oil mills
- 05 Awareness on the best developed practices and good agricultural practice

- 01 Optimisation of land
- 02 Value creation for palm oil mill
- 03 Continuous improvement on palm oil mill
- 04 Palm oil mills' new business income

- 01 Technology-based operations and management
- 02 Process improvements to strengthen operations and management
- 03 Innovative product development
- 04 Boustead Life Sciences Research Sdn Bhd Tissue Culture Capability

- 01 Strengthening balance sheet (Debt-to-Equity ratio) and profitability
- 02 Alternative funding and financing
- 03 Finance capital expenditure, replanting and land expansion (plantation management thrust)
- 04 Collaborative investment and finance projects (growth, digital and technology thrusts)
- 05 Maximise shareholders' value
- 06 Minimise interest expenses

BUSINESS REVIEW PLANTATION

WHAT WE DO

The Division primarily engages in upstream and midstream oil palm operations, while providing design and consultancy services. It also serves as an agricultural and agronomic advisor.

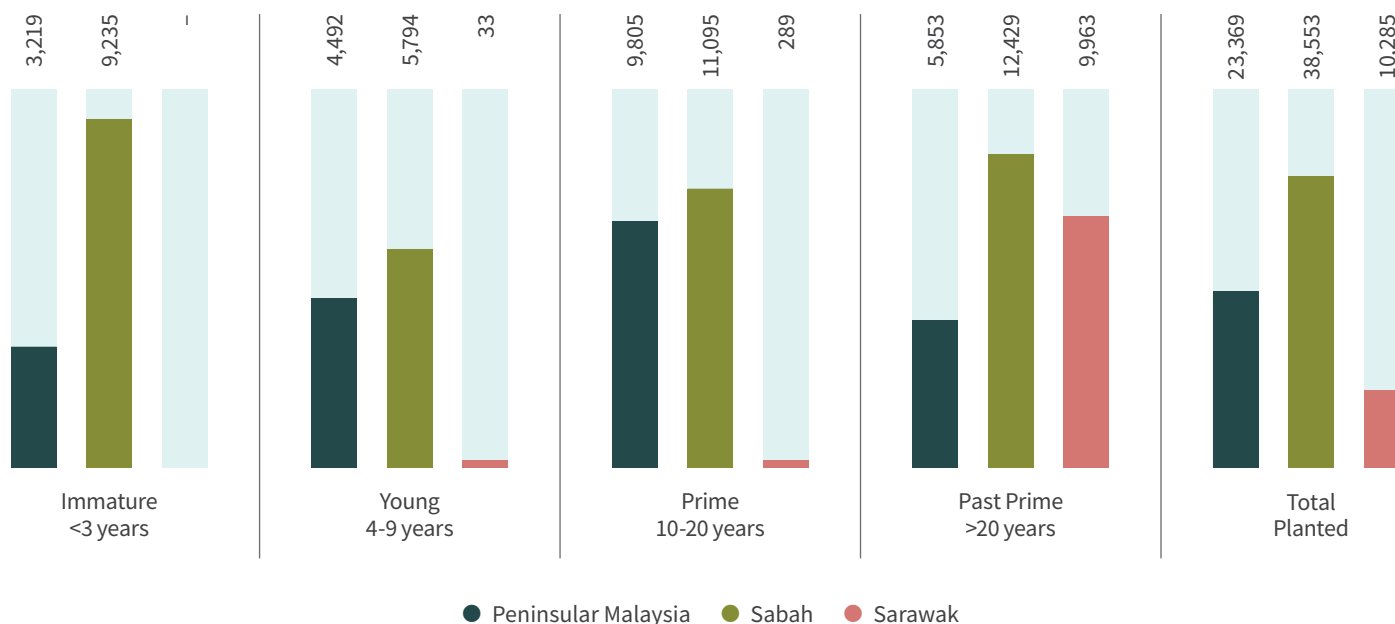


OUR PLANTATION LANDBANK

	Total Estates	Total ha	Planted ha	Planted %	Total Palm Oil Mills
Peninsular Malaysia	16	24,914	23,369	94	3
Sabah	20	46,023	38,553	84	5
Sarawak	6	26,525	10,285	39	2
TOTAL	42	97,462	72,207	74	10

The Group's landbank as of 31 December 2023 comprised 72,207 ha of oil palm plantations, with 53% situated in Sabah, 33% spread across Peninsular Malaysia, and 14% in Sarawak.

AGE PROFILE OF OIL PALM TREES



BUSINESS REVIEW PLANTATION

BUSINESS ENVIRONMENT

Malaysia's CPO production navigated its share of challenges in 2023 to achieve a slight uptick of 0.5%, reaching 18.6 million metric tonne (MT) compared to 18.5 million MT in the previous year. The increase was primarily due to improved foreign worker supply, particularly for harvesting and FFB collection activities. The FFB yield in 2023 increased by 1.9%, reaching 15.8 MT per ha from 15.5 MT per ha in 2022. Simultaneously, the OER rose by 1.0% to 19.9%, up from 19.7% in the previous year.

The year also saw CPO prices fluctuate as a result of numerous factors including the sudden rise of sunflower oil supply from Russia and Ukraine as well as uncertainties of weather pattern.

In 2023, BPlant estates contributed to approximately 87% of the total FFB processed, with the remainder sourced from smallholders.

BUSINESS PERFORMANCE REVIEW

Strategic Priorities	Key Initiatives	Achievements
Operational Efficiency	<ul style="list-style-type: none"> Mechanisation 2.0 	<ul style="list-style-type: none"> Maintained use of Zip Zap battery-operated cutters for the harvesting of FFB Closely monitored the Mechanical Assisted Infield Collection for crop evacuation
	<ul style="list-style-type: none"> Digitalisation 	<ul style="list-style-type: none"> Continued utilisation of drone technology for precise mapping of terrain and elevation across Peninsular Malaysia and Sabah
Enhanced Productivity and Yield	<ul style="list-style-type: none"> 25-Year Replanting Programme (RP25) 	<ul style="list-style-type: none"> Ongoing execution and oversight of the RP25 programme
	<ul style="list-style-type: none"> Soil fertility enhancement 	<ul style="list-style-type: none"> Utilised 187,912 MT of Empty Fruit Bunches (EFB) for mulching
	<ul style="list-style-type: none"> OER optimisation 	<ul style="list-style-type: none"> OER continued to exceed the Malaysian Palm Oil Board's average national threshold
	<ul style="list-style-type: none"> Young and prime potential yield improvement 	<ul style="list-style-type: none"> Reduced the underperforming young and prime fields from 185 to 129 fields Yield disparities in Peninsular Malaysia improved from 37% to 50%, while the Sabah region showed a slight decline in performance, from 62% to 55%
	<ul style="list-style-type: none"> Good agricultural practices 	<ul style="list-style-type: none"> Maintained and enhanced the soil structure in our challenging operating units Improved accessibility by constructing new roads, repairing the existing roads and build harvester footpaths
	<ul style="list-style-type: none"> Palm oil mill efficiency enhancement 	<ul style="list-style-type: none"> Sustained oil and kernel recovery efficiency at or above 94%, demonstrating effective management of milling losses Modernised operations by replacing outdated equipment for new, more efficient, and cost-effective machinery Implemented automation systems to enhance operational efficiency and minimise expenses
	<ul style="list-style-type: none"> Palm oil mill integration 	<ul style="list-style-type: none"> Implemented a food safety initiative aimed at producing CPO with lower levels of Mineral Oil Saturated Hydrocarbons and Mineral Oil Aromatic Hydrocarbons Installed a CPO Washing Plant at one of the palm oil mills

Strategic Priorities	Key Initiatives	Achievements
Sustainable Operations	<ul style="list-style-type: none"> • Biogas capture and conversion 	<ul style="list-style-type: none"> • Captured 934,811 m³ of biogas from 48,464 m³ of palm oil mill effluent, utilising a covered lagoon biodigester system • Converted 100% of biogas to generate 794 MWh (2022: 1,160 MWh) of electricity for the palm oil mill
	<ul style="list-style-type: none"> • Recycle biomass 	<ul style="list-style-type: none"> • Utilised 171,890 MT of fibres and shells for renewable energy production (2022: 180,593 MT) • Utilised 187,912 MT of EFB for mulching (2022: 209,358 MT)

CHALLENGES AND MITIGATING ACTIONS

Challenges	Mitigating Actions	Results
Overall		
Labour Shortage	<ul style="list-style-type: none"> • Workforce participated in the Foreign Worker Employment Relaxation Plan coordinated by the Ministry of Human Resources to secure additional quotas • Participated in the Career Carnival Programme in collaboration with the Social Security Organisation • Joined the “Week with Contributor” event organised by Lembaga Tabung Angkatan Tentera • Hosted an Open Day and engaged with the local community 	<ul style="list-style-type: none"> • A total of 2,770 (2022: 2,377) Malaysians and 3,798 (2022: 2,777) foreign workers were employed • Manpower shortage in 2023 improved by 38%
Difficulties in Harvesting Old Palm Trees	<ul style="list-style-type: none"> • Utilised lightweight carbon fibre poles for heights of 30 feet and above 	<ul style="list-style-type: none"> • Overall productivity and efficiency improved by 11%
Irregular Weather Patterns Affecting Yield Performance	<ul style="list-style-type: none"> • Implemented strategies for managing drought and flood conditions • Adopted resource conservation measures, such as rainwater harvesting and efficient irrigation practices, to mitigate the impact of unpredictable weather patterns 	<ul style="list-style-type: none"> • Reduced the probability of flooding • Enhanced moisture retention in areas characterised by suboptimal soil quality

Peninsular Malaysia Operations		
High turnover rates due to unskilled tall palm harvesters in specific areas	<ul style="list-style-type: none"> • Introduced Palm Pro units designed for tall palm harvesting 	<ul style="list-style-type: none"> • Improved productivity and reduced the time for harvesting
Loose fruits collection below 5%	<ul style="list-style-type: none"> • Established a dedicated team for loose fruits collection 	<ul style="list-style-type: none"> • Increased efficiency of loose fruits collection
Poor accessibility for harvesting and crop collection	<ul style="list-style-type: none"> • Utilised lightweight carbon fibre poles and undertook thorough road maintenance 	<ul style="list-style-type: none"> • Increased efficiency in harvesting and crop collection processes • Reduced delays and operational disruptions

BUSINESS REVIEW PLANTATION

Challenges	Mitigating Actions	Results
Sabah Operations		
Suboptimal Delivery of Fertilisers	<ul style="list-style-type: none"> Optimised supply chain management processes to ensure prompt delivery of fertiliser Amplified the use of palm oil mill byproducts as organic fertiliser 	<ul style="list-style-type: none"> Enhanced fertiliser distribution processes to guarantee the timely execution of manuring programmes
Ganoderma Infection	<ul style="list-style-type: none"> Lowered the likelihood of infection through the adoption of integrated pest management measures, which included improving soil health, removing affected trees and employing disease-resistant oil palm varieties 	<ul style="list-style-type: none"> Successfully minimised Ganoderma infections Prolonged the economic lifespan of oil palms
Unfavourable Hilly and Steep Terrain with No Proper Infrastructure Development and Small Outlying Divisions	<ul style="list-style-type: none"> Enhanced area redevelopment during replanting efforts by: <ol style="list-style-type: none"> Expanding back terraces and roads wherever feasible to improve accessibility Employing replanting methods tailored for hilly landscapes, including contour planting and erosion prevention measures Developing optimal field layouts for challenging terrains, integrating good management practices and improved accessibility 	<ul style="list-style-type: none"> Achieved higher yield expectations by optimising palm planting and growth, enhancing field accessibility, and ensuring efficient crop evacuation
Small Divisions in Remote Locations	<ul style="list-style-type: none"> Merged smaller operational divisions 	<ul style="list-style-type: none"> Established unified operational unit for enhanced efficiency and cost-effectiveness
Sarawak Operations		
Narrow Terraces with Extremely Steep Terrain	<ul style="list-style-type: none"> Developed adequate harvester access routes and accessible and maintained roads for efficient FFB evacuation 	<ul style="list-style-type: none"> Achieved optimal accessibility to palms and efficient crop evacuation

KEY OPERATIONAL ACHIEVEMENTS

	Peninsular Malaysia	Sabah	Sarawak	Total
Total FFB production (MT)	351,111	420,684	60,021	831,816
Total FFB processed (MT)	355,679	542,012	57,253	954,944
FFB yield (MT per ha)	17.4	14.0	6.1	13.9
Total mill processing capacity (MT per hour)	130	215	105	450
Total CPO produced (MT)	75,550	113,208	10,214	198,972
Total PK produced (MT)	13,360	21,367	2,608	37,335
OER	21.2%	20.9%	17.8%	20.8%
KER	3.8%	3.9%	4.6%	3.9%

BUSINESS REVIEW

RESEARCH AND DEVELOPMENT

WHAT WE DO

Our research and development (R&D) efforts are led by Applied Agricultural Resources Sdn Bhd (AAR). Meanwhile, our subsidiary, Boustead Life Sciences Research Sdn Bhd (BLSR), is playing a supportive role through its proficiency in Plant Tissue Culture technology for non-oil palm commercial products.



AAR – With data being central to driving our plantation management, our R&D achievements have significantly enhanced resource optimisation and minimised environmental impact. R&D initiatives are spearheaded by AAR which has built a solid and trusted track record with more than 35 years of expertise in R&D and consultancy services. It advises over 230,000 ha of oil palm and rubber estates in Peninsular Malaysia, Sabah, Sarawak and Liberia.

BLSR – In response to the rising global concerns about food insecurity, BLSR is venturing into the commercialisation of food crops cultivated with Plant Tissue Culture technology, a move that will also bolster the Group's resilience and sustainability.

BUSINESS ENVIRONMENT

Cognisant of the need to secure business continuity and long-term economic stability, the Group prioritises the use of choice DxP seeds and tissue culture ramets to raise yields to their highest potential through the highly focused efforts of AAR in honing the benefits of advanced breeding and tissue culture methods.

The higher oil-yielding palms derived from cultivation and deployment of DxP seeds and ramets resulted in a remarkable increase in oil production by up to 20% compared to traditional planting materials, positioning them as a highly lucrative commercial prospect.

Sustaining good agricultural practices and making informed decisions rely significantly on our comprehensive database of agronomic data, geospatial maps and climate patterns derived from our estates. With geospatial data, AAR can analyse potential correction sites and pinpoint factors that are limiting or decreasing our yield. Microbial products that enhance fertiliser efficiency are part of AAR's efforts in enhancing sustainable agriculture.

To tap into opportunities in agriculture production diversification by leveraging our established facilities and expertise in tissue culture, BLSR has been concentrating its efforts on tissue culture production of non-oil palm commodities, particularly MD2 pineapples, bananas and ginger. As tissue culture is a cornerstone in modern agriculture technology, it enables rapid propagation of these plants under controlled conditions.

BLSR is also exploring the potential commercial prospects of tissue-cultured planting materials for the MD2 pineapple, banana and ginger varieties, with the aim to equip farmers with superior planting materials that can enhance crop yields and quality. This strategic endeavour not only diversifies the Group's offerings and enhances sustainability, it is aligned with the surging market demand for premium, disease-resistant crops.

BUSINESS REVIEW

RESEARCH AND DEVELOPMENT

BUSINESS PERFORMANCE REVIEW

AAR

Strategic Priorities	Key Initiatives	Achievements
Advancement of Canopy Size Index (CSI) Mapping	<ul style="list-style-type: none"> Obtained accurate information from spatial data to estimate valid site yield potentials and produce detailed yield maps for the identification of under-performing palms for corrective actions 	<ul style="list-style-type: none"> Planted materials with potential oil yields exceeding 9 MT per ha annually Continued utilising the systematic approach established to capture sequential aerial images of estates with drones, allowing for the collection of spatial data at biennial intervals. As a result, advanced methodologies for counting palms and categorising palm growth by canopy dimensions were formulated
Revised Leaf Nutrient Classification	<ul style="list-style-type: none"> Evaluated AAR long-term agronomy trials which revealed that AA Hybrid 1S and AAR's clonal materials exhibit improved Nutrient Use Efficiency compared to older materials Updated leaf nutrient classification to cater for newer planting materials 	<ul style="list-style-type: none"> The revised classification system provides more precise guidance for managing the nutritional status of oil palms Minimised or prevented issues related to excessive fertiliser application, thus making a positive contribution to lower GHGs and a more sustainable future for oil palm agriculture
Enhanced Web-AEGIS System	<ul style="list-style-type: none"> Developed a web-based Geographic Information System (GIS) system named AEGIS for seamless and efficient integration and storage of maps, remote sensing imagery, and historical data 	<ul style="list-style-type: none"> This GIS system replaces the existing methods of printing hard-copy maps and allows dissemination of digital maps via electronic means Offers map visualisation and analysis without the need for mastering complex GIS software By combining time-series remote sensing imagery and historical field information, including drone images, CSI maps, and yield data, among other sources, a comprehensive yield analysis in relation to factors such as growth, weather, soil types, terrain, and more becomes possible Able to communicate with various Internet of Things devices for data storage and presentation
Enhanced GIS and Remote Sensing Techniques for Oil Palm Thinning	<ul style="list-style-type: none"> Developed a thinning selection method, utilising GIS and remote sensing technique 	<ul style="list-style-type: none"> Eliminates the need for field verification and ensures benefits for a minimum of six closely planted palms Reduces ambiguity and confusion in field selection, accelerates the thinning process, and provides objective simulation results to facilitate decision-making
Nitrogen-Fixing (NF) Fertiliser Research	<ul style="list-style-type: none"> Identified four potential endophytic NF bacteria capable of colonising oil palm tissues, which offer a higher nitrogen fixation rate compared to soil-borne NF bacteria 	<ul style="list-style-type: none"> The results from nursery trials showed a notable 25% reduction in inorganic fertiliser usage Significant nursery seedling growth enhancement Increased plant nutrient levels The NF bacteria are able to fix atmospheric nitrogen

BLSR

Strategic Priorities	Key Initiatives	Achievements
Research and Development	<ul style="list-style-type: none"> Continuously improved and innovated in tissue culture techniques, media formulations, and plant varieties to enhance productivity and product quality 	<ul style="list-style-type: none"> Improved selection protocol for starting materials with desirable traits for both banana and MD2 pineapple Optimised the banana tissue culture protocol, accelerating the commercialisation phase Modified tissue culture media formulations for banana, effectively mitigating the issue of phenolic oxidation in certain banana varieties Demonstrated positive outcomes in the multiplication stage of MD2 pineapple cultivation through the application of the Temporary Immersion System Bioreactor
Partnership and Collaborations	<ul style="list-style-type: none"> Collaborated with research institutions, government agencies, and other stakeholders to access new technologies, markets, and funding sources 	<ul style="list-style-type: none"> Appointed as <i>Usahawan Pengeluar Benih Berkualiti</i> for the Business Development Project funded by the Centre for Business and Technology Commercialisation, Malaysian Agricultural Research and Development Institute (MARDI) Engaged with MARDI's Centre for Biotechnology and Nanotechnology Research for development consultations on MD2 pineapple tissue culture planting material production
Employee Development	<ul style="list-style-type: none"> Invested in training and development programmes to enhance the skills and capabilities of employees involved in tissue culture planting material production 	<ul style="list-style-type: none"> Bolstered employee expertise through an 18-month technical training programme with MARDI, focusing on MD2 pineapple tissue culture planting material production

PERFORMANCE REVIEW

FIVE-YEAR GROUP FINANCIAL SUMMARY

		2023	2022	2021	2020	2019
FINANCIAL PERFORMANCE						
Revenue		852	1,177	1,050	763	577
Profit/(Loss) before taxation and zakat		71	729	345	83	(135)
Profit/(Loss) for the year		36	589	242	34	(157)
Profit/(Loss) attributable to shareholders		42	595	241	43	(144)
Earnings/(Loss) per share	sen	1.9	26.6	10.8	1.9	(6.4)
Return on equity	%	1.4	20.9	9.1	1.7	(5.5)
Return on assets	%	2.7	18.3	9.5	3.4	(1.7)
Return on revenue	%	12.0	25.0	37.2	18.3	(3.8)
DIVIDENDS						
Dividend declared		22	324	187	22	22
Net dividend per share	sen	1.0	14.5	8.4	1.0	1.0
Dividend yield	%	0.6	22.4	12.8	1.6	1.3
Dividend cover	times	1.9	1.8	1.3	1.9	(6.4)
GEARING						
Borrowings		774	857	1,014	1,253	1,377
Gearing	times	0.3	0.3	0.4	0.5	0.5
Interest cover	times	2.8	22.3	8.2	2.4	(1.1)
OTHER FINANCIAL STATISTICS						
Net assets per share	sen	130	133	121	115	114
Share price – high	sen	156	119	75	75	100
Share price – low	sen	63	61	53	21	57
Earnings ratio	times	81.9	2.4	6.0	31.8	(11.8)
Paid up share capital		1,422	1,422	1,422	1,422	1,422
Shareholders' equity		2,918	2,973	2,717	2,584	2,552
Total equity		2,797	2,858	2,609	2,475	2,452
Total assets		4,027	4,236	4,124	4,129	4,200

Note:

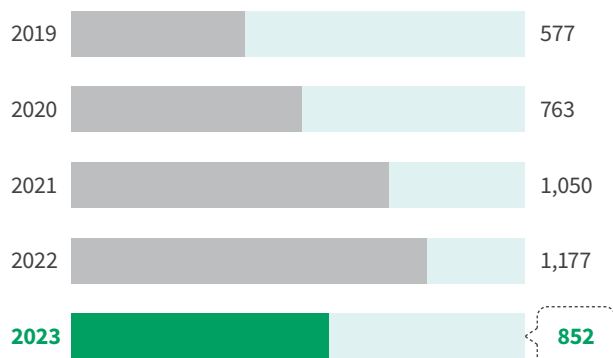
All figures are in RM million unless otherwise stated.

PERFORMANCE REVIEW

FIVE-YEAR GROUP FINANCIAL HIGHLIGHTS

Revenue

(RM million)



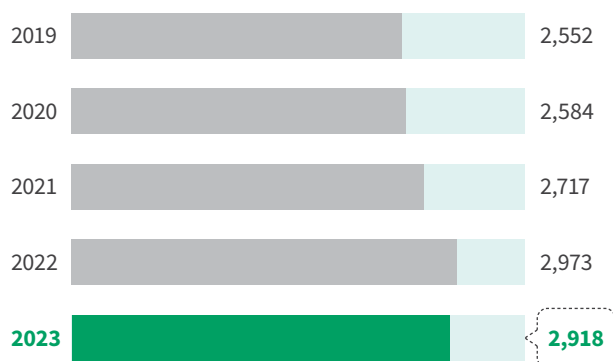
Profit/(Loss) Before Taxation

(RM million)



Shareholders' Equity

(RM million)



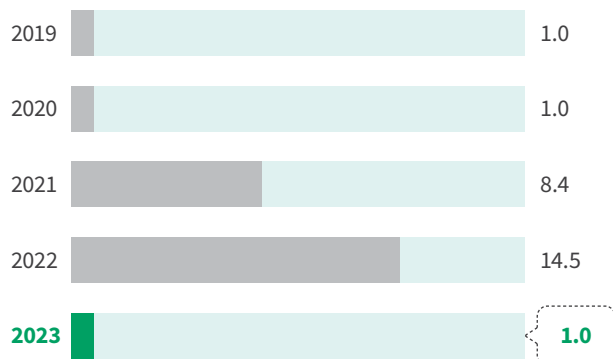
Earnings/(Loss) Per Share

(sen)



Dividend Per Share

(sen)



Net Assets Per Share

(sen)



PERFORMANCE REVIEW KEY FOCUS 2024

PLANTATION PERFORMANCE IMPROVEMENT PROGRAMME 2.0 (PIIP 2.0)

- Continuous implementation of PIIP 2.0



PLANTATION MANAGEMENT

- Implementation of good agricultural practices as envisaged by BPlant
- Support new initiatives and innovation
- Execution of a systematic long-term replanting programme for crop sustainability



GROWTH AREA - PALM OIL MILL INTEGRATION

- Continuation of the phased installation of new-generation EFB Presses
- Implementation of additional land irrigation systems for palm oil mills to enhance sustainability and efficiency of estate operations
- Focusing on the renewable energy and waste-to-wealth initiatives such as biogas plant
- Implementation of a secondary oil system to improve CPO production



DIGITAL AND TECHNOLOGY

- Data Extraction and Exploration for Plantation
- Digital Office Environment System
- Research and Development
- Capitalisation of Drone Technology
- Infrastructure for Digital Communication



ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Continuous development programme to increase awareness on the importance of ESG
- Our commitment to further strengthen our sustainability function and strategies in line with ESG principles
- Integrate ESG requirements and guidelines in all tendering activities



PERFORMANCE REVIEW FINANCIAL CALENDAR

FINANCIAL YEAR

1 January 2023 to 31 December 2023

RESULT

1st Quarter

Announced 23 May 2023

2nd Quarter

Announced 24 August 2023

3rd Quarter

Announced 22 November 2023

DIVIDEND

1st Interim

Announced 23 May 2023
Entitlement date 9 June 2023
Payment date 23 June 2023

ANNUAL GENERAL MEETING

Held on

7 June 2024

AUDITED FINANCIAL STATEMENT

Issued

5 April 2024

SECTION 5

LEADERSHIP

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Board of Directors and Senior Management at BPlant's 111th Annual General Meeting at The Bousteador, Mutiara Damansara, Selangor



Plantations

ANNUAL GENERAL MEETING

7 JUN 2024 ■ THE BOUSTEADOR, MUTIARA DAMAI, KUALA LUMPUR



Towards a future that uplifts all stakeholders

U. SEN. DATUK
AHMAD HURIMAN JALAL (M)

AFFENDI BINNIE YUSOF

LOH YEE HAN FONG

CORPORATE INFORMATION

BOARD OF DIRECTORS

01 LIEUTENANT GENERAL DATUK AHMAD NORIHAN JALAL (R)

Non-Independent Non-Executive Chairman
(Appointed with effect from (w.e.f.) 1 May 2024)

02 TAN SRI DATO' WIRA AZIAH ALI
Independent Non-Executive Director

03 IZADDEEN DAUD

Non-Independent Non-Executive Director

04 (DR.) SALIHIN ABANG
Independent Non-Executive Director

05 LIEUTENANT GENERAL DATUK AZIZAN MD DELIN (R)

Non-Independent Non-Executive Director
(Appointed w.e.f. 20 April 2023)

06 DATUK MUHAR HUSSAIN
Independent Non-Executive Director
(Appointed w.e.f. 23 August 2023)

07 MOHAMMAD ASHRAF MD. RADZI
Non-Independent Non-Executive Director
(Appointed w.e.f. 1 May 2024)

08 JASMALIHA JAAFAR
Non-Independent Non-Executive Director
(Alternate Director to Mohammad Ashraf Md. Radzi)
(Appointed w.e.f. 1 May 2024)

REGISTERED OFFICE

Level 23, The Bousteador
No. 10 Jalan PJU 7/6
Mutiara Damansara
47800 Petaling Jaya
Selangor Darul Ehsan
Tel : (03) 2141 9044
Fax : (03) 2141 9750
www.bousteadplantations.com.my

REGISTRAR

Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur, Malaysia
Tel : (03) 2783 9299
Fax : (03) 2783 9222

COMPANY SECRETARY

Affendi Mohd Yob

PRINCIPAL BANKERS

Affin Bank Berhad
Affin Hwang Investment Bank Berhad
Affin Islamic Bank Berhad
OCBC Bank (Malaysia) Berhad
United Overseas Bank Berhad
Al Rajhi Banking & Investment Corporation
(Malaysia) Berhad
China Construction Bank (Malaysia) Berhad
Deutsche Bank (Malaysia) Berhad

AUDITORS

Ernst & Young PLT

HOLDING CORPORATION

Lembaga Tabung Angkatan Tentera

BOARD AT A GLANCE

BOARD COMPOSITION



Independent
Non-Executive
Directors



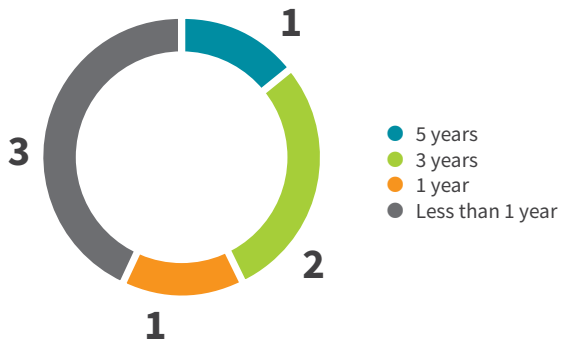
Non-Independent
Non-Executive
Directors

NATIONALITY



Malaysians

BOARD TENURE



GENDER



Male



Female



ETHNICITY



Bumiputera

AGE



BOARD OF DIRECTORS





Left to right

LIEUTENANT GENERAL DATUK AHMAD NORIHAN JALAL (R)

Non-Independent Non-Executive Chairman

TAN SRI DATO' WIRA AZIAH ALI

Independent Non-Executive Director

IZADDEEN DAUD

Non-Independent Non-Executive Director

(DR.) SALIHIN ABANG

Independent Non-Executive Director

LIEUTENANT GENERAL DATUK AZIZAN MD DELIN (R)

Non-Independent Non-Executive Director

DATUK MUHAR HUSSAIN

Independent Non-Executive Director

MOHAMMAD ASHRAF MD. RADZI

Non-Independent Non-Executive Director

JASMALIHA JAAFAR

Non-Independent Non-Executive Director

(Alternate Director to Mohammad Ashraf Md. Radzi)

PROFILE OF DIRECTORS



LIEUTENANT GENERAL DATUK AHMAD NORIHAN JALAL (R)

Non-Independent Non-Executive Chairman



Age:
60



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
1 May 2024

Length of Service:
Less than 1 year

Date of Last Re-election:
7 June 2024

Number of Board Meetings Attended in 2023:
Nil (as Lieutenant General Datuk Ahmad Norihan Jalal (R) was appointed to the Board on 1 May 2024)

Qualifications:

- Master in Global Security and Strategic Studies, Sapienza University, Rome, Italy
- Institute Alti Studi Per La Difesa, Rome, Italy
- Master in Strategic Studies, Universiti Kebangsaan Malaysia
- Malaysian Armed Forces Defence College
- Bachelor Degree of Strategic Studies, Universiti Malaya
- Malaysian Armed Forces Staff College
- Bachelor Degree of Communications, University of Westminster, United Kingdom
- Diploma in Art and Design, Universiti Teknologi Mara

Working Experience:

- March 2024 to Present – Chairman, Cooperative Commission of Malaysia (SKM)
- 1991 – Joined the Royal Intelligence Corps, which propelled him into various dynamic roles, including Director General Defence Intelligence at the Malaysian Defence Intelligence Organisation (MDIO), Kuala Lumpur
- 1986 – Reserved Army Officer

Committee Memberships:

- Nil

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



TAN SRI DATO' WIRA AZIAH ALI

Independent Non-Executive Director



Age:
71



Gender:
Female



Nationality:
Malaysian

Date of Appointment:
22 July 2019

Length of Service:
5 years

Date of Last Re-election:
14 June 2022

Number of Board Meetings Attended
in 2023:
14/14

Qualifications:

- Bachelor of Law (Honours), Universiti Malaya

Working Experience:

- 1 November 2020 to present – Commissioner, Enforcement Agency Integrity Commission
- September 2020 to present – Member, Securities Industry Dispute Resolution Centre Appeals Committee
- Tan Sri Dato' Wira Aziah has vast experience in law and served the government of Malaysia for over 40 years in various positions in the judiciary including Legal Advisor, Judicial Commissioner, High Court Judge and Court of Appeal Judge. She was elevated as a Federal Court Judge on 21 March 2016 and retired on 22 November 2018

Committee Memberships:

- Chairman of Sustainability Committee
- Chairman of Risk Committee
- Chairman of Board Tender and Procurement Committee
- Member of Audit Committee
- Member of Nominating and Remuneration Committee

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Boustead Heavy Industries Corporation Berhad

Directorship in public companies:

- Wasiyyah Shoppe Berhad

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

PROFILE OF DIRECTORS



IZADDEEN DAUD

Non-Independent Non-Executive Director



Age:
55



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
10 March 2021

Length of Service:
3 years

Date of Last Re-election:
12 June 2023

Number of Board Meetings Attended
in 2023:
8/14

Qualifications:

- Certified Financial Planner, Financial Planning Association of Malaysia
- Fellow Member, Institute of Public Accountants, Australia
- B.Sc. (Hons) Accounting and Law, De Monfort University, Leicester, United Kingdom

Working Experience:

- December 2022 to present – Group Chief Executive Officer (CEO), Boustead Holdings Berhad (BHB)
- March 2021 to November 2022 – Deputy Group Managing Director, BHB
- November 2020 to March 2022 – Acting CEO, Boustead Properties Berhad
- July 2020 to February 2021 – Executive Director, Group Business Development, BHB
- 2013 to January 2021 – Executive Chairman, E&E Gas Sdn Bhd
- 2008 to 2009 – Managing Director, MARA Incorporated
- 2007 to 2008 – CEO, ASM Investment Services Berhad
- 1999 to 2007 – Assistant Vice President, Permodalan Nasional Berhad
- 1992 to 1998 – Senior Manager, Perwira Affin Merchant Bank Berhad
- 1992 – Senior Officer, Oriental Bank Berhad
- 1991 – Auditor, Ernst & Young

Committee Memberships:

- Nil

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Pharmaniaga Berhad (Chairman)
- Boustead Heavy Industries Corporation Berhad

Directorship in public companies:

- Boustead Properties Berhad (Chairman)
- UAC Berhad

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



(DR.) SALIHIN ABANG

Independent Non-Executive Director



Age:
51



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
7 July 2021

Length of Service:
3 years

Date of Last Re-election:
7 June 2024

Number of Board Meetings Attended
in 2023:
14/14

Qualifications:

- Certified Public Accountant, Malaysian Institute of Certified Public Accountants
- Honorary Doctorate Degree in Management, Universiti Malaysia Terengganu
- Honorary Member, Institute of Cooperative and Management Auditors
- Fellow, International Accountant, Association of International Accountants (United Kingdom)
- ASEAN Professional Accountant Chartered
- ASEAN Senior Management Development Program, Harvard Business School Alumni Club of Malaysia
- Master of Science in Accounting, International Islamic University Malaysia (UIAM)
- Fellow, Chartered Tax Institute of Malaysia
- Certified Financial Planner, Financial Planning Association of Malaysia
- Chartered Accountant, Malaysian Institute of Accountants
- Bachelor of Accounting, UIAM

Working Experience:

- 2002 to present – Founder and Managing Partner, Salihin Chartered Accountants (AF 1426)
- 2015 to 2019 – Council Member and President of Malaysian Institute of Accountants

Committee Memberships:

- Chairman of Audit Committee
- Chairman of Nominating and Remuneration Committee
- Member of Risk Committee
- Member of Sustainability Committee

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Bintulu Port Holdings Berhad
- G3 Global Berhad
- Boustead Heavy Industries Corporation Berhad

Directorship in public companies:

- Wasiyyah Shoppe Berhad

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

PROFILE OF DIRECTORS



LIEUTENANT GENERAL DATUK AZIZAN MD DELIN (R)

Non-Independent Non-Executive Director



Age:
64



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
20 April 2023

Length of Service:
1 year

Date of Last Re-election:
12 June 2023

Number of Board Meetings Attended
in 2023:
9/9

Qualifications:

- Senior Executive Security Studies, University of Harvard, United States of America (USA)
- Counter Terrorism Fellow, National Defence University, Washington DC, USA
- Master in International Security, Naval Post Graduate School, Monterey, California, USA
- Bachelor of Law (Honours), Institut Teknologi MARA

Working Experience:

- Lieutenant General Datuk Azizan has served in the Malaysian Armed Forces for more than 41 years, during which he held various positions including:
 - Panglima Briged Kelapan Infantri
 - Panglima Divisyen Kedua Infantri
 - Assisten Ketua Staf Perkhidmatan Anggota
 - Ketua Staf Markas Tentera Darat
 - Ketua Eksekutif, Malaysian Institute of Defence and Security (MiDAS)
- The apex of his military career was as Panglima Medan Barat Tentera Darat

Committee Memberships:

- Member of Sustainability Committee

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



DATUK MUHAR HUSSAIN

Independent Non-Executive Director



Age:
58



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
23 August 2023

Length of Service:
Less than 1 year

Date of Last Re-election:
7 June 2024

Number of Board Meetings Attended
in 2023:
4/7

Qualifications:

- Diploma Kemahiran Malaysia, Jabatan Pembangunan Kemahiran
- Executive Master in Business Management, Universiti Tun Abdul Razak

Working Experience:

- 1995 to present – Managing Director, Perniagaan Muhar Sdn Bhd
- 2002 to present – Managing Director, Bakti Mas Bina Sdn Bhd

Committee Memberships:

- Nil

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

PROFILE OF DIRECTORS



MOHAMMAD ASHRAF MD. RADZI

Non-Independent Non-Executive Director



Age:
46



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
1 May 2024

Length of Service:
Less than 1 year

Date of Last Re-election:
7 June 2024

Number of Board Meetings Attended in 2023:
Nil (as Mohammad Ashraf Md. Radzi was appointed to the Board on 1 May 2024)

Qualifications:

- Chartered Accountant, Malaysian Institute of Accountants
- Member, Association of Chartered Certified Accountants
- Bachelor of Accountancy (Hons), Universiti Tenaga Nasional

Working Experience:

- April 2024 to present – Chief Executive, Lembaga Tabung Angkatan Tentera (LTAT)
- 2020 to March 2024 – Chief Financial Officer (CFO), LTAT
- 2017 to 2020 – CFO, Ahmad Zaki Resources Bhd (AZRB)
- 2016 to 2017 – General Manager/Corporate Finance, AZRB
- 2015 to 2016 – Associate Director/Corporate Advisory and Structuring, MIDF Amanah Investment Bank
- 2013 to 2015 – General Manager/Finance Special Projects, Johawaki Holdings Sdn Bhd
- 2009 to 2013 – Associate Director/Capital Market, Prokhas Sdn Bhd
- 2007 to 2009 – Regulatory Reporting Analyst, UBS Investment Bank, London, United Kingdom
- 2005 to 2007 – Financial Accountant European Region, CUNA Mutual Life Assurance (Europe) Limited, Ireland
- 2002 to 2005 – Audit Senior, Ernst & Young, Ireland

Committee Memberships:

- Nil

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Pharmaniaga Berhad
- Affin Bank Berhad

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



JASMALIHA JAAFAR

Non-Independent Non-Executive Director
(Alternate Director to Mohammad Ashraf Md. Radzi)



Age:
39



Gender:
Female



Nationality:
Malaysian

Date of Appointment:
1 May 2024

Length of Service:
Less than 1 year

Date of Last Re-election:
Nil

Number of Board Meetings Attended
in 2023:
Nil (as Jasmaliha Jaafar was appointed to
the Board on 1 May 2024)

Qualifications:

- UK Investor Relations Certified
- Master of Science in Finance, International Islamic University Malaysia (IIUM)
- Bachelor of Mathematical Science, IIUM

Working Experience:

- March 2024 to Present – Director, Strategic Planning, Lembaga Tabung Angkatan Tentera (LTAT)
- August 2021 to March 2024, Vice President, Financial Planning and Coordination, LTAT
- May 2020 to August 2021 – Manager, CFO's Office, LTAT
- July 2017 – Senior Manager, Strategic Planning and Investor Relations, Ahmad Zaki Resources Bhd
- January 2014 – Manager, Group Strategy and Investor Relations, MMC Corporation Bhd
- September 2012 – Equity Analyst, Lembaga Tabung Haji
- September 2010 – Equity Research, MIDF Research
- April 2008 – Credit Executive, Perbadanan Nasional Berhad

Committee Memberships:

- Nil

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

OUR APPRECIATION TO FORMER DIRECTORS



**MAJ. GEN. DATO' SERI HAJI KHAIRUDDIN
HAJI ABU BAKAR (R) J.P.**

Non-Independent Non-Executive Director

.....
Deceased on 7 February 2024



FAHMY ISMAIL

Non-Independent Executive Director/Acting Chief Executive Officer

.....
Resigned on 15 May 2024



General view of BPlant's estate

SENIOR MANAGEMENT TEAM



02

03

04

05

01

01 DATUK ZULKARNAIN MD EUSOPE
Chief Executive Officer

02 MOHAMAD MAHAZIR MUSTAFFA
Chief Financial Officer

03 ANUAR SEMAIL
Chief Operating Officer

04 MOHD FADZLY MAHYUDDIN
Chief People Officer

05 KHAIRUDIN IBRAHIM
Chief Strategy Officer



06

07

08

09

10

06 ABDULLAH ZAHRI ABDUL AZIZIS
Head, Technology

07 AHMAD RAHMAN MAT AKAT
Head, Planting Advisory and Land Management

08 AHMAD AZHAR SHAH IBRAHIM
Head of Legal, Procurement and Compliance

09 PREMILA RAJARATNAM
Head, Group Internal Audit and Risk Management

10 AFFENDI MOHD YOB
Company Secretary/Head, Group Secretarial

PROFILE OF SENIOR MANAGEMENT TEAM



Age:
57



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 June 2024

DATUK ZULKARNAIN MD EUSOPE

Chief Executive Officer

Qualifications:

- Bachelor in Engineering (Electrical), Northern Arizona University Flagstaff, Arizona, United States of America
- American Associate Degree, MARA Community College, Kuantan, Pahang

Working Experience:

- 1 June 2024 to present – Chief Executive Officer (CEO), Boustead Plantations Berhad
- February 2023 to March 2023 – CEO, Pharmaniaga Berhad (Pharmaniaga)
- 2020 to 2023 – Group Managing Director, Pharmaniaga
- 2016 to 2018 – CEO, FELCRA Berhad (FELCRA)
- 2014 to 2016 – Chief Investment Officer, FELCRA
- 2010 to 2013 – Commercial and Corporate Advisor at various companies
- 2006 to 2009 – Senior Vice President, Empire Energy Corp. LLC
- 2001 to 2005 – Project Coordinator, Malaysian Resources Corporation Berhad
- 1996 to 2000 – Project Manager, EPE Power Corporation Berhad
- 1991 to 1995 – Electrical Engineer, Tenaga Nasional Berhad

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Pricewater International Berhad

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
49



Gender:
Male



Nationality:
Malaysian

Date of Appointment:
23 September 2019

MOHAMAD MAHAZIR MUSTAFFA

Chief Financial Officer

Qualifications:

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, Association of Chartered Certified Accountants (ACCA)
- ACCA, London College of Accountancy, United Kingdom
- Bachelor of Science in Business Administration (Accounting), California State University, Sacramento, United States of America
- American Associate Degree, MARA Community College, Kuantan, Pahang

Working Experience:

- September 2019 to July 2024 – Chief Financial Officer, Boustead Plantations Berhad (BPlant)
- 2015 to 2019 – Financial Controller, BPlant
- 2012 to 2015 – Assistant Vice President, Finance Operation, PT Minamas Gemilang, Indonesia, Sime Darby Plantation Berhad
- 1997 to 2009 – Began his career as a management trainee and assumed several finance roles within Boustead Holdings Berhad (BHB) group, ranging from accounting, performance reporting and treasury. Last position held prior to leaving BHB was Finance and Administration Manager

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
59



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 January 2023

ANUAR SEMAIL

Chief Operating Officer

Qualifications:

- Accredited Roundtable Sustainable Palm Oil Lead Auditor
- Accredited ISO 9001 and ISO 14001 Auditor
- Accredited Malaysian Sustainable Palm Oil Internal Auditor
- Ordinary Member, Incorporated Society of Planters
- Bachelor of Agricultural Science, Universiti Putra Malaysia

Working Experience:

- 2023 to present – Chief Operating Officer, Boustead Plantations Berhad (BPlant)
- 2022 – Head, Plantations Planning and Monitoring, BPlant
- 2019 to 2022 – Head, Sustainability and Safety Department, BPlant
- 2018 to 2019 – Planting Director, BPlant
- 2014 to 2018 – Planting Advisor, BPlant
- 2009 to 2014 – Senior Manager, BPlant

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
54



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 January 2023

MOHD FADZLY MAHYUDDIN

Chief People Officer

Qualifications:

- MBA in Corporate Finance, National Institute of Business Management
- Professional Certificate in Talent Development, Pennsylvania State University
- Master of Human Resource Management, Universiti Utara Malaysia

Working Experience:

- 2023 to present – Chief People Officer, Boustead Plantations Berhad (BPlant)
- 2021 to 2022 – Head, Human Resource and Administration, BPlant
- 2019 to 2021 – Head, Human Resource and Administration, Gading Group Berhad
- 2018 to 2019 – Senior Manager, Human Resource, Sapura Energy Berhad
- 2013 to 2017 – Senior Manager, Human Resource, Perisai Petroleum Teknologi Berhad
- 2013 – Head, Industrial Relations, Petroleum Nasional Berhad

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

PROFILE OF SENIOR MANAGEMENT TEAM



Age:
55



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 January 2023

KHAIRUDIN IBRAHIM

Chief Strategy Officer

Qualifications:

- Fellow member of Certified Practising Accountant, Australia
- Chartered Accountant, Malaysian Institute of Accountants

Working Experience:

- 2023 to present – Chief Strategy Officer, Boustead Plantations Berhad (BPlant)
- October 2021 to 2022 – Head, Strategy and Corporate Development, BPlant
- 2020 to 2021 – Consulting and Corporate Financial Reporting Trainer
- 2003 to 2019 – Independent Director and Investment Committee Member, Libra Invest Berhad
- 2001 to 2020 – Senior Partner, Parker Randall Group Malaysia, Chartered Accountants
- 1999 to 2000 – Corporate Advisory and Consulting
- 1991 to 1998 – Audit Executive to Manager, PricewaterhouseCoopers

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
52



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 November 2021

ABDULLAH ZAHRI ABDUL AZIZIS

Head, Technology

Qualifications:

- Master of Software Engineering, Universiti Teknologi Malaysia
- Bachelor of Computer Science, United States Naval Academy

Working Experience:

- November 2021 to present – Head, Technology, Boustead Plantations Berhad
- 2019 to 2021 – Deputy Director Commercial and Contract, Littoral Combat Ship (LCS) Programme, Boustead Heavy Industries Corporation Berhad (BHIC)
- 2018 to 2019 – Deputy Director Management, LCS Programme, BHIC
- 2015 to 2018 – Senior Configuration Manager, LCS Programme, BHIC
- 2012 to 2015 – Configuration Manager, LCS Programme, BHIC

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
58



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
23 August 2023

AHMAD RAHMAN MAT AKAT

Head, Planting Advisory and Land Management

Qualifications:

- Diploma in Agriculture Science, Universiti Putra Malaysia

Working Experience:

- 2023 to present – Head of Planting Advisory and Land Management, Boustead Plantations Berhad (BPlant)
- 2020 to present – Head of Land Management, BPlant
- 2018 to 2020 – General Manager (GM), Sarawak Region, BPlant
- 2015 to 2018 – GM, Sabah Region, BPlant
- 2009 to 2015 – GM, Boustead REITS Sdn Bhd
- 2007 to 2009 – GM, PT. Boustead Indonesia Management and Consultancy Services (PTBIMCS)
- 2005 to 2007 – Senior Manager (Technical Advisor Operations), PTBIMCS
- 2004 to 2005 – Wakil Presiden Direktur, PTBIMCS
- 1999 to 2004 – Manager, PT Dendymarker Indahlestari and PT Anam Koto, Indonesia
- 1987 to 1999 – Assistant Manager for Kulai Young Estate, Sungai Jernih Estate, Bukit Mertajam Estate and Pakloh Estate

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
54



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 January 2024

AHMAD AZHAR SHAH IBRAHIM

Head of Legal, Procurement and Compliance

Qualifications:

- Senior Management Development Programme, Yayasan Kepimpinan and Strategy Malaysia
- The Incorporated Society of Planters
- Bachelor of Law (Honours), Universiti Kebangsaan Malaysia

Working Experience:

- 2023 to present – Head of Legal, Procurement and Compliance, Boustead Plantations Berhad (BPlant)
- 2022 to 2023 – Head of Legal and Compliance, BPlant
- 2019 to 2022 – Head of Legal, BPlant
- 2018 to 2019 – Regional General Manager, BPlant
- 2017 to 2018 – General Manager, BPlant
- 2007 to 2017 – Senior Manager, BPlant
- 2003 to 2007 – Legal and Administration Manager, BPlant
- 1998 to 2003 – Assistant Manager, BPlant
- 1996 to 1998 – Senior Executive, BPlant
- 1994 to 1996 – Executive, BPlant
- 1993 to 1994 – Management Trainee, Boustead Holdings Berhad

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

PROFILE OF SENIOR MANAGEMENT TEAM



Age:
42



Gender:
Female



Nationality:
Malaysian

Date of Appointment
to Present Position:
1 August 2021

PREMILA RAJARATNAM

Head, Group Internal Audit and Risk Management

Qualifications:

- Chartered Accountant, Malaysian Institute of Accountants
- Fellow, Association of Chartered Certified Accountants (ACCA)
- ACCA

Working Experience:

- August 2021 to present – Head, Group Internal Audit and Risk Management, Boustead Holdings Berhad
- 2016 to 2021 – Deputy General Manager (Finance), Pharmaniaga Berhad
- 2011 to 2015 – Financial Controller, MHS Aviation Berhad
- 2010 to 2011 – Finance Manager, Boustead Engineering Sdn Bhd
- 2004 to 2010 – Manager, Internal Audit, Risk and Compliance Services, KPMG Malaysia

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil



Age:
45



Gender:
Male



Nationality:
Malaysian

Date of Appointment
to Present Position:
5 December 2018

AFFENDI MOHD YOB

Company Secretary/Head, Group Secretarial

Qualifications:

- Bachelor of Corporate Administration, Universiti Teknologi MARA (UiTM)
- Diploma in Public Administration, UiTM

Working Experience:

- January 2020 to present – Head, Group Secretarial, Boustead Holdings Berhad (BHB)
- December 2018 to present – Company Secretary, Boustead Plantations Berhad
- 2016 to present – Company Secretary, BHB
- 2014 to 2016 – Assistant Vice President, CIMB Investment Bank Berhad
- 2010 to 2014 – Company Secretary, Prudential BSN Takaful Berhad
- 2009 to 2010 – Company Secretary, Inter Millenia Services Sdn Bhd (IMS)
- 2003 to 2009 – Assistant Company Secretary, IMS
- 2002 – Assistant Company Secretary, Konsortium Peniaga-Peniaga Bandaraya Sdn Bhd
- 2002 – Assistant Company Secretary, Mega-Wan Secretarial Services Sdn Bhd

Details of any interest in the securities of Boustead Plantations Berhad:

- Nil

Directorship in other public listed companies:

- Nil

Directorship in public companies:

- Nil

Family relationship with any director and/or major shareholder of the Company:

- No

Conflict of interests with the Company:

- No

Other than traffic offences, any convictions for offences within the past 5 years and other particulars of any public sanction or penalty imposed by the relevant regulatory bodies during the financial year:

- Nil

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SECTION 6

GOVERNANCE

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Board Members and Senior Management at BPlant Open Day 2023 in Sungai Jernih Estate, Pahang



**Towards greater
societal accountability
and responsibility**

CORPORATE GOVERNANCE OVERVIEW STATEMENT

This Corporate Governance Overview Statement sets out the principal features of Boustead Plantations Berhad's (BPlant or the Company and its subsidiaries collectively referred to as the Group) corporate governance approach, summary of corporate governance practices during the financial year as well as key focus areas and future priorities in relation to corporate governance. The Board of Directors (Board) believes that good corporate governance is testament of the highest standards of professionalism and strives to ensure that it is practiced throughout the Group.

The Corporate Governance Overview Statement is made pursuant to Paragraph 15.25(1) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad (Bursa Malaysia). Guidance was also drawn from Practice Note 9 of MMLR and the Corporate Governance Guide issued by Bursa Malaysia.

The Corporate Governance Overview Statement is augmented with a Corporate Governance Report, based on a prescribed format as enumerated in Paragraph 15.25(2) of the MMLR so as to provide a detailed articulation on the application of the Group's corporate governance practices vis-à-vis the Malaysian Code on Corporate Governance (MCCG). The Corporate Governance Report is available on the Group's website at www.bousteadplantations.com.my as well as via an announcement on the website of Bursa Malaysia.

This Corporate Governance Overview Statement should also be read in tandem with the other statements in the Integrated Report namely, the Statement on Risk Management and Internal Control, Audit Committee Report, Risk Committee Report and Sustainability Statement.

OUR CORPORATE GOVERNANCE APPROACH

The Board of BPlant is committed towards reinforcing its market position in the plantation sector, whilst remaining true to the Group's well-established corporate governance philosophies and values. The Board believes that a robust and dynamic corporate governance framework is essential to form the bedrock of responsible and responsive decision-making in the Group.

The Group's overall approach to corporate governance is to:

- 01 promote heightened accountability at the leadership level, namely Board and Senior Management;
- 02 adopt in substance the corporate governance enumerations and not merely in form;
- 03 conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- 04 identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- 05 find a balance in meeting the expectations of the different groups of stakeholders of the Group.

The Board forms the pivot of good corporate governance in the Group. As such, it plays a leading role in steering the efforts to promote meaningful and thoughtful application of good corporate governance practices. The Group regularly reviews its corporate governance arrangements and practices to ascertain that they reflect prevailing norms, market dynamics, emerging trends, developments in the regulatory framework and evolving stakeholder expectations.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

The Board is committed in ensuring that there is a strong and effective system of corporate governance in place to support the successful execution of the Group’s strategies.

As a Group driven by its responsibility to shareholders and a broader group of stakeholders, good governance for BPlant is imperative to its long-term success. The Board embraces transparency and accountability in the boardroom and promotes these critical components of governance throughout the Group.

An important role of corporate governance is to ensure sustainable long-term performance, maximise returns for stakeholders and create long-term economic value and growth.

As a manifestation of the Group’s commitment towards sound corporate governance, the Group has benchmarked its practices against the relevant promulgations as well as the best practices in corporate governance.

During the year under review, BPlant applied all the Practices encapsulated in MCGG 2021 except:

- Practice 5.9**
(The Board comprises of at least 30% women directors); and

- Practice 8.2**
(Disclosure of the top five Senior Management personnel’s remuneration on a named basis in bands of RM50,000).

CORPORATE GOVERNANCE FRAMEWORK

The Board discharges its responsibilities within a clear defined governance framework and robust mechanisms in place. The Board, without abdicating its responsibilities, delegates its governance responsibilities to key Committees of the Board and other Management Committees. The Board retains ultimate accountability and responsibility for the performance and affairs of the Group.

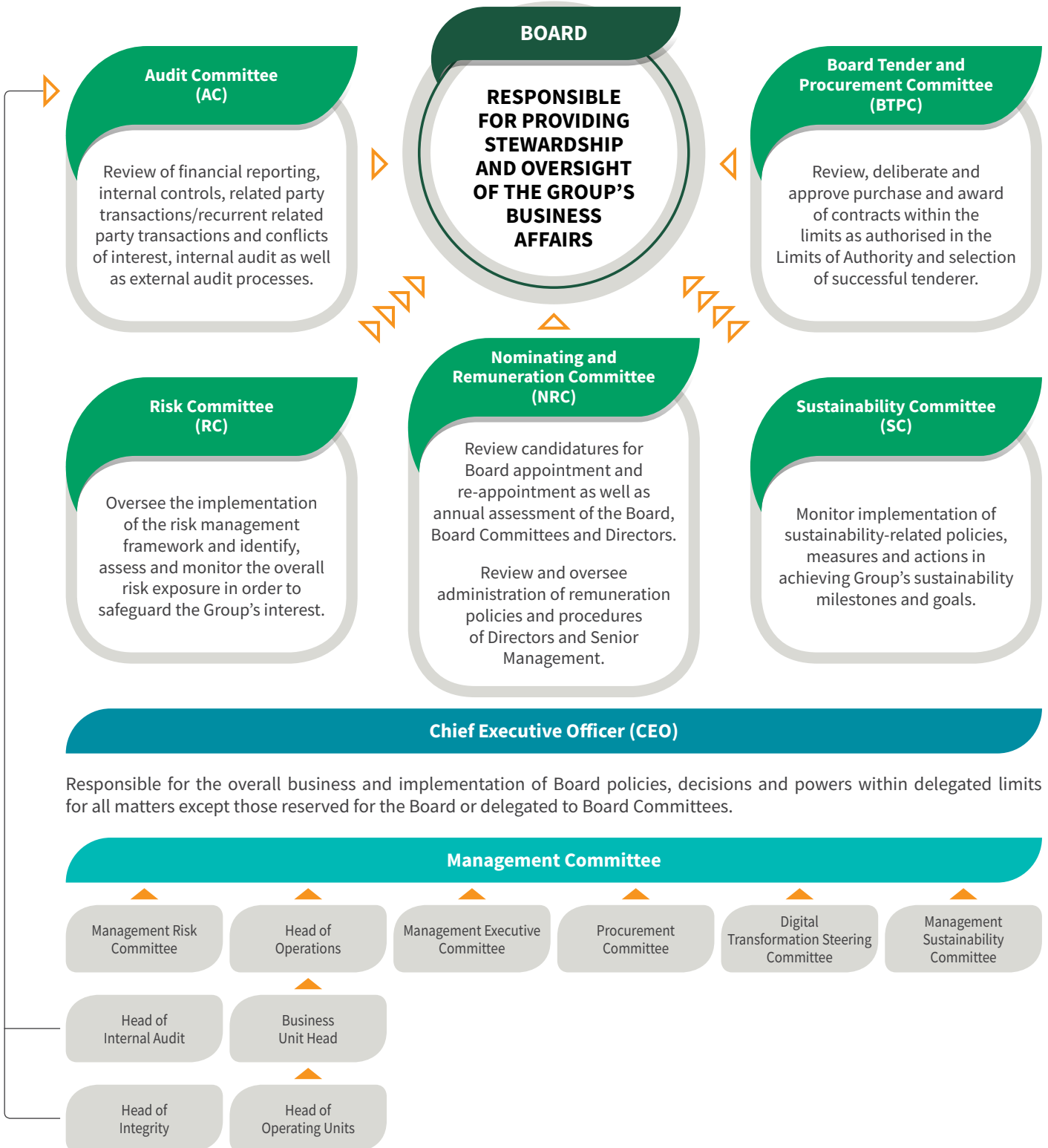
The Group’s governance structure and practices create value for all its stakeholders by:



BPlant’s Board, Management and staff members at Board Retreat 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The table below illustrates the Group’s governance structure, an overview of the Board and Management Committees:



BOARD CHARTER

The Board and the Board Committees are guided by a Board Charter and the respective Terms of Reference (TOR) which sets out the ethos of the Board and the Board Committees as well as its structure and authority. The Board Charter is a primary document that elucidates the governance of the Board, Board Committees, and individual Directors.

Aside from setting out the governance structure, authority and TORs of the Board Committees and Management, as well as clearly identifying their respective roles and responsibilities and what is expected of them in terms of commitment, the Board Charter sets out the issues and decisions reserved for the Board.

The Board Charter and the TORs of the Board Committees are made available on the Group's website at www.bousteadplantations.com.my. The Board Charter and the TOR of the RC, SC and BTPC were last reviewed on 22 August 2019. The TOR of the AC and NRC were updated on 4 April 2022 and 11 April 2023 respectively.

BOARD'S ROLES AND RESPONSIBILITIES

The Board is collectively responsible for the overall leadership of the Group, meeting its objectives and goals and for promoting its long-term sustainability and success within a framework of prudent and effective controls.

In discharging its functions, the main roles and responsibilities of the Board are as follows:

- 01 to review, approve and monitor the strategic business plans, goals and key policies proposed by the Management;
- 02 to ensure that appropriate policies are in place, adopted effectively and are regularly reviewed;
- 03 to review and approve financial statements;
- 04 to review and manage principal risks and adequacy of BPlant's internal control systems;
- 05 to ensure there is an appropriate succession plan for members of the Board and Senior Management; and
- 06 to ensure there is effective communication with stakeholders.

The Board safeguards stakeholder value creation and ensures that the strategic plan of the Group supports long-term value creation and includes strategies on environmental, social and governance (ESG) considerations, which in turn will strengthen the integration of sustainability in the Group's operations.

Together with Management, the Board promotes good corporate governance culture within the Group ensuring honest and ethical leadership, prudent and professional behaviour in the conduct of its business and in all aspects of its business operations.

Prudent and effective controls make it possible for the Board to assess and manage emerging risks and opportunities continuously to ensure long-term sustainable development and growth.

The balance on the Board with the presence of Non-Executive Directors (NEDs) ensures that no individual or small group of Directors are able to dominate the decision-making process and that the interests of shareholders are protected. The Board considers each NED to be independent in character and judgement.

The Board is satisfied that each Director has devoted sufficient time to effectively discharge his/her responsibilities. The current composition of Directors has a blend of skills, experience and knowledge enabling them to provide effective oversight, strategic guidance and constructive challenge and decide on Management's proposals and empower the CEO to implement strategies approved by the Board.

During the year under review, the Board deliberated on business strategies and critical issues concerning the Group, including its business plan, annual budget, significant acquisitions and disposals, financial results as well as key performance indicators.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD MEETINGS AND ATTENDANCE

The Board meets at least four times a year with additional meetings convened as and when necessary. Relevant members of the Management attend Board meetings by invitation and report to the Board on matters pertinent to their respective areas of responsibility.

The Chairman and the Company Secretary ensure that Directors receive clear and timely information on all relevant matters. Board and Board Committee papers and reading materials are circulated in a timely manner to ensure there is adequate time for the Directors to read, have an understanding of the subject matter, and be prepared to deal with matters to be discussed at the meeting to enable the Board and Board Committees to make effective decisions. This facilitates a robust and informed discussion by the Board, ensuring that opportunities are given to all Directors to participate and contribute to an effective decision-making process.

The Directors can access the Board papers online through a secured collaborative software and confer with other Board members and the Company Secretary electronically. The software eases the process of distribution of meeting papers and minimises leakage of sensitive and confidential information.

Presentations to the Board are prepared and delivered in a manner that ensures clear and adequate understanding of the subject matter. If there are any urgent matters or there are additional documents, the Management will take the Board through the documents for a more detailed explanation.

The minutes of Board meetings accurately reflect the deliberations and decisions of the Board, including any dissenting views and if any Director had abstained from voting or deliberating on a particular matter.

All Directors have unrestricted access to the Management and the Company Secretary who is qualified to act as company secretary in accordance with Section 235 of the Companies Act 2016 (CA 2016). The Company Secretary acts as advisor to the Board particularly with regard to the Company's Constitution, policies and procedures and its compliance with regulatory requirements, codes, guidelines and legislations. The Company Secretary ensures that discussions and deliberations at the Board and Board Committee meetings are well documented and communicated to the relevant Management for appropriate actions.

All Directors complied with the minimum attendance requirement of 50% of Board meetings held during the year under review. The Directors' commitment in discharging their duties and responsibilities is affirmed by their attendance at the Board meetings held during the year under review. The Board is satisfied with the level of commitment given by the Directors towards fulfilling their roles and responsibilities.

Board and Board Committee meetings were carried out both online and by physical attendance of members during the year under review.

The Board conducted 14 meetings during the year under review. The Board meetings continued to be held via a hybrid meeting arrangement. Aside from Board meeting, urgent matters were also decided via Directors' Circular Resolutions which were signed by all Directors.

In discharging their responsibilities during Board and Board Committee meetings, the Board and Board Committees practice active and open discussions so as to ensure that opportunities are given to all Directors to participate and contribute to the decision-making process. Robust discussions and meaningful deliberations at these meetings ensure that the process of constructive and healthy dialogue is achieved.

Directors must immediately declare if they have any interest in transactions that are to be entered into directly or indirectly with the Company. They must disclose the extent and nature of their interest at a Board meeting or as soon as practicable after they become aware of the conflict of interest. They must abstain from participating in the deliberation and Board decision on the matter as he/she is an interested party.

Attendance of individual Directors at Board and Board Committee meetings during the year under review are as follows:

Directors	Board	AC	RC	NRC	SC	BTPC
Non-Independent Non-Executive Chairman						
Lieutenant General Datuk Ahmad Norihan Jalal (R) ¹	Nil					
Independent Non-Executive Directors						
Tan Sri Dato' Wira Aziah Ali	14/14	8/8	5/5	6/6	6/6	2/2
(Dr.) Salihin Abang	14/14	8/8	5/5	5/5 ⁶	6/6	
Dato' Haji Ismail Haji Lasim ²	1/1			1/1		
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid ²	1/1			1/1		
Dato' Dr. Haji Din Adam ²	1/1					
Datuk Haji Abdul Ghani Abdul Rashid ²	1/1	0/0				
Mohd Azahar Ibrahim ²	1/1					1/1
Datuk Muhar Hussain ³	4/7					
Non-Independent Non-Executive Directors						
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. ⁴	11/14	8/8	5/5	6/6	6/6	2/2
Izaddeen Daud	8/14					
Lieutenant General Datuk Azizan Md Delin (R) ⁵	9/9					
Mohammad Ashraf Md. Radzi ¹	Nil					
Non-Independent Executive Director						
Fahmy Ismail	14/14					

● Board/Board Committee Chairman ● Member

Note:

¹ Appointed with effect from (w.e.f.) 1 May 2024.

² Resigned w.e.f. 31 January 2023.

³ Appointed w.e.f. 23 August 2023.

⁴ Deceased on 7 February 2024.

⁵ Appointed w.e.f. 20 April 2023.

⁶ Appointed as Chairman of Nominating and Remuneration Committee (NRC) w.e.f. 10 February 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD COMMITTEES

As part of its efforts to ensure the effective discharge of its duties, the Board has delegated certain functions to Committees with their own TORs.

The Chairman of all Committees will report to the Board on the decision or outcome of Committee meetings.

In delegating its authority to Board Committees, the Board does not abdicate its responsibility and exercises collective oversight at all times.

The reports of the RC, AC, and SC are set out on pages 115 to 116, 123 to 127 and 134 to 180, respectively.

SEPARATE ROLES OF THE CHAIRMAN AND CEO

There is clear delineation of roles of the Board and Management. The positions of the Chairman and CEO are held separately by two individuals. The segregation ensures a clear distinction between the Chairman's responsibility to manage the Board and the CEO's responsibility to manage the Company's business. Separation of the role of the Chairman and the CEO is imperative as both roles have different expectations and serve distinct primary audiences.

The CEO is the intermediary between the Board and the Management in driving the success of the Group's governance and management function. The CEO implements the Board's policies and decisions towards meeting the Company's business objectives. The Chairman is responsible for leading and guiding the Board whilst maintaining the highest standard of governance. The Chairman also serves as the main link between the Board and Management, particularly between the Board and the CEO.

INTEGRITY AND ETHICS

The Board is committed to a corporate culture that encompasses ethical conduct within the Group by adopting numerous policies which serve to achieve this commitment.

Integrity is a core value of the Group. The Board is cognisant of its responsibility to set the ethical tone for the Group. The Code of Ethics and Conduct, Whistleblowing Policy and Anti-Corruption Policy have been put in place to foster an ethical culture and allow legitimate ethical concerns to be escalated in confidence without any risk of reprisal. The policies are reviewed periodically by the Board and published on the Group's website, www.bousteadplantations.com.my.

BOARD COMPOSITION

The Board currently comprises seven (7) members, three (3) of whom are Independent Non-Executive Directors (INEDs). The Board strives to ensure that it has an appropriate mix of skills, qualifications and experience to discharge its roles and responsibilities effectively. The Board, from time to time undertakes a review of its composition to determine areas of strengths and improvement opportunities.

The Board's size ensures that the purpose of involvement, participation harmony and sense of responsibility of the Directors are not jeopardised and that it achieves the correct balance to realise the Group's strategic objectives.

The Board believes that the current overall Board composition is adequate in terms of size, skills, experience and diversity to ensure inclusiveness of views as well as to facilitate effective decision-making and constructive deliberations during meetings.

The Board has determined that the two INEDs are independent in line with the requirements of Paragraph 15.02 of the MMLR. All Board members are persons of high calibre and integrity with diverse professional backgrounds, sound knowledge and understanding of the Group's business.

The Board acknowledges that NEDs may hold external directorships and other business interests, which varied exposure will benefit the Group significantly. The Board annually reviews the declarations made by Directors on the number and nature of their external directorships that they hold as well as their assurances on time commitment in carrying out their duties and responsibilities to the Company. As at the date of this Statement, none of the Directors hold more than five directorships in any other public listed companies.

The Board would like to take the opportunity to place on record its utmost appreciation to the late Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. (Dato' Seri Khairuddin) for his immense contribution during his tenure as a Director of the Company. Dato' Seri Khairuddin had served as a Director of the Company from 10 April 2014 to 7 February 2024.

At the date of this Integrated Report, the Board saw changes made to its composition:

- i) The Board appointed Lieutenant General Datuk Ahmad Norihan Jalal (R) as Non-Independent Non-Executive Chairman and Mohammad Ashraf Md. Radzi as Non-Independent Non-Executive Director on 1 May 2024.
- ii) The Board expressed its gratitude and sincere appreciation to Fahmy Ismail for his leadership and dedicated service. On 15 May 2024, Fahmy Ismail resigned as Director and Acting Chief Executive Director of the Company.

Article 117 of the Company’s Constitution provides that at every Annual General Meeting (AGM) of the Company, one-third of the Directors shall retire from the Board by rotation. If eligible, such Directors may offer themselves for re-election.

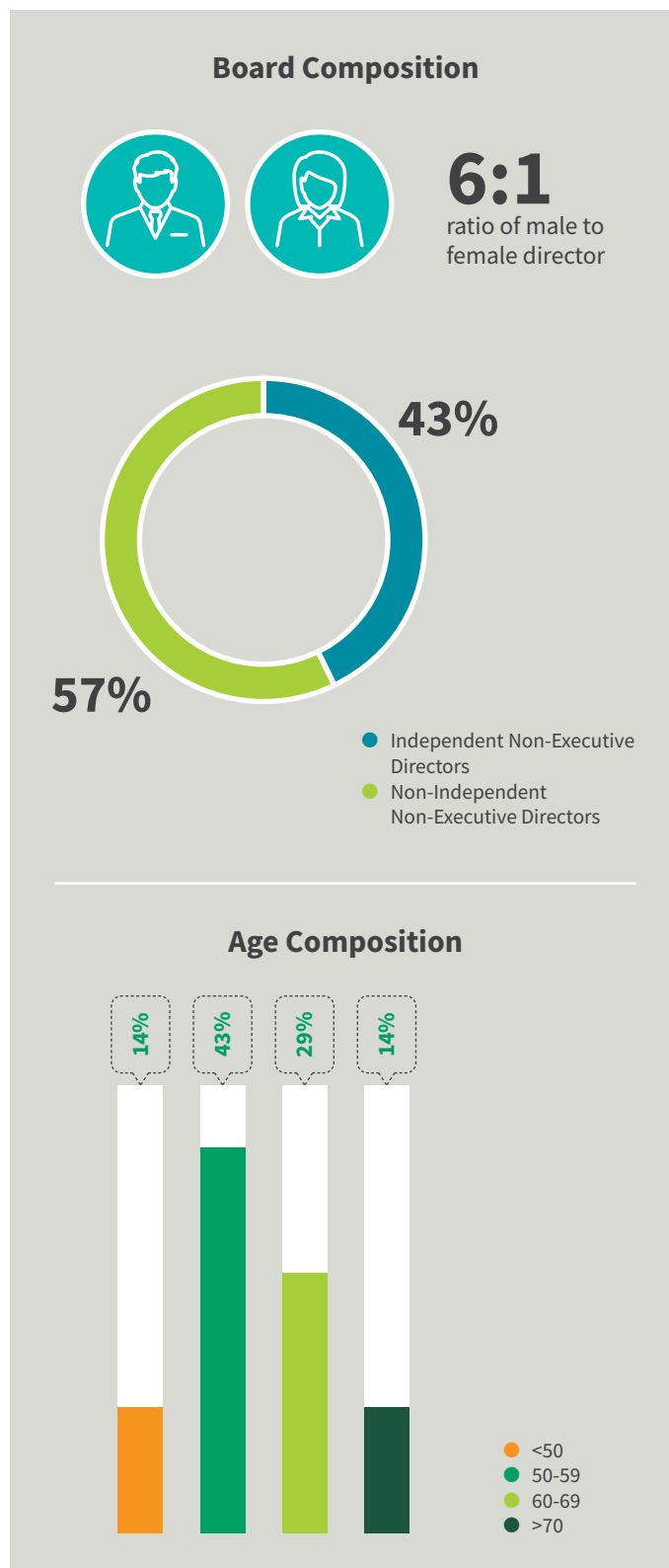
Article 123 of the Company’s Constitution further provides that any new Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office until the next following AGM and shall be eligible for re-election.

Appointments of the Board are made via a formal, rigorous and transparent process, premised on meritocracy. The Board considers the current composition of the Board, the tenure of each Director on the Board and evaluates the need to bring new skills and perspectives to the Board.

The Board takes into account objective criteria such as qualification, skills, experience, professionalism, integrity and diversity needed on the Board to help shape and steer the Group’s strategic direction. In the case of the appointment of an INED, the Board assesses the candidate’s ability to bring the element of detached impartiality and objective judgement to boardroom deliberations.

Overall, the Board is of the view that the Board comprises a good mix of members with diverse academic backgrounds to provide for a collective range of skills, expertise and experience which are relevant to support the growth and cope with the complexities of the Group’s businesses.

The Board is satisfied that there is mutual respect among Directors contributing to a democratic environment that allows for constructive deliberations and a robust decision-making process.



CORPORATE GOVERNANCE OVERVIEW STATEMENT

BOARD CONDUCT

The Board commits itself and its Directors to ethical business and lawful conduct, including proper use of authority and appropriate decorum when acting as Board members.

All Board members discharge their duties and responsibilities at all times as fiduciaries in the best interest of the Group. They act with integrity, lead by example, keep abreast of their responsibilities as Directors and of the conduct, business and development of the Group.

In directing or managing the Group's business affairs, they exercise reasonable care, skill and diligence by applying their knowledge, skill and experience.

The Board ensures that key transactions or critical decisions are deliberated in a meeting. The Board also ensures that decisions and basis for those decisions, including any dissenting views are made known and properly minuted.

BOARD SKILLS AND EXPERIENCES



MATTERS RESERVED FOR THE DECISION OF THE BOARD

The Board discharges some of its responsibilities directly and delegates certain responsibilities to its Committees to assist in carrying out its functions of ensuring independent oversight and stewardship.

The Board also delegates authority for the operational management to the CEO for further delegation by him in respect of matters that are necessary for the effective day-to-day running of the Group's business.

A clear schedule of Matters Reserved for the Board are reviewed periodically against industry best practices and corporate governance provisions and guidance. Matters reserved for the Board are as follows:

- 01 approval of strategic directors, plans and key policies;
- 02 approval of annual budgets, including major capital commitments and capital expenditure budgets;
- 03 approval of new major ventures;
- 04 approval of material acquisitions and disposition of assets not in the ordinary course of business;
- 05 key changes to management and control structure within the Company;
- 06 appointment of CEO, Board members, Board Committee members and Company Secretary; and
- 07 any matters or transactions that fall within the ambit of the Board pursuant to the Companies Act, MMLR, Company's Constitution or any other applicable laws and regulations.

DIVERSITY

Diversity is important to ensure that the Group remains relevant, resilient and sustainable in the rapidly transforming and evolving business environment. While it is important to promote diversity, the normal selection criteria of a Director based on an effective blend of competencies, skills, experience and knowledge in areas identified by the Board remains a priority. The Board is committed to ensure that its composition not only reflects the diversity as recommended by the MCGG, as best as it can, it will also have the right mix of skills and balance to contribute to the achievement of the Group's goals. The Board endeavours to increase the proportion of female representation in the near future.

The Board through the NRC, assesses the appropriate skills, experience, independence and diversity as part of its selection process. The NRC is empowered also to review and evaluate the composition and performance of the Board annually as well as assessing qualified candidates to occupy Board positions.

INDEPENDENCE

The Board recognises the important contributions that INEDs make to good corporate governance. All Directors, regardless of their independent status are required to act in the best interest of the Company and to exercise unfettered and independent judgement.

To date, all the INEDs satisfy the following criteria:

independent from Management and free from any other relationship which could interfere with their independent judgement or the ability to act in the best interests of the Company.

not involved in the day-to-day operations of the Company.

declared their interest or any possible conflict of interest in any matter tabled prior to the commencement of Board meeting.

Board decisions are made after considering views of the INEDs which carry substantial weight. They fulfil their roles in ensuring that strategies proposed by Management are deliberated and examined taking into account the interests of the shareholders and stakeholders.

In reviewing the independence of INEDs, the NRC adopts a qualitative approach. This entails an assessment on whether they possess the intellectual honesty and moral courage to advocate professional views without fear or favour. The Board is cognisant of the rebuttable presumption that extended tenure leads to entrenchment. As such, the Board remains watchful for such indicators of entrenchment amongst long serving INEDs.

Upon completion of nine years as INED, an INED may continue to serve on the Board as a Non-Independent Non-Executive Director. If the Board intends to retain an INED beyond nine years, it will provide justification and seek annual shareholders' approval through a two-tier voting process. In this regard, the Board will undertake a rigorous review to determine whether the 'independence' of the INED has been impaired.

BOARD EFFECTIVENESS EVALUATION

The Board Effectiveness Evaluation (BEE) is to evaluate the performance of the Board, Board Committees and individual members of the Board as well as identifying any gaps or areas of improvement, where required.

The Board reviews its performance, the Board Committees and individual Directors on an annual basis based on a set of predetermined criterias deliberated by the NRC. During the year under review, the NRC deliberated and assessed the overall performance and effectiveness of the Board and Board Committees.

The Board through the NRC reviewed the outcome of the BEE and noted the findings and areas that required further improvements. The NRC is satisfied that the composition of the Board and Board Committees has fulfilled the criteria required and features the right blend of knowledge, experience and appropriate skills. The NRC is also of the view that the Board and Board Committees are committed to the highest standards of good governance and the Board continues to be considered as an excellent Board with satisfactory support from the Management. The findings of the evaluation for individual Directors will also be used as a basis for determining the re-election of Directors at the AGM of the Company.

OUR SUSTAINABILITY COMMITMENT

The Board together with the Management take responsibility for the governance of sustainability in the Group, including setting its sustainability strategies, priorities and targets. A designated senior employee is tasked to focus on the management of sustainability strategically, including integration of sustainability considerations in the Group's operations.

The Board acknowledges that our long-term success and continued relevance are dependent on the prosperity and trust of the communities we serve and the availability of ecosystem services we benefited from. Our financial outcomes are inexorably linked to our ability to manage ESG risks and opportunities as much as we recognise that an inclusive society built on human dignity and the responsible use of natural capital is essential for all of us to thrive.

The Board ensures that the Group's sustainability strategies, priorities and targets as well as performance against these targets are communicated to all stakeholders.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The well-being of customers, employees and other stakeholders as well as the environment is crucial in sustaining our long-term performance. As such, the Group incorporates ESG risks and opportunities into our business decisions given their heightened materiality in decision-making considerations of stakeholders. The Group considers the integration of ESG factors as a component of the Board's fiduciary responsibility and accountable therefore to the oversight and management of sustainability.

Our sustainability agenda aims to make us more resilient to disruptions, flexible to change and accountable to the 'triple bottom line' of People, Planet and Profit. We view sustainability as an on-going and rewarding journey which the Group is committed to continuously engage in and undertake.

Our Sustainability Statement for 2023 articulates our commitment to improving the Group's sustainability practices so that we are more competitive, more resilient and adaptable to change which has been reinforced amid the unprecedented challenges. The Report sets out in detail the scope of our sustainability reporting and sustainability framework that addresses stakeholder expectations across various sustainability issues.

REMUNERATION

The Board has established a formal and transparent process in determining the appropriate remuneration package for the Board. The Board, with the assistance of the NRC, reviews the level of remuneration of Directors to ensure that it is sufficient to attract and retain the Directors needed to lead the Company to success. The level of remuneration reflects the experience and level of responsibilities undertaken by the Directors. The NRC is also responsible to implement policies and procedures on remuneration including reviewing and recommending matters relating to the remuneration of Board and Senior Management. A review on the quantum and composition of NEDs' remuneration is undertaken once every four years.

The details for the remuneration of Directors for the financial year ended 31 December 2023 for BPlant are as follows:

Directors	Fees		Meeting and other allowances RM'000
	Company RM'000	Group RM'000	
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. ¹	119	119	39
Tan Sri Dato' Wira Aziah Ali	121	121	48
(Dr.) Salihin Abang	131	131	46
Izaddeen Daud [#]	90	90	8
Fahmy Ismail [#]	-	-	-
Lieutenant General Datuk Azizan Md Delin (R) ²	63	63	11
Datuk Muhar Hussain ³	32	32	5
Dato' Haji Ismail Haji Lasim ⁴	10	10	3
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid ⁴	8	8	2
Datuk Haji Abdul Ghani Abdul Rashid ⁴	9	9	1
Mohd Azahar Ibrahim ⁴	8	8	2
Dato' Dr. Haji Din Adam ⁴	8	8	1
	599	599	166

Note:

¹ Deceased on 7 February 2024.

² Appointed w.e.f. 20 April 2023.

³ Appointed w.e.f. 23 August 2023.

⁴ Resigned w.e.f. 31 January 2023.

[#] Fees and Allowances are paid to Boustead Holdings Berhad.

AUDIT COMMITTEE

The AC's role, amongst others, is to provide advice in the areas of financial reporting, external audit, internal control environment and internal audit process, review of related party transactions as well as conflict of interest situations.

The AC is chaired by an INED who is not the Chairman of the Board. All members of the AC are financially literate. The Chairman of the AC is a qualified accountant and a member of the Malaysian Institute of Accountants. The AC has full access to both the internal and external auditors who, in turn, have access at all times to the Chairman of the AC. The role of the AC and the number of meetings held during the year under review as well as the attendance record of each member are set out in the AC Report in this Integrated Report.

RISK MANAGEMENT AND INTERNAL CONTROL FRAMEWORK

The Board is cognisant that a robust risk management and internal control framework helps the Group to achieve its corporate objective. This is done by providing risk-related information which facilitate the formulation of the Group's strategies and decision making. The Group has established policies and framework related to management of its business risks by adopting a Risk Management Policy. The Group Risk Management Department reviews and maintains detailed risk registers which are updated quarterly. Key focus areas of risks are reported and deliberated at the RC meetings. The RC was established by the Board on 16 July 2019 in line with the MCCG Step Up Practice 10.3. The RC comprises a majority of INEDs.

The RC reviews all major investments and business proposals including new business and expansion of existing business in accordance with the Company's Limit of Authority and Investment Risk Appetite.

The Board through the RC reviews the effectiveness, adequacy and integrity of the risk management framework and internal control system of the Group to ensure that significant risks faced by the Group are being managed appropriately to respond to the changes in the business environment.

The Board confirms that it has monitored the Group's risk management and internal control system and that there is a process in place to identify, evaluate and manage the significant risks faced by the Group. The Group's system of internal financial control is primarily aimed at safeguarding the Group's assets, ensuring proper accounting records are kept, identifying and managing business risk and maintaining compliance with appropriate legislations and regulations.

The internal audit function is carried out by the Group Internal Audit (GIA) of Boustead Holdings Berhad. The GIA function reports directly to the AC and is independent of the activities which it audits. GIA's authority, scope and responsibilities are governed by an Internal Audit Charter which is approved by the AC.

Further information on the Group's Risk Management and Internal Control framework is made available in the Statement on Risk Management and Internal Control of this Integrated Report.

COMMUNICATION WITH STAKEHOLDERS

Regular communication and engagement between stakeholders and the Group are critical for the sustainable growth of our business as this gives stakeholders a much better insight in to the Group and facilitates mutual understanding of each other's expectations. As such we have consistently maintained an open dialogue with relevant stakeholder groups such as regulatory agencies, employees, shareholders, investors, consumers and general public, non-governmental associations, industry and trade associations and suppliers. Their views and concerns on the Company's business, its policies on governance, the environment and social responsibility are given due consideration in our decision-making process.

The protection of shareholders' and stakeholders' interests both in the short and long term is central to the way the Board operates. This has been the primary governing principle behind the Board's response to the pandemic. Its impact on all key stakeholders was always considered in Management's decisions. Effective engagement has been crucial in understanding the views of our stakeholders in order to make informed choices.

The Group upholds its commitment in ensuring transparent, accurate and timely communication with the shareholders and stakeholders to enable them to make informed decisions to their benefit.

The Group also places strong emphasis on timely and equitable dissemination of information to shareholders and stakeholders. The main modes of communication include the Integrated Report, quarterly results, announcements to Bursa Malaysia, Sustainability Report and its corporate website at www.bousteadplantations.com.my. Enquiries with regard to investor relation matters can be made to: corporate.office@bplant.com.my.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CONDUCT OF ANNUAL GENERAL MEETING (AGM)

The AGM is the principal forum of open dialogue with shareholders. The notice and agenda of AGM together with the proxy form are given to shareholders within the prescribed timeframe before the AGM. Each item of ordinary business included in the notice of the AGM will be accompanied by an explanatory statement on the effects of the proposed resolution.

The Company's 111th AGM was held on 7 June 2024 through live streaming via the Remote Participation and Voting (RPV) facilities provided by the Company's share registrar. All the Ordinary Resolutions tabled at the AGM were duly passed by the shareholders of the Company.

During the AGM, the CEO presented a comprehensive review of the Group's performance during the financial year. There was active engagement between the Board and shareholders and there was opportunity for shareholders to have real-time interaction with the Board and the CEO. Questions which were posed by shareholders were then responded to.

The complete minutes of the AGM detailing the meeting's proceedings including issues or concerns raised by shareholders and a summary of the key matters discussed were published on the Group's website.

CORPORATE GOVERNANCE FOCUS AND INITIATIVES

The Board is committed towards the continuous enhancement of governance practices throughout the Group. In 2023, the Group undertook the following activities:

01

Independence of the Board

It is acknowledged that having objectivity in the boardroom extends beyond quantitative measures such as the number of INEDs and their respective tenures. In order to harness the collective wisdom and counsel from greater participation of INEDs, INEDs have access to key gatekeepers of the Group, such as external and internal auditors to discuss or share concerns about the Group and exchange views on potential improvements in governance.

02

Boardroom Diversity

The Board recognises the importance of diversity in averting 'groupthink' and 'blindspots' in the deliberation and decision-making process. Acknowledging gender as a key facet of the various diversity dimensions, the Board is committed to developing a corporate culture that also embraces the aspect of gender diversity.

03

Professional Development of Directors

During the year under review, Directors were provided with the opportunity to develop and enhance their skills and knowledge. They attended various training programmes to keep themselves abreast with changes in legislative promulgations and in the areas of leadership, governance, finance, management and industry practices. The Board through the NRC was satisfied with the type of programmes attended by each Director during the year to enhance their knowledge and performance.



Board of Directors, Management and secretariat members participate at BPlant's 111th Annual General Meeting at The Bousteador, Mutiara Damansara, Selangor

The training programmes that were attended by the Board members during the year under review are outlined below:

Name	Programme Title and Organiser	Date(s)
Independent Non-Executive Directors		
Tan Sri Dato' Wira Aziah Ali	<ul style="list-style-type: none"> • Board of Director Leadership – Environmental, Social and Governance (ESG) Essentials (Malaysian Institute of Accountants (MIA)) • Board Audit Committee Dialogue and Networking A Serious Allegation is Reported – What Should Boards Do? (Institute of Corporate Directors Malaysia (ICDM)) • Board NRC Dialogue and Networking: How Much Do Board Members Get Paid (ICDM) 	<p>21 and 22 March 2023</p> <p>6 June 2023</p> <p>30 October 2023</p>
(Dr.) Salihin Abang	<ul style="list-style-type: none"> • Konvensyen Akauntan Nasional 3.0 – Pengalaman Melaksanakan ESG (Panelist) (Association of Malay Chartered Accountants Firms Malaysia) • Universiti Malaysia Terengganu (UMT) Industry in the Classroom Lecture Series: Understanding ESG Implementation (Panelist) (UMT) • Malaysian Institute of Accountants (MIA) Town Hall 2022/23 Session 2 – (Professional Accountants in Business, Public Sector and Academia Sectors) (MIA) • MIA Digital Month 2023 Week 1 – Ethical Leadership in a Digital Era (MIA) • ESG – Living up to the Sustainability Promise (MIA) • MIA Digital Month Week 2 – Role of Accountant in Managing Cybersecurity Risk (MIA) • MIA Digital Month 2023 Week 3 – Success Stories (MIA) • Seminar Percukaian Kebangsaan 2022 (Bajet 2023) (Lembaga Hasil Dalam Negeri (LHDN)) • Suite Talk – Governing into the Future (Securities Industry Development Corporation) • MIA Digital Month 2023 Week 4 – Digital Accountant: Digital Skills in a Transformed World (MIA) • Malaysia Budget 2023 (panellist) (SALIHIN) • Budget 2023 – Aligning Your Business with Recent Changes (SALIHIN) 	<p>11 January 2023</p> <p>27 January 2023</p> <p>15 February 2023</p> <p>16 February 2023</p> <p>21 February 2023</p> <p>23 February 2023</p> <p>1 March 2023</p> <p>7 March 2023</p> <p>8 March 2023</p> <p>8 March 2023</p> <p>9 March 2023</p> <p>15 March 2023</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT

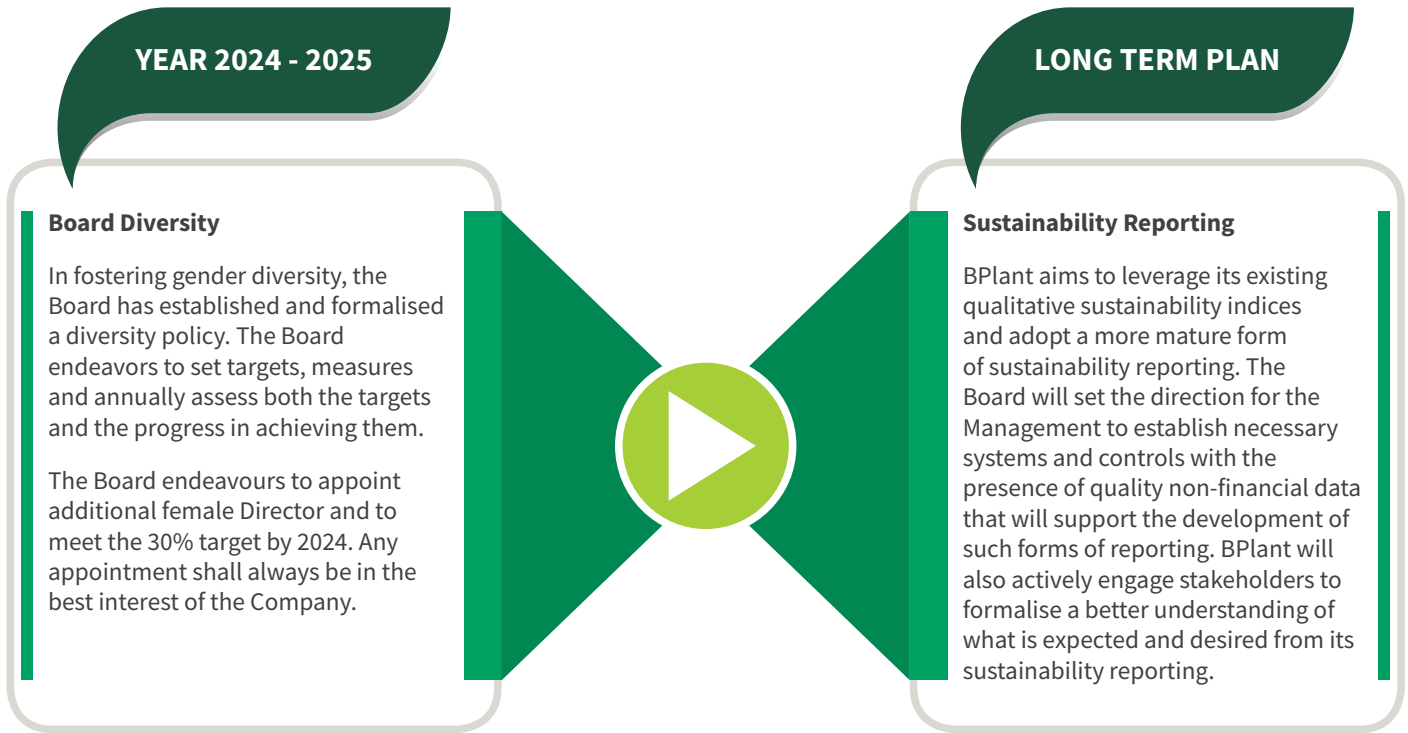
Name	Programme Title and Organiser	Date(s)
Independent Non-Executive Directors		
(Dr.) Salihin Abang (cont'd.)	<ul style="list-style-type: none"> • 2023 Tax Webinar Series: Event Two – Detailed Analysis of Finance Bill: Proposed Amendments to Income Tax Act, RPGT Act, Stamp Act, Sales Tax Act, Service Tax Act and etc. (TraTax and Sheam Delamore & Co.) • ESG in Business: Data Management, Reporting and Stakeholder Engagement (The Carbon Collective Company) • Board of Director Leadership – ESG Essentials (MIA) • MFRS 15 and MFRS 16 Disclosure-Best Practices (Malaysian Institute of Certified Public Accountants (MICPA)) • Navigating the ESG Risk in the Supply Chain (ICDM) • 5th the Institute of Chartered Accountants of Nigeria (ICAN) - Malaysia International Accountants' Conference 2023 (Keynote Speaker) (ICAN) • MIA Town Hall 2022/23 Session 3 (All Sectors) (MIA) • Financial Reporting on Impact of Climate Change Effects (MIA) • ISRS 4400 (Revised) Agreed-Upon Procedures Engagements (MIA) • Remaking Corporate Governance for an ESG World by Professor Mak Yuen Teen (Asia School of Business) • Board Audit Committee Dialogue and Networking 2023 (ICDM) • Updates on Indirect Taxes (MIA) • MIA Conference 2023 (Moderator for Concurrent Session 4A – Measuring ESG Outcomes) (MIA) • National Tax Conference 2023 (LHDN and Chartered Tax Institute of Malaysia) • Unveiling ESG Insights in the Financial Statements (MIA) • Seminar Kewangan dan Pengauditan Sektor Awam (SKPSA) 2023: “Public Sector Sustainability Reporting: An Overview” (Speaker) (Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia (UUM)) 	<p>15 March 2023</p> <p>16 March 2023</p> <p>21 and 22 March 2023</p> <p>28 March 2023</p> <p>11 April 2023</p> <p>1 May 2023</p> <p>17 May 2023</p> <p>19 May 2023</p> <p>22 May 2023</p> <p>31 May 2023</p> <p>6 June 2023</p> <p>8 June 2023</p> <p>13 to 14 June 2023</p> <p>1 to 2 August 2023</p> <p>5 September 2023</p> <p>18 September 2023</p>

Name	Programme Title and Organiser	Date(s)
Independent Non-Executive Directors		
(Dr.) Salihin Abang (cont'd.)	<ul style="list-style-type: none"> • SKPSA 2023: Perkongsian Pengalaman – Merangka Strategi dan Perancangan SDG Berasaskan Pembangunan yang Inklusif dan Sinergi Rakan Kolaborasi Bagi Memastikan Pencapaian Matlamat (Moderator) (Tunku Puteri Intan Safinaz School of Accountancy, UUM) • MACC Training on Anti-Bribery and Corruption (Shook Lin and Bok) • Islamic Finance Scholar Workshop: Kenya’s Islamic Finance Journey – Building Knowledge Resilience for the Future (Capital Markets Authority of Kenya) • Islamic Finance Scholar Workshop: Training Stakeholders for Improved Uptake – Opportunities and Challenges in Islamic Finance (Capital Markets Authority of Kenya) • Accounting and Finance Show Asia 2023 (Terrapinn) • Seminar Percukaian Kebangsaan 2023 (Bajet 2024) (LHDN) • Seminar Bajet 2024 (Malaysian Association of Tax Accountants) • Persidangan Juruaudit Koperasi 2023 (Suruhanjaya Koperasi Malaysia) • International Construction Transformation Conference 2023: Corporate Malaysia’s Journey Towards a Sustainable Accounting Chain (Speaker) (Construction Industry Development Board) 	<p>19 September 2023</p> <p>27 September 2023</p> <p>4 October 2023</p> <p>5 October 2023</p> <p>10 to 11 October 2023</p> <p>19 October 2023</p> <p>2 November 2023</p> <p>7 November 2023</p> <p>14 November 2023</p>
Datuk Muhar Hussain	<ul style="list-style-type: none"> • Bursa Malaysia – Mandatory Accreditation Programme (ICDM) 	22 and 23 November 2023
Non-Independent Non-Executive Directors		
Izaddeen Daud	<ul style="list-style-type: none"> • Board of Director Leadership – ESG Essentials (MIA) 	21 and 22 March 2023
Lieutenant General Datuk Azizan Md Delin (R)	<ul style="list-style-type: none"> • Bursa Malaysia – Mandatory Accreditation Programme (ICDM) 	28 to 30 August 2023

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE PRIORITIES (2024 AND BEYOND)

The Board recognises that there are always opportunities for improvement in its corporate governance activities in order for the Group to continue to engender trust and confidence amongst stakeholders. The Board has identified the following set pieces on its horizon that will help it to achieve its corporate governance objectives:



RISK COMMITTEE REPORT

The Risk Committee (RC) was established by the Board, in line with Step Up Practice 10.3 of the Malaysian Code on Corporate Governance (MCCG). The purpose of the formation of the RC is to assist the Board in fulfilling the oversight responsibilities with respect to the risk management processes and internal control systems of Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group) during the year under review.

MEMBERS AND MEETINGS

During the financial year, the RC membership is in line with the recommendation set out in the MCCG Step Up Practice 10.3 where the RC shall comprise a majority of independent directors. Details of the composition of the RC and attendance of each member at the RC meetings during the year under review are set out below:

Name of Director	Status of Directorship	Date of Appointment	Remarks	Attendance of Meetings
Tan Sri Dato' Wira Aziah Ali ¹	Independent Non-Executive Director (Chairman of the Committee)	15 August 2019	-	5/5
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	Non-Independent Non-Executive Director	15 August 2019	Deceased on 7 February 2024	5/5
(Dr.) Salihin Abang	Independent Non-Executive Director	5 August 2022	-	5/5
Mohd Azahar Ibrahim	Independent Non-Executive Director	9 December 2022	Resigned w.e.f. 31 January 2023	0/0
Fahmy Ismail	Non-Independent Executive Director	13 February 2024	Resigned w.e.f. 15 May 2024	0/0

Note:

¹ The RC Chairman's profile can be viewed on page 79 of this Integrated Report.

A total of five meetings were held in 2023 accordingly. The RC meetings were also attended by the Chief Executive Officer and Chief Financial Officer of BPlant by invitation and as and when appropriate.

The meetings were appropriately structured with the RC members receiving notices, agendas, and papers sufficiently in advance of the meetings.

The RC Chairman reports to the Board on principal matters deliberated at the RC meetings.

RISK COMMITTEE REPORT

ROLES AND RESPONSIBILITIES

The role of the RC is to provide holistic oversight on Risk and Risk Management of the Group, which will include but will not be limited to the following responsibilities:

- i. Oversee Enterprise Risk Management and Corruption Risk Management by:
 - a. Reviewing and recommending the overall risk management strategies, framework and policies for the Board's approval;
 - b. Monitoring and reviewing the Management Risk Committee's (MRC) periodic report on key risk profiles and risk management activities;
 - c. Obtaining assurance from the Senior Management of the Group that the risk management and internal control system is operating adequately and effectively; and
 - d. Reviewing the disclosure in the Statement on Risk Management and Internal Control in the Group's Integrated Report.
- ii. Oversee Business Continuity Management by:
 - a. Ensuring the Group adopts a sound and effective Business Continuity Management framework in order to safeguard the Group's interests; and
 - b. Ensuring that the Business Continuity Management framework is periodically reviewed and updated to reflect changes in the operating environment.
- iii. Reviewing all major investments and project business cases in accordance with established thresholds in the approved Limits of Authority, focusing on the following:
 - a. Evaluate the potential risks and mitigating action plans associated with the investment or project;
 - b. Monitor and review the implementation and effectiveness of mitigating action plans post-approval and highlight key risks to the Board;
 - c. Evaluate the potential risks associated with funding options and costs and investment returns and making its recommendation to the Board for approval of the investment or project; and
 - d. Reviewing investment or project proposals considered significant including new lines of business (e.g., businesses outside existing sectors, expansion across the industry value chains within the current sector and/or new franchise).
- iv. The detailed RC's Terms of Reference (TOR) is accessible through the Company's official website at www.bousteadplantations.com.my.

ACTIVITIES DURING THE FINANCIAL YEAR

During the year, the RC carried out its duties as set out in its TOR. The main activities undertaken were as follows:

- i. Reviewed the MRC's report on key risks and risk management activities. Recommended additional controls to mitigate key risks either existing or emerging risks.
- ii. Placed necessary risk infrastructure encompassing the risk assessment process, organisational oversight, and reporting function to instil the appropriate discipline and control around continuously improving risk management capabilities.
- iii. Reviewed the Corporate Governance Overview Statement and Statement on Risk Management and Internal Control with Anti-Bribery Management System elements embedded prior to recommendation to the Board for approval for inclusion in the Company's Integrated Report.
- iv. Reviewing investment, divestment, or project proposals considered significant including new lines of business, and recommend to the Board for consideration and approval purposes (where appropriate).

For any recommendations made by the RC, the Company Secretary will issue an action item sheet to the Management for their action.

RISK MANAGEMENT FUNCTION

The risk management function, through the MRC, is entrusted with the responsibility of implementing and maintaining the Enterprise Risk Management Policy and Framework to achieve the following objectives:

- i. Communicate the Board's vision, role, direction and priorities to all employees;
- ii. Identify, assess, treat, report and monitor significant risks in an effective manner;
- iii. Enable systematic risk review and reporting on key risks, existing control measures and any proposed action plan; and
- iv. Create a risk-aware culture and build the necessary knowledge for risk management at every level of management.

The Enterprise Risk Management Policy and Framework is generally aligned with the principles of ISO 31000 which is an internationally recognised standard for risk management.

All significant risks and issues evaluated by the MRC and/or major changes proposed by this committee will be discussed at the RC and Board of Directors' meetings.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

In reference to the transition into a non-listed public company, we continue to uphold our commitment to transparency and accountability by providing a comprehensive report on our financial performance and internal controls during the year under review. This report offers insights into our risk management and internal control measures, fostering an environment of openness and trust with our stakeholders.

BOARD RESPONSIBILITY

The Board of Directors (Board) of Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group) acknowledges its responsibility for maintaining a sound system of risk management and internal control to safeguard shareholders' investments and the Group's assets and for reviewing the adequacy and integrity of the system; except for joint-venture and associate companies which are not under the control of the Group.

The Group's system of internal control covers risk management as well as financial, operational and compliance controls. Notwithstanding these, due to the limitations that are inherent in any system of internal control, the Group's internal control system is designed to manage, rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance against material misstatement or loss.

Except for insurable risks where insurance coverage is purchased, other key risks faced by the Group are reported to the Board and managed by the respective Boards within the Group. The internal control system of the Group is supported by an appropriate organisational structure with clear reporting lines, defined lines of responsibilities and authorities from the respective operating units up to the Board level.

The two committees at the Board level with primary risk management and internal control oversight responsibilities are as follows:

Risk Committee (RC)

The RC was established on 16 July 2019 to assist the Board in fulfilling the oversight responsibilities with respect to the Group's risk management processes and internal control systems. In line with the MCCG Step Up Practice 10.3, the RC comprises a majority of independent directors.

The RC is empowered by clearly established and approved Terms of Reference (TOR) in the above-mentioned responsibilities. Accordingly, the RC is committed to continuous development and maintenance of the risk management framework and internal control system in order to safeguard the stakeholder's interests and the Group's assets.

The Group's key risks are presented to the RC on a quarterly basis for update and deliberation purposes.

Audit Committee (AC)

The AC supports the Board's oversight function in evaluating the business performance of the Group, effectiveness and compliance of the Group's internal control system through operations and financial reports from the management and audit reports from the Group Internal Audit Department (GIA) and external auditors.

Any significant audit findings are brought to attention and deliberated at the AC meeting on a quarterly basis.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT

Risk management is regarded by the Board as an important aspect of the Group’s operations with the objective of maintaining a sound internal control system and ensuring proper management of the risks that may impede the achievement of the Group’s goals and objectives.

The Group has established its Enterprise Risk Management Policy and Framework which is tailored to the specific circumstances of the Group for identifying, evaluating and managing key risks faced by the Group.

In general, the Group’s risk management framework and practices are aligned with the principles of ISO 31000 – an internationally recognised standard for risk management and the Committee of Sponsoring Organisation of the Treadway Commission’s Enterprise Risk Management Integrated Framework.

The Group’s risk management process includes understanding the context of internal and external factors that may have an impact towards the business, identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures, determining its corresponding risk mitigation and treatment measures and on-going monitoring and reviewing of risk profiles.

Enterprise Risk Management (ERM) Policy and Framework

The ERM Policy and Framework was established to support the overall achievement of the Group’s vision and strategic goals, as well as to safeguard the reputation, resources, people and assets of the Group.

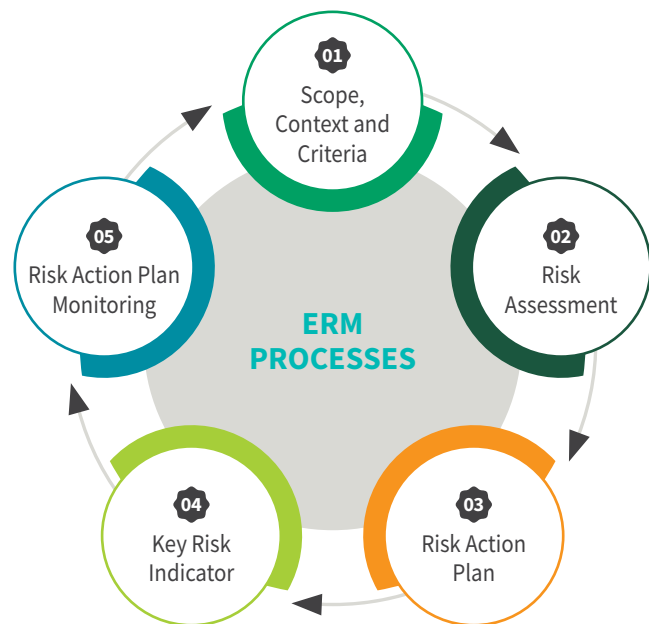
The ERM Policy and Framework encompasses the following key elements:

- The ERM is designed to identify potential events that may affect the Group and manage risks within its risk appetite, to provide reasonable assurance regarding the achievement of the Group’s vision and missions;
- The ERM is a holistic, integrated, future-focused and process-oriented approach that helps to manage all key business risks and opportunities with the intent of maximising shareholders’ value for the Group as a whole; and
- The ERM is a structured and disciplined approach aligning strategy, process, people, technology and knowledge with the purpose of evaluating and managing the risks that the Group faces as it creates value.

A comprehensive ERM policy and framework shall provide a strong foundation for ERM exercise execution within the Group.

The ERM ensures the Group is well-prepared to fit with its operating environment where the ERM policy and framework established shall be used effectively to address any risks, concerns, issues, challenges and/or expectations from the internal and/or external stakeholders.

The Group’s Risk Management processes is highlighted in the illustration below:



The Role of Management

The Board is assisted by the Management in ensuring that risk management practices are implemented within the Group. The Management has established the Management Risk Committee (MRC) to provide a platform at the management level to review the effectiveness of the risk management framework in identifying and managing risks and internal processes.

The main roles and responsibilities of the MRC are as follows:

- To review and recommend the overall risk management strategies, framework and policies for RC's consideration and approval;
- To monitor consistent enforcement of ERM practices across the Group;
- To ensure key risks are identified, adequately measured and risk action plans are prepared and monitored accordingly;
- To ensure that ERM reports are discussed, and actions are implemented on a timely basis; and
- To identify and communicate the critical risks (present or potential), their changes and the management's action plan to manage the risks.

In addition, the Group provides updates to the Group Risk Management Department of Boustead Holdings Berhad on significant risks faced by the Group, existing control measures and proposed action plans on a quarterly basis for attention and deliberation purposes.

Note:

The key risks can be viewed under section Risk and Mitigation on pages 57 to 59 of this Integrated Report.

CORRUPTION RISK MANAGEMENT

The Group continues its commitment to governance excellence and regulatory compliance through its implementation of a robust set of Adequate Procedures. This effort aims to safeguard the organisation, particularly in light of the potential implications of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) (MACC Act).

A comprehensive Corruption Risk Assessment (CRA) is conducted annually, designed to identify and address potential risks related to corruption, integrity, and governance within the Group's operations. The outcomes of the CRA are reported to both the MRC and the AC on a quarterly basis, demonstrating our dedication to transparency and accountability in managing critical areas within the Group.

INTEGRITY AND ANTI-CORRUPTION

The Group maintains an Anti-Corruption and Anti-Bribery Policy, underscoring its zero-tolerance stance against all forms of bribery and corruption. This policy reflects the Group's unwavering commitment to comply with relevant laws pertaining to anti-bribery and anti-corruption. Employees and the public are provided with a safe and confidential platform to report any instances of improper conduct that could jeopardize the Group's reputation and that of its stakeholders. Our relentless advocacy for reporting improper conduct, through various publications and engagement sessions, has fostered trust among employees throughout the Group.

In a bid to fortify our internal controls, the Group has conducted a comprehensive review of pertinent policies and procedures governing critical processes. The enhancements made to these protocols aim to strengthen control measures and mitigate risks associated with bribery and corruption across our critical functions.

Furthermore, BPlant headquarters, along with 13 estates and 1 palm oil mill, obtained certification for ISO 37001:2016 Anti-Bribery Management System (ABMS) on 8 February 2023. This certification underscores our steadfast commitment to promoting ethical conduct across all business operations, reaffirming our dedication to integrity and anti-corruption efforts throughout the organisation.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

KEY ELEMENTS OF INTERNAL CONTROL

The Board is committed to establish and maintain internal control systems in order to respond appropriately to risks that may hinder the Group from achieving its goals and objectives. The internal control systems are embedded within the Group's operating activities to provide reasonable assurance that the likelihood of significant adverse impact on business objectives is at an acceptable level to the Group.

Risk Assessment

1. Institutionalisation of the ERM Policy and Framework to support the overall achievement of the Group's vision and strategic goals, as well as to safeguard the reputation, resources and assets of the Group.
2. Institutionalisation of RC at Board and management levels to enable systematic risk review and reporting on key risks, existing control measures and any proposed action plan.

Control Environment

1. Clear organisation structure with defined reporting lines of responsibility and accountability to support the maintenance of a strong control environment and control activities.
2. Introduction of new key roles and functions to oversee and deliberate the management's decisions and activities.
3. Clearly defined Senior Management's Key Performance Indicator to monitor and measure their effectiveness and performance.
4. Defined level of authorities and lines of responsibilities from operating units up to the Board level to ensure accountabilities for risk management and control activities.
5. Revision of the Limit of Authority (LoA) to enhance the decision-making aligns with the organisation's current operational needs, strategic objectives, and governance standards.
6. Clarity in new and additional allocation approving process guided the addition of a new clause under the revised LoA.
7. Clearly documented policies and procedures for day-to-day operations. Regular reviews are performed to ensure that the Standard Operating Procedure remains current and relevant.
8. Code of Ethics for the Board and all employees to ensure high standards of conduct and ethical values in all business practices.
9. Established Gift, Entertainment, Hospitality and Other Similar Benefits Policy and Integrity Pact to promote transparency in all aspects of business dealing.
10. The Board is supported by a qualified and competent Company Secretary. The Company Secretary plays an advisory role to the Board particularly on issues relating to compliance with MMLR, Companies Act 2016 and other relevant laws and regulations.
11. Establishment of a standard main agreement for all contracts in tender documents to protect BPlant's interest.

Control Activities

1. Strategic planning, target setting and detailed budgeting process, conducted in a structured manner guided by relevant Standard Operating Procedure, for each operating unit which are approved both at the Business Unit level and by the Board.
2. Utilisation of the Procurehere system that promotes transparency for the critical purchasing category at the headquarters level. Major purchases are reviewed and awarded by the respective authority (based on the value Limits of Authority).
3. Implementation of the Company's Strategy Framework and Framework of Internal Control.
4. Established a Training and Development function that oversees the planning and execution of programs to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.
5. Enhanced Performance Management process which better reflects the actual individual's and BPlant's performance.
6. Proper monitoring on the establishment and the role of Gender Committees in estates and palm oil mills to foster a more inclusive and fairness at workplace. This effort primarily focuses on empowering women through awareness, training skills, addressing gender related issues and help to increase human resources productivity.

Information Activities

1. Whistleblowing policy to provide an avenue for employees to report on any breach or suspected breach of any law or regulation, including business principles and the Group's policies and guidelines in a safe and confidential manner.
2. Increase awareness of *E-Adu* by providing information and training to the operating unit about the features, functionalities, and benefits of the *E-Adu* platform, facilitating a transparent grievance mechanism.
3. Consolidated monthly management accounts and quarterly forecast performance which allows management to focus on areas of concern.
4. Confirmation obtained from the Senior Management and/or Risk Officer on the effectiveness of the system of internal control, highlighting any weaknesses and changes in risk profile through half-yearly Risk Declaration.
5. Implementation of advanced information technology tools and techniques to secure and manage communication infrastructure.
6. Cybersecurity online training to increase awareness, reduce risk and prevent cyber-attacks through malware, ransomware, unauthorised access, corruption and/or loss of sensitive information.
7. Training and/or refresher sessions to improve knowledge on existing or new policies and procedures by principal departments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

Review and Monitoring

1. Regular Board and management meetings to assess the Group's performance and controls.
2. Deliberation on operational performance and other related matters by the Management Executive Committee, Management Risk Committee and Management Sustainability Committee.
3. Monthly monitoring of results against budgets, with major variances being followed up and management action taken, where necessary.
4. Regular visits to the operating units by members of Senior Management, Internal Planting Advisory Department, Sustainability and Safety Department, Visiting Engineers, Performance Monitoring Unit, Replanting Unit and Mechanisation Unit, with emphasis on the monitoring and control of expenditure, agronomic practices and ad-hoc investigations.
5. GIA function assists in providing assurance of the effectiveness of the system of internal control. GIA performs regular visits to review the effectiveness of the control procedures and ensure accurate and timely financial management reporting. Internal audit efforts are directed towards areas with significant risks and the risk management process is being audited to provide assurance on the management of risks.
6. Management through various platform reviews the internal audit reports and follow ups on findings highlighted by GIA. The internal audit reports are deliberated by the AC and are subsequently presented to the Board on a quarterly basis or earlier, as appropriate.
7. Re-establishing the Internal Planting Advisory Department as an internal body that specialises in providing expert advice, monitoring, and evaluation concerning good agricultural and management practices as well as operational processes at estates and palm oil mills.

CONCLUSION

The monitoring, review and reporting arrangements provide reasonable assurance that the structure of controls and its operations are appropriate for the Group's operations and that risks are at an acceptable level throughout the Group's businesses. Such arrangements, however, do not eliminate the possibility of human error, deliberate circumvention of control procedures by employees and others, or the occurrence of unforeseeable circumstances.

The Board believes that the development of the system of internal control is an ongoing process and has taken proactive steps throughout the year to improve its internal control system and will continue to undertake such steps. The Board is of the view that the system of internal control in place for the year under review is sound and sufficient to safeguard shareholders' investments, stakeholders' interests and the Group's assets.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITOR

The external auditors have performed limited assurance procedures on this Statement on Risk Management and Internal Control. The review was performed in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information and Audit and Assurance Practice Guide 3 (AAPG 3), and the Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control that are included in the Integrated Report.

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 Groups' risk management and internal control system including the assessment and opinion by the Board of Directors and management thereon.

This statement is made in accordance with a resolution of the Board of Directors dated 30 August 2024.

AUDIT COMMITTEE REPORT

This report provides an insight into the role and activities undertaken by the Audit Committee during the year under review, in compliance with Paragraph 15.15 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

TERMS OF REFERENCE

The Terms of Reference (TOR) of the Audit Committee (AC) sets out the authority, responsibilities and duties of the AC in accordance with the Main Market Listing Requirements (MMLR) and the Malaysian Code on Corporate Governance (MCCG). The TOR is published on the Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group) website at www.bousteadplantations.com.my.

The fundamental role of the AC is to assist the Board of Directors (Board) in executing its oversight responsibilities in the areas of financial reporting, internal and external audit, internal control system, review of audit results, governance integrity, related party transactions and overall internal financial controls.

COMPOSITION AND INDEPENDENCE

The membership of the AC is in line with Paragraph 15.10 of the MMLR and Practices 9.1 and 9.2 of the MCCG. Practices 9.1 and 9.2 of the MCCG state that:

- ▶ The Chairman of the AC is not the Chairman of the Board; and
- ▶ the AC has a policy that requires a former partner of the Company's external auditors to observe a cooling-off period of at least three years before being appointed as a member of the AC. For the year under review, none of the Committee member was a key audit partner of the Company's external auditor.

The composition of the AC during the year under review were as follows:

Member	Directorship	Tenure
(Dr.) Salihin Abang	Independent Non-Executive Director (Chairman of the AC)	3 years
Tan Sri Dato' Wira Aziah Ali	Independent Non-Executive Director	5 years
Maj. Gen. Dato' Seri Haji Khairuddin Abu Bakar (R) J.P. (Deceased on 7 February 2024)	Non-Independent Non-Executive Director	2 years
Datuk Haji Abdul Ghani Abdul Rashid (Resigned w.e.f. 31 January 2023)	Independent Non-Executive Director	Less than 1 year
Fahmy Ismail (Appointed w.e.f. 13 February 2024) (Resigned w.e.f. 15 May 2024)	Non-Independent Executive Director	-

The Chairman of the AC, (Dr.) Salihin Abang, is a qualified accountant and a member of the Malaysian Institute of Accountants.

AUDIT COMMITTEE REPORT

CONTINUOUS PROFESSIONAL DEVELOPMENT PROGRAMME

AC members acknowledged the need to continuously undertake professional development to keep themselves abreast of relevant developments in accounting and auditing standards, practices and rules, in line with Practice 9.5 of the MCGG. Details of the trainings attended by members of the AC can be viewed on pages 111 to 113 of this Integrated Report.

ATTENDANCE AT MEETINGS

The AC convened eight meetings during the year under review. The attendance of each member at the Committee meetings are set out below:

Member	Attendance of Meetings
(Dr.) Salihin Abang	8/8
Tan Sri Dato' Wira Aziah Ali	8/8
Maj. Gen. Dato' Seri Haji Khairuddin Abu Bakar (R) J.P.	8/8
Datuk Haji Abdul Ghani Abdul Rashid	0/0

The AC meetings were also attended by the Acting Chief Executive Officer (CEO), Chief Financial Officer (CFO) and Head of Group Internal Audit (GIA) of Boustead Holdings Berhad (BHB).

Minutes of each AC meeting were recorded and tabled for confirmation at the following meeting and subsequently presented to the Board for notation. The AC reviewed its report for the financial year ended 31 December 2023 to ensure that it was prepared in compliance with the relevant regulatory requirements and guidelines.

The Chairman of the AC reports to the Board on principal matters deliberated at AC meetings. The AC Chairman also conveys to the Board matters of significant concern raised by the external and/or internal auditors.

KEY ACTIVITIES IN 2023

During the year, the AC carried out its duties as set out in its TOR. The main activities undertaken were as follows:

Financial Reporting

1. Reviewed the quarterly unaudited financial results and audited annual financial statements of the Group to ensure compliance with the MMLR, applicable approved accounting standards and other statutory and regulatory requirements prior to recommending the same for approval by the Board.
2. Reviewed the impact of any changes to the accounting policies and adoption of new accounting standards as well as accounting treatments used in the financial statements.
3. Obtained assurance from the CFO that:
 - appropriate accounting policies had been adopted and applied consistently;
 - the going concern basis applied in the annual financial statements and quarterly financial statements was appropriate;
 - prudent judgements and reasonable estimates had been made in accordance with the Malaysian Financial Reporting Standards (MFRS);
 - adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRS and MMLR; and
 - the quarterly and annual financial statements did not contain material misstatements and gave a true and fair view of the financial position of the Group and the respective companies within the Group for year 2023.

External Audit

1. Reviewed the year 2023 audit plan and scope of work for the Group.
2. Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources and effectiveness of the external auditors.
3. Assessed the performance of the external auditors, their independence and objectivity.
4. Discussed on audit reports and evaluation of the systems of internal control.
5. Reviewed major audit findings and reservations arising from the interim and final audits, significant accounting issues and any related matter that the external auditors wished to discuss.
6. Discussed the external auditors' review of the Statement on Risk Management and Internal Control for year 2023.
7. Reviewed the external auditors' management letters and management responses.

The AC also met with the external auditors twice during the year in the absence of Management to discuss amongst others, audit issues and reservations arising from the interim and final audits.

The external auditors have assured the Audit Committee that in accordance with the terms of all relevant professional and regulatory requirements, they had been independent throughout the audit engagement for year 2023.

The external auditor's service fees including the statutory audit fees are available on page 218 of this Integrated Report.

Internal Audit

1. Reviewed the internal auditors' risk-based annual audit plan, to ensure adequate scope and comprehensive coverage over the significant risk areas of the activities within the Group.
2. Reviewed and deliberated all key matters identified in the internal audit reports, including adequacy of identified remedial action.
3. Reviewed the corrective actions taken by the Management in addressing and resolving issues as well as ensuring that all key issues were adequately addressed on a timely basis.
4. Reviewed the adequacy of the resource requirements and competencies of staff within GIA to execute the annual audit plan and the results of the work.
5. Reviewed the effectiveness of the internal audit processes of GIA.
6. Reviewed the AC Report and recommended the same to the Board for approval prior to their inclusion in the Company's Integrated Report.

Related Party Transactions

1. Reviewed the Circular to Shareholders relating to shareholders' mandate for recurrent related party transactions of revenue or trading nature prior to recommending it for Board's approval.
2. Monitored the related party transactions entered by the Company and the Group pursuant to the shareholders' mandate obtained at the Annual General Meeting held on 12 June 2023.
3. Reviewed the related party transactions entered by the Company and the Group as well as the disclosure and the procedures relating to related party transactions.
4. Reviewed the Framework and Procedures on related party transactions in order for the said framework to be in line with the provisions of the MMLR.

AUDIT COMMITTEE REPORT

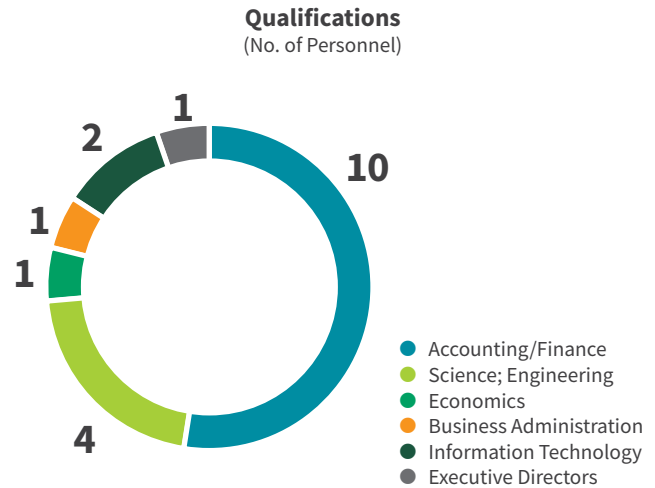
Integrity and Governance

1. The Group Integrity and Governance (GIG) functions independently, ensuring ethical governance, promoting transparency, and fostering integrity across the Group's operations. Through conscientious oversight and enforcement of policies, the Group cultivates a culture of accountability, reinforcing stakeholder trust and preserving its reputation.
2. GIG diligently reviews and monitors anti-bribery measures, implementing robust internal controls to ensure compliance with the Group's policies, procedures, and regulatory standards. By continuously assessing and refining these measures, the Group mitigates the risk of bribery and corruption, safeguarding its interests and those of its stakeholders.
3. GIG takes a proactive approach to educate the Group's workforce on combating bribery and corruption. Its comprehensive training programs, thoughtfully crafted and regularly updated, empower employees to identify and prevent unethical practices, nurturing a culture of ethical conduct across the Group.

GROUP INTERNAL AUDIT DEPARTMENT

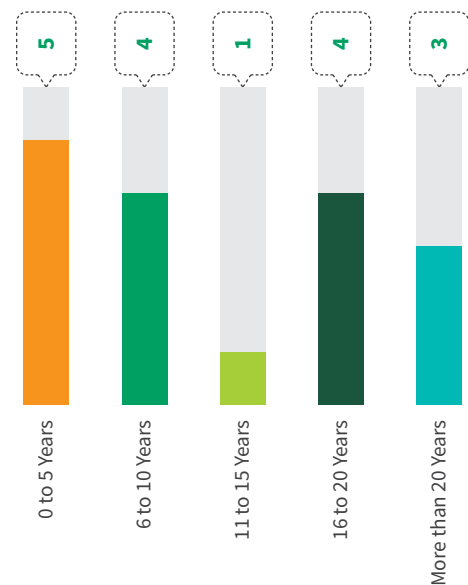
The AC is supported by the GIA, headed by Premila Rajaratnam. Premila is a Fellow of the Association of Chartered Certified Accountants, a Chartered Accountant of the Malaysian Institute of Accountants and a Professional Member of The Institute of Internal Auditors Malaysia. She has more than 19 years of firm and commercial experience in internal audit, risk management, compliance and financial management (both strategic and operational), encompassing a wide array of industries. She reports functionally to the AC and administratively to the Group Chief Executive Officer of BHB.

The qualification and years of audit related experience of the GIA team as of 31 December 2023 are shown below:



Years of Audit Related Experience

(No. of Personnel)



GIA's principal responsibility is to evaluate and improve the effectiveness of the risk management, control and governance processes of BPlant and its subsidiaries and recommend improvements to the processes, where necessary. This is accomplished through a systematic and disciplined approach of regular reviews and appraisals of the management, control and governance processes based on the review plan that is approved by the AC annually.

GIA adopts a risk-based methodology in planning and conducting audits by focusing on key risks areas and activities that are aligned with the Group's strategic plans. GIA has also adopted internal audit standards and best practices based on the International Professional Practices Framework (IPPF) promulgated by The Institute of Internal Auditors.

The terms of reference of the GIA are clearly spelt out in the Internal Audit Charter. GIA has operated and performed in accordance with the principles of the Charter that provides for its independence. GIA reports directly to the AC and is independent of the activities it audits. GIA has an adequately resourced internal audit function to assist the AC and the Board in maintaining an effective system of internal controls and overall governance practices within the Group.

GIA has in total 17 internal auditors as at 31 December 2023, comprising staff from diverse backgrounds. GIA continues its commitment to equip its internal auditors with the necessary knowledge, skills and competencies to discharge their duties and responsibilities. They had attended relevant trainings and courses and are strongly encouraged to obtain appropriate professional certifications and qualifications.

The audits conducted in year 2023 covered a wide range of operational areas within the Group including fresh fruit bunches harvesting, field maintenance, procurement, contract management, marketing, project management, finance, administration, production, inventory management, plant and machinery maintenance and plantation research.

The corresponding audit reports were presented to the Management and AC for their attention, deliberation and implementation of corrective actions.

Performance of the GIA is assessed annually by the AC.

During the financial year, GIA undertook the following activities:

- Prepared the annual audit plan for approval by the AC.
 - Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
 - Conducted root-cause analysis as part of the internal audit work to enable relevant recommendations to address any weaknesses noted.
 - Issued internal audit reports on risk management, control and governance issues identified from the risk-based audits together with recommendations for improvements for these processes.
 - Undertook ad-hoc reviews on matters arising from the audits and/or requested by the Management and/or AC and issued the reports accordingly.
- Reported on a quarterly basis to the Management and AC on significant risk management, control and governance issues from the internal audit reports issued, the results of special reviews undertaken (if any) and the results of follow-up of matters reported.
 - Reported on a quarterly basis to the AC the achievement of the audit plan and annually on status of resources of GIA.
 - Conducted regular follow-ups and monitoring on the implementation of recommendations made to ensure that appropriate corrective actions are taken on a timely basis.
 - Liaised with the external auditors to maximise the use of resources and for effective coverage of audit risks.
 - Reviewed the procedures relating to related party transactions entered into by the Group to ensure that the related party transactions have been conducted in accordance with the Group's normal commercial terms and are not to the detriment of the Group's minority shareholders.
 - Conducted workshops and communication sessions with the Management and operational staff on internal controls, internal audit observations and proposed action plans on the areas covered during the audit engagements.

All audit work for the internal audit function during the year was conducted in-house. No area of the internal audit function was outsourced.

The total cost incurred for GIA in respect of financial year 31 December 2023 amounted to RM0.8 million (2022: RM0.8 million).

AC Effectiveness Review and Performance

For the year under review, the Board assessed the performance of the AC through an annual evaluation exercise. The Board agreed that the AC continued to support the Board in reviewing financial and audit matters, contributing to the overall effectiveness of the decision-making process by the Board for the Company and the Group. The Board is satisfied that the AC has discharged its functions, duties and responsibilities in accordance with the TOR of the AC.

REPORTING TO THE EXCHANGE

For the year under review, the AC is of the view that the Company is in compliance with the MMLR and as such, the reporting to Bursa Malaysia Securities Berhad under Paragraph 15.16 of the MMLR is not required.

This Report is made in compliance with a resolution of the Board dated 12 July 2024.

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors reaffirm that they are collectively responsible for ensuring that the annual financial statements of the Group and the Company are drawn up in accordance with the applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad; and that these financial statements give a true and fair view of the financial position, financial performance and cash flows of the Group and of the Company for the financial year ended 31 December 2023.

To ensure that financial statements are properly drawn up, the Directors have taken the following measures:

- applied the appropriate and relevant accounting policies on a consistent basis;
- made judgements and estimates that are prudent and reasonable; and
- prepared the financial statements on the going concern basis.

The Directors are responsible for ensuring that the Group and the Company keep proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and the Company and which enable them to ensure that the financial statements comply with the Companies Act 2016. The Directors have overall responsibility for taking such steps that are reasonably open to them to safeguard the assets of the Group and the Company as well as to prevent and detect fraud and other irregularities.

This statement is made in accordance with a resolution of the Board of Directors dated 12 July 2024.

STATEMENT OF DIRECTORS' AND CEO'S INTERESTS IN THE COMPANY AND RELATED CORPORATIONS AS AT 31 MAY 2024

All other Directors do not have any interest in share in the Company or its related corporations during the financial year.

CALENDAR OF SIGNIFICANT EVENTS 2023

12 JANUARY

External engagement was conducted with fresh fruit bunches suppliers nearby Nak Palm Oil Mill in Sabah to further drive sustainable agriculture agenda.



19 JANUARY

BPlant held a courtesy visit to Universiti Putra Malaysia for a knowledge-sharing session on technology implementation in plantation operations.



2 FEBRUARY

More than 400 employees participated in BPlant's town hall session for the year 2023, an avenue for management and employees to directly communicate and synergise efforts.



7 FEBRUARY

BPlant Board of Directors and management held an official visit to Boustead Life Sciences Research Sdn Bhd (BLSR) facility in Semenyih, Selangor.



11-12 FEBRUARY

Jelajah Kasih corporate social responsibility initiative distributed zakat wakalah assistance to 300 army veterans in Penang and Perlis.



12 MARCH

Representatives from the Ministry of Agriculture and Food Security held a visit to BPlant's asset in Selangor to expand possible efforts towards national food security enhancement.



27 MARCH

BPlant hosted 35 orphans from Rumah Anak Yatim Baitun Nurrawdhah for a breaking of fast at Royale Chulan Kuala Lumpur.



1 APRIL

BPlant presented a business zakat of RM295,247 to the state of Perak.



12 APRIL

Employees participated in a knowledge-sharing session with the Social Security Organisation.



CALENDAR OF SIGNIFICANT EVENTS 2023

16-17 MAY

Sabah's Segamaha and Tawai Palm Oil Mill held a series of engagement with potential fresh fruit bunches suppliers to strengthen commitment on responsible sourcing.



20 MAY

BPlant annual Open Day celebration held at Sungai Jernih Estate, Pahang, participated by employees and local communities.



12 JUNE

BPlant held its 110th Annual General Meeting via live streaming from The Bousteador, Selangor.



12-14 JUNE

BPlant participated in International Planters Conference 2023 at Royale Chulan Kuala Lumpur as one of the sponsors.



22 JUNE

In modernising its operations, Sabah's Ruku-Ruku Estate incorporated unmanned aerial vehicles to enhance the nursery's efficiency.



17 JULY

BPlant received a courtesy visit from Pusat Pungutan Zakat Majlis Agama Islam Wilayah Persekutuan to foster better cooperation in socioeconomic development.



17-21 JULY

Employees participated in a series of engagements to provide disclosure on corporate liability framework.



8-9 AUGUST

BPlant joined Majlis Agama Islam dan 'Adat Melayu Perak to connect with the asnaf community in the state.



25 AUGUST

BLSR ratified a memorandum of agreement with the Malaysian Agricultural Research and Development Institute tissue culture planting material production research.



31 AUGUST

BPlant joined Boustead Group as part of the National Day 2023 parade contingent.



18 SEPTEMBER

BPlant collaborated with All Women’s Action Society to provide a workplace harassment prevention talk, aimed at increasing awareness of the issue.



19 OCTOBER

50 army veterans received zakat wakalah at a Jelajah Kasih event in Kuala Pilah, Negeri Sembilan.



19 OCTOBER

BPlant initiated its first Ziarah Kasih initiative, which saw assistance being provided directly to the houses of the underprivileged.



29 OCTOBER

BPlant joined Lembaga Tabung Angkatan Tentera (LTAT) in organising Larian Wira LTAT 2023 as one of the sponsors.



16-23 NOVEMBER

BPlant joined LTAT in Jelajah Sarawak 2023, with an aim to connect with LTAT’s contributors in East Malaysia.



27-28 NOVEMBER

BPlant Board Retreat 2023 was held at Royale Chulan Damansara in Selangor with participation of the Board of Directors and senior management to chart strategies and plans for the Company’s growth.



9-10 DECEMBER

Employees celebrated the end of year with a two-day teambuilding session at Port Dickson, Negeri Sembilan to foster unity and camaraderie.



SECTION 7

SUSTAINABILITY STATEMENT

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Water treatment plant at Telok Sengat Palm Oil Mill, Johor



**Towards new possibilities
in plantation management
and operations**

AN OVERVIEW OF BOUSTEAD PLANTATIONS' STATEMENT

OUR APPROACH TO SUSTAINABILITY

Achieving growth that is profitable as well as socially and environmentally responsible continues to be a key driver for Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group). In view of the potential impact of our business activities and operations as an upstream oil palm plantation company, we remain firmly committed to addressing sustainability challenges with the highest integrity and transparency in order to provide optimal value creation for all stakeholders.

As a member of the Roundtable on Sustainable Palm Oil (RSPO) since 2004, BPlant's business units have progressively acquired RSPO certifications since 2011 with 60% certification attained by 2023.

In keeping with our sustainability commitment, we have facilitated and funded the Supplier Support and Development Program to support FFB suppliers at Telok Sengat Palm Oil Mill in their efforts to achieve RSPO certification by the second quarter of 2024. Partnering with Wild Asia, we engage with our external crop suppliers, including smallholders, to provide financial assistance and comprehensive training programmes. These initiatives underscore our dedication to empowering our supply chain partners to elevate their sustainability standards.

We are also pleased to highlight that all our business units acquired the Malaysian Sustainable Palm Oil (MSPO) certification in 2019, reflecting our environmental, social, and governance (ESG) values. Furthermore, our sustainability mission is guided by the United Nations' Sustainable Development Goals (UNSDGs).

Our concerted efforts to improve our ESG rating through enhanced disclosures led to a rise in our Sustainability Policy Transparency Toolkit (SPOTT) rating from 61.2% to 65.4% in 2023. Similarly, our FTSE4Good Bursa Malaysia rating increased from 3.1 to 3.4. These improvements are indicative of our focus on continuous enhancement throughout our sustainability practices.

During the financial year under review, our primary focus shifted towards enhancing the transparency and traceability of our supply chain as we continued preparations to meet the compliance requirements of the European Union Deforestation Regulation (EUDR) in anticipation of its enforcement of deforestation-free supply chains. To ensure our entire value chain operates responsibly, we intensified engagements with our fresh fruit bunch (FFB) suppliers. By the end of 2023, we successfully achieved pledges of commitment from 85% of the 55 active FFB suppliers identified, while 67% of them provided their supplier information, enabling the Group to realise our goal of heightening the importance of traceability among our FFB suppliers.

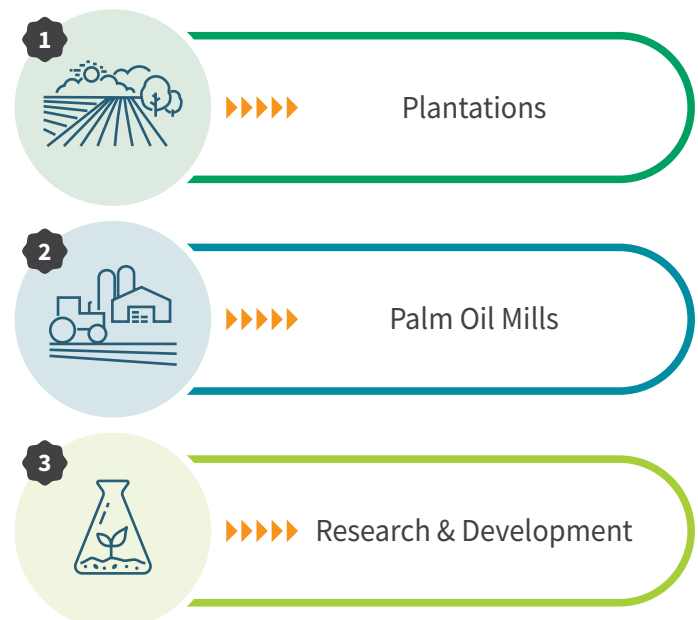
In striving to improve our greenhouse gases (GHG) emission data collection, we are committed to the 12th Malaysia Plan's goal of achieving net zero emissions by 2050. Part of this effort entails monitoring our GHG data according to the GHG Protocol shifting away from solely relying on the RSPO PalmGHG calculator.

The Group is pleased to report that we achieved zero fatalities in the reporting year. In our ongoing drive to provide a safe working environment for our employees, we conducted several occupational safety and health (OSH) coordinator training sessions. We have enhanced a centralised data collection to optimise the effectiveness of our current OSH committees and to drive further improvements in our Lost Time Injury Frequency Rate (LTIFR) metrics.

In 2023, we initiated a toy collection campaign to bring joy to the children of our employees by donating toys to the creche at our Boustead Tawai Business Unit. Additionally, the establishment of a centralised Gender Committee underscores our commitment to enhancing and empowering women within our organisation.

REPORTING SCOPE AND BOUNDARY

The Group's sustainability statement contains data and information in respect of the financial year ended 31 December 2023. It includes subsidiaries in which we own a majority share and have a significant influence, across business segments, namely Plantations, Palm Oil Mills, and Research and Development.



REPORTING FRAMEWORKS AND GUIDELINES

The Group's sustainability statement was prepared with reference to Bursa Malaysia Main Market Listing Requirements (MMLR), the Sustainability Reporting Guide (3rd edition) issued by Bursa Securities and the Illustrative Sustainability Reporting Guide (ISRG).

Our sustainability efforts are guided by the Malaysian Code on Corporate Governance (MCCG) and aligned with global sustainability standards and frameworks that are listed as follows.



ACKNOWLEDGING FEEDBACK

We value stakeholder feedback for our sustainability statement as it guides our ongoing efforts to improve and advance our sustainability disclosure practices. Therefore, we welcome and greatly appreciate your input. Please feel free to leave your feedback using the contact information provided below.

Boustead Plantations Berhad

28th Floor, Menara Boustead,
69 Jalan Raja Chulan,
50200 Kuala Lumpur
Tel No : 03-2145 2121
Email : sustainability.office@bplant.com.my

OUR JOURNEY TO A SUSTAINABLE FUTURE

2016

- First Sustainability Statement integrated in the Annual Report
- Disclosed economic, environmental and social initiatives
- Sungai Jernih Palm Oil Mill (POM) won the clean air award from the Pahang Department of Environment

2017

- Established Sustainability Governance Structure
- Identified seven stakeholder groups
- Defined three core areas; Economic, Environmental and Social
- Conducted materiality assessment and identified nine material matters
- Trong Business Unit gained RSPO certification

2018

- Inaugural standalone Sustainability Report
- Defined scope of reporting
- Re-conducted materiality assessment on nine material matters
- Highlighted the alignment with eight UNSDGs
- Segaria Business Unit obtained both RSPO and MSPO certification

2019

- Adopted Bursa Malaysia's Sustainability Reporting Guide as well as the Bursa Malaysia Main Market Listing Requirements
- Established Sustainability Policy
- All RSPO certified business units were also MSPO certified
- Social Impact Assessment and High Conservation Value (HCV) Assessment completed
- Developed a Traceability Monitoring Programme in compliance to RSPO and MSPO supply chain practices

2020

- Re-conducted materiality assessment on nine material matters
- Established a Safety and Health Policy
- 100% MSPO Certified
- Telok Sengat Business Unit gained RSPO and MSPO certification
- 60% of our palm oil mills have been certified with RSPO Supply Chain
- Utilised a Smart Fertiliser Spreader

2021

- Published inaugural Integrated Report
- Conducted materiality re-assessment and identified 10 material matters
- All palm oil mills excluding Boustead Tawai POM certified with ISO 9001:2015 Quality Management System
- Trong POM is awarded with Sustainable Palm Oil Mill for the Best Scheduled Waste Management category from Perak Department of Environment

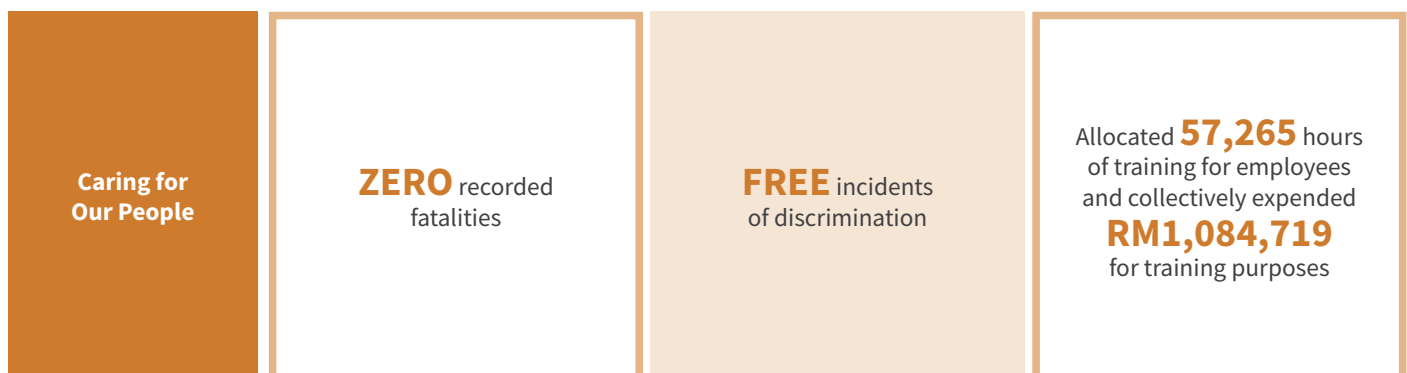
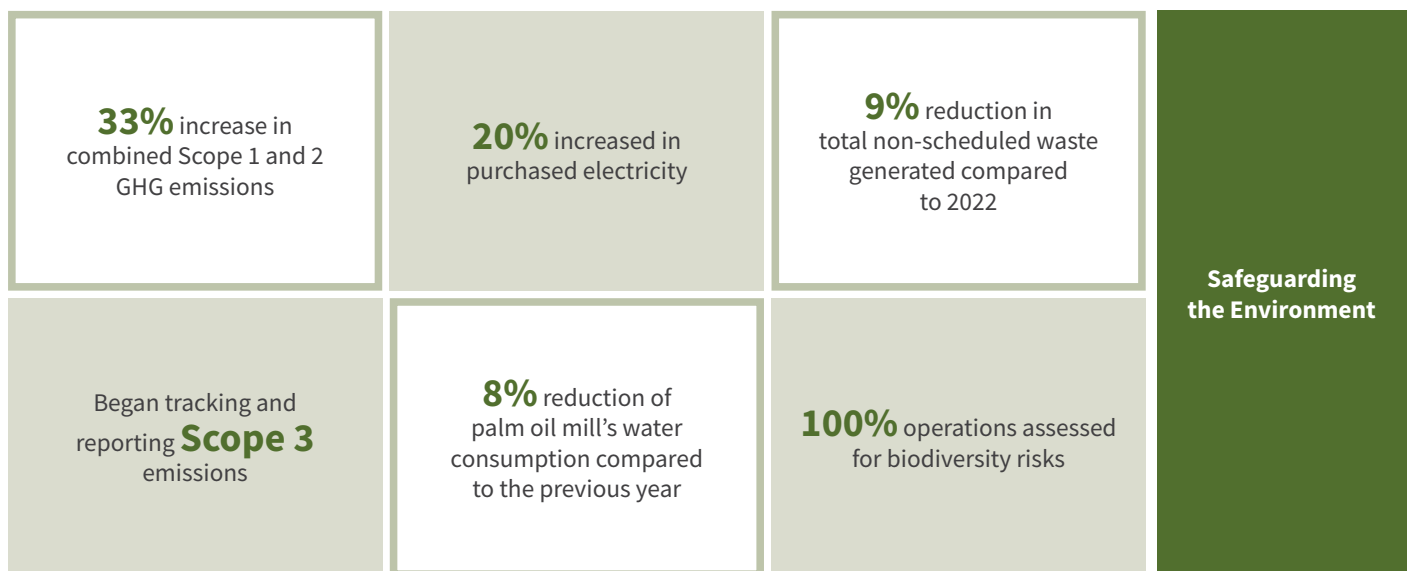
2022

- Listed on FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index for demonstrating strong ESG practices
- Established an ESG Blueprint highlighting four sustainability pillars; Certification, Best Practices, Governance, and Engagement, Awareness and Training
- Established seven thrust of Sustainability Commitment and identified 23 action plans
- Boustead Tawai POM achieved ISO 9001:2015 certification, so all 10 of our palm oil mills are now certified to ISO 9001:2015 standards

2023

- Adopted Bursa Malaysia's Sustainability Reporting Guide (3rd Edition)
- Conducted materiality re-assessment and identified 13 material matters
- Adopted six UNSDGs
- Began the implementation of industry best practices in climate-related reporting

REFLECTING ON KEY 2023 ACHIEVEMENTS



Note: *Refers to total procurement spending on local suppliers at Boustead Estates Agency Sdn Bhd.

OUTLINING THE BLUEPRINT OF OUR SUSTAINABILITY APPROACH

THE SUPPORTING ESG FRAMEWORK

The ESG Framework provides guidelines for the Group’s strategic planning, administration and implementation of multifaceted ESG practices that foster sustainability across our operations. Built upon the three pillars of Achieving Sustainable Growth, Safeguarding the Environment and Caring for Our People, the Framework aligns our material matters with the UNSDGs. It acts as a compass that steers our journey of growing sustainably, while ensuring long-term benefits for stakeholders.

OUR VISION							
BPlant adopted a strategy to steer the Group not only towards optimising efficiency, productivity, and profitability but also commitment towards environmental protection and conservation of biodiversity							
OUR MISSION							
To remain committed in our focus on research and development and implement breakthroughs at all levels and processes to maintain our technological edge	To achieve greater economies of scale by seizing opportunities to expand our landbank in Malaysia and the region	To enhance our efficiency and productivity via effective cost management and excellent managerial and agronomic practices to maximise productivity per unit area					
To provide optimal coaching and training to all levels of employees, the primary engine that drives our business		To explore new business opportunities that will yield the highest return					
OUR SUSTAINABILITY PILLARS AND MATERIAL SUSTAINABILITY MATTERS							
Achieving Sustainable Growth	Safeguarding the Environment	Caring for Our People					
<ul style="list-style-type: none"> Business Continuity Corporate Governance and Anti-Corruption Data Privacy and Cybersecurity Traceability and Supply Chain Research and Development and Yield Improvement Creating Business Opportunities 	<ul style="list-style-type: none"> Air, Water, Waste and Effluents Management Energy Efficiency and Climate Resilience High Conservation Value Areas and Biodiversity 	<ul style="list-style-type: none"> Occupational Safety and Health Labour Practices and Standards Social Welfare and Community Investment Diversity and Inclusion 					
OUR CONTRIBUTION TO THE UNSDGs							
OUR STAKEHOLDERS							
Financial Community	Customers	Civil Society Organisations	Local Communities and Smallholders	Government and Regulatory Bodies	Employees	Business Partners	Industry Bodies/Associations
OUR ALIGNMENT WITH RELEVANT FRAMEWORKS AND STANDARDS							
Bursa Malaysia	Sustainable Development Goals	Global Reporting Index					

POLICIES UNDERPINNING OUR SUSTAINABILITY INITIATIVES

Our Sustainability Policy serves as a foundational guide that outlines our long-term efforts for responsible business practices and sustainability. Aligned with international sustainability principles, including the UNSDGs, this policy ensures our strategies, policies and procedures embody our holistic view of creating a positive impact on the environment, society and economic well-being. Subject to periodic review, our Sustainability Policy will steer us in our ongoing pursuit for sustainable development.

Key Tenets of Our Sustainability Policy:

<p>Managing the Environment and Climate Change</p> <ul style="list-style-type: none"> • No Deforestation • Biodiversity and HCV Management • Peatland Management • Steep Slope Management • Zero Burning and GHG Management • Pesticide and Chemical Management 	<p>Nurturing Inclusivity of Community and Stakeholder</p> <ul style="list-style-type: none"> • Social Value • Community Development • Continuous Stakeholder Engagement • Respecting Land Rights of Local Communities 	
<p>Respecting Human Rights</p> <ul style="list-style-type: none"> • No Exploitation of People Including Children • Recognise the Right of All Employees 	<p>Practicing Ethical Sourcing</p> <ul style="list-style-type: none"> • Traceability of Supply Chain • Transparency of Supply Chain 	<p>Proving Safe and Healthy Workplace</p> <ul style="list-style-type: none"> • Safety and Health • Safe Handling of Chemical and Pesticide
<p>Building Effective Sustainable Governance and Strategy</p> <ul style="list-style-type: none"> • Grievance and Complaint Mechanism 	<p>Implementing Best Practices and Monitoring</p> <ul style="list-style-type: none"> • Quality • Good Agricultural Practices 	

SUSTAINABILITY PERFORMANCE SCORECARD (KPIs)


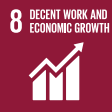




Sustainability Thrust	Sustainability Target	2023 Status
Ethical Sourcing	<ul style="list-style-type: none"> • To achieve 100% Traceability to Plantation by 2027 	●
Providing a Safe and Healthy for Workplace for Employee Wellbeing	<ul style="list-style-type: none"> • Achieve zero fatality • Reduce LTIFR 	● ●
Effective Sustainability Governance and Strategy	<ul style="list-style-type: none"> • Increase ESG rating (SPOTT and FTSE4Good) • Maintain Sustainability Certification and achieve 100% RSPO certified area by 2026 	● ●

- Achieved
- In Progress
- Not Achieved

OUTLINING THE BLUEPRINT OF OUR SUSTAINABILITY APPROACH

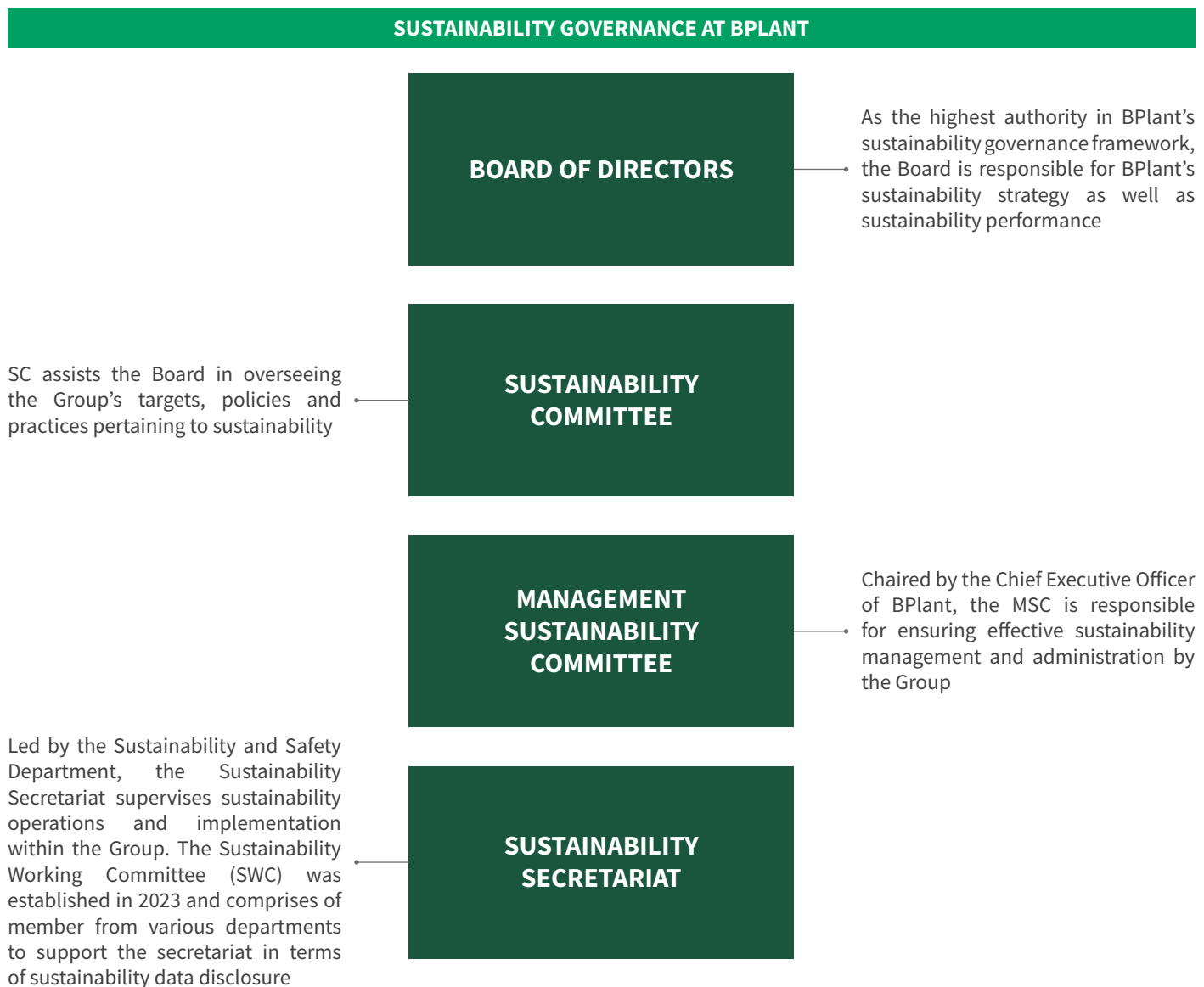
DRIVING PROGRESS IN THE GLOBAL GOALS

The UNSDGs consist of 17 interconnected objectives aligned with the 5Ps (People, Planet, Prosperity, Peace, and Partnerships). Intended to address urgent social and environmental challenges globally by 2030, they serve to inspire collective action among organisations and governmental bodies worldwide for a more equitable future. For BPlant, six specific UNSDGs resonate with our sustainability drive and how we contribute to making a difference in Malaysia and the world at large.

SDGs	Target Alignment	Value Created
 2 ZERO HUNGER	2.4 To establish sustainable food production systems and resilient agricultural practices	<ul style="list-style-type: none"> 198,972 metric tonne (MT) of Crude Palm Oil produced 37,335 MT of Palm Kernel produced
	2.a Enhance agricultural productivity by increasing investment in rural infrastructure, agricultural research, extension services, and technology development	<ul style="list-style-type: none"> Implemented the Zip Zap battery-operated cutter for palms and utilised the light carbon fibre poles to improve production efficiency
 8 DECENT WORK AND ECONOMIC GROWTH	8.2 Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including a focus on high-value added and labour-intensive sectors	<ul style="list-style-type: none"> Employed up to 120 palm tasking systems and roll-on task system along with the utilisation of mechanised platform collection to streamline harvesting operations
	8.8 Protect labour rights and promote safe and secure working environments	<ul style="list-style-type: none"> Conducted a total of 6,494 hours of various health and safety training programmes Lost Time Injury Frequency Rate of 11.76 Zero recorded fatalities
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.4 Significantly reduce the release of chemicals to the air, water and soil	<ul style="list-style-type: none"> Abstaining the use of pesticides or chemicals in and around riparian areas to avoid surface and ground water contamination
	12.5 Significantly reduce waste generation	<ul style="list-style-type: none"> Waste products are repurposed in line with our Zero Waste Strategy 9% reduction in total non-scheduled waste generated compared to 2022 A total of 392,696 MT solid biomass waste, such as fibers, palm kernel shells, and empty fruit bunches (EFB) was utilised to fuel our steam turbines
 13 CLIMATE ACTION	13.2 Integrate climate change measures into strategies and planning	<ul style="list-style-type: none"> 19,810 MWh of renewable energy generated 30% of methane capture from palm oil mill effluent (POME) and conversion into energy through biogas plants 33% increase in combined Scope 1 and 2 GHG emissions
 15 LIFE ON LAND	15.2.1 Progress towards sustainable forest management	<ul style="list-style-type: none"> Commitment to No Deforestation, No New Peat Development Preservation of our HCV areas and biodiversity, including riparian and buffer zones through identification, mapping, management, and monitoring across all operational units All our operations across Peninsular Malaysia, Sabah and Sarawak have conducted 100% Biodiversity risk assessment
 16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.6 Develop effective, accountable and transparent institutions at all levels	<ul style="list-style-type: none"> Adoption of zero tolerance policy against corruption and enforced the Code of Ethical Code (CoEC), Anti-Bribery Policy, Whistleblowing Policy and No Gift Policy

REINFORCING INTEGRITY WITH ETHICAL GOVERNANCE

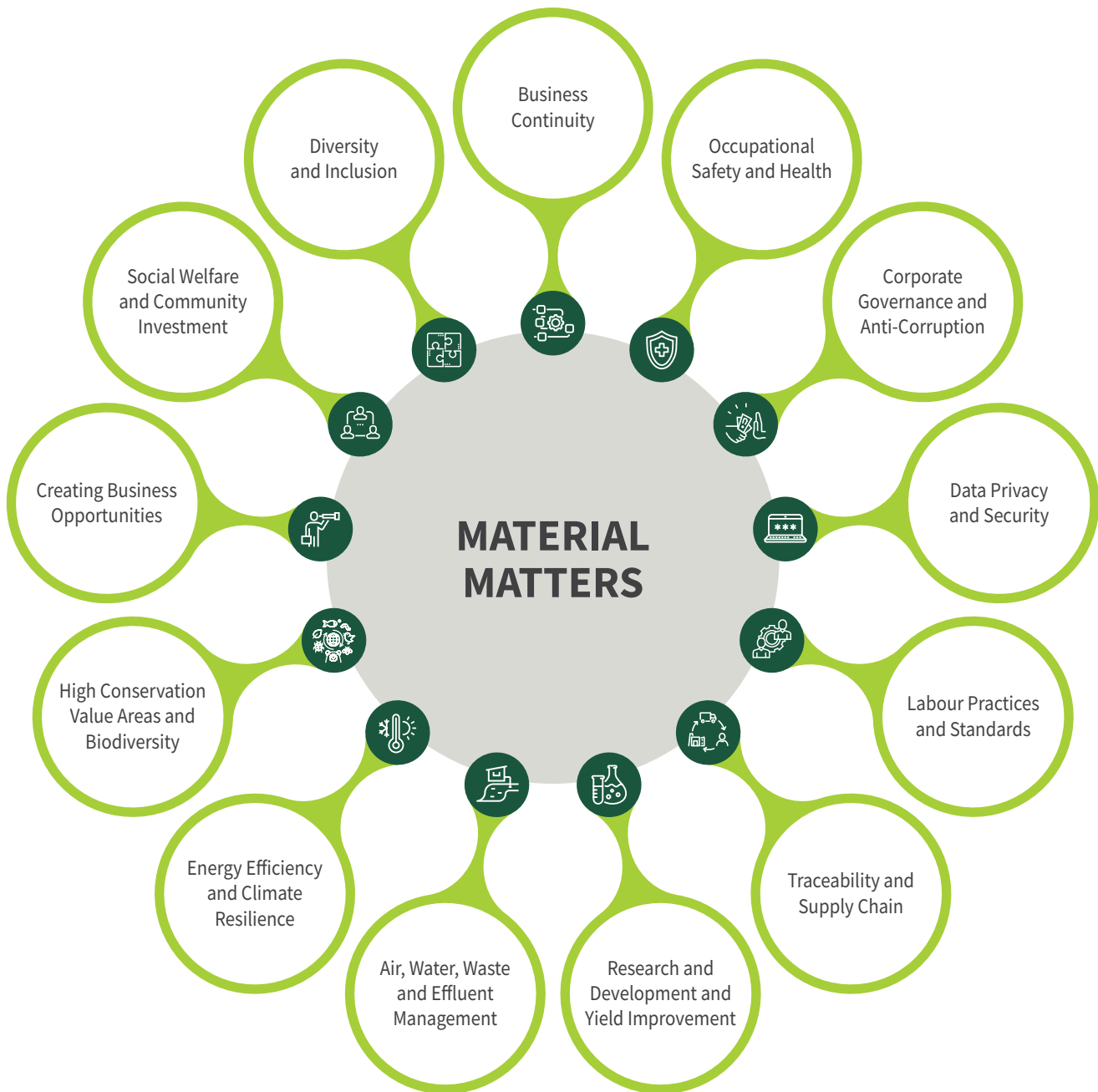
In fostering sustainability governance with ethics and integrity, the Group established a detailed governance structure to oversee and address sustainability concerns. The Board of Directors (the Board), holds the highest authority and is responsible for guiding the Group’s sustainability strategy and performance. Assisting the Board is the Sustainability Committee (SC) overseeing the Group’s sustainability targets, policies, and practices. Chaired by the Chief Executive Officer, the Management Sustainability Committee (MSC) manages the overall administration. In addition, the Sustainability Secretariat who is part of the Sustainability and Safety Department, coordinates these efforts by providing supervision on sustainability operations and the implementation of such practices in the Group.



FOCUSING ON THE MATERIAL

DETERMINING AND ASSESSING OUR MATERIAL MATTERS

For 2023, following our materiality reassessment, we identified 13 material topics and strategically plotted them onto a matrix that accurately reflects their importance to our business operations and stakeholders. These topics are categorised across three degrees of significance which are medium, high and very high.



For more information on how our material matters were identified and why they are important to us, please refer to the Material Matters section on pages 49 to 56 of this report.

CONNECTING THE MATERIAL MATTERS

The Group’s material sustainability matters are linked with global initiatives such as the UNSDGs and Global Reporting Initiative (GRI) Indicators. We have carefully aligned each material matter with the concerns and interests of the relevant stakeholder groups. This ensures that the Group’s sustainability efforts address specific areas of importance for our stakeholders while contributing to the global sustainability landscape.



Financial Community



Customers



Civil Society Organisations



Local Communities and Smallholders



Government and Regulatory Bodies



Employees



Business Partners











Industry Bodies/Associations

ACHIEVING SUSTAINABLE GROWTH

Conducting our business with a high standard of corporate governance and our company values which emphasise managing all relationships with fairness, decency and good decision-making









Business Continuity 	Implementation of strategies and measures to ensure uninterrupted operations, safeguard critical functions, and mitigate risks in the face of unforeseen events or disruptions.	
Corporate Governance and Anti-Corruption 	Upholding strict ethical standards by adopting a zero-tolerance policy against corruption and enforcing the CoEC, Anti-Bribery Policy, Whistleblowing Policy and No Gift Policy.	
Data Privacy and Security 	Safeguarding digital information, including preventing unauthorised access to our networked systems and cyber threats.	
Traceability and Supply Chain 	Integrating best practices to ensure sustainable and transparent procurement practices are in line with our Vendor Code of Conduct.	
Research and Development and Yield Improvement 	Developing better planting material, improve fertiliser application efficiency and enhanced methods to maintain soil fertility.	
Creating Business Opportunities 	Contributing to the development of small and medium-sized enterprises by supporting local vendors and suppliers, while collaborating with smallholders to share plantation skills on FFB grading, raising awareness on good agricultural practices, as well as ensuring compliance with sustainable oil palm production.	

FOCUSING ON THE MATERIAL

SAFEGUARDING THE ENVIRONMENT

Minimising our environmental impact and carbon emissions by effectively managing energy, waste and water consumption and preserving biodiversity











Air, Water, Waste and Effluent Management 	Comprehensive management practices for air quality, water conservation, waste reduction, and effluent control to ensure sustainable environmental stewardship.	
Energy Efficiency and Climate Resilience 	Mitigating climate change by improving our contribution to managing GHG emissions in areas where we operate.	
High Conservation Value Areas and Biodiversity 	Preserving biodiversity is crucial to protect the delicate balance that exists between different plant and animal species in the ecosystem.	

CARING FOR OUR PEOPLE

Fostering a culture of mutual respect and security, an inclusive and diverse work environment, an array of professional development opportunities, safe working conditions and fair hiring and labour standards



Occupational Safety and Health 	Maintaining workplace safety in accordance with pertinent laws and regulations, while also ensuring the safety of the surrounding public.	
Labour Practices and Standards 	Promoting respect for human rights and upholding integrity in labour standards.	
Social Welfare and Community Investment 	Engaging in activities and allocating resources towards enhancing the welfare and standard of living of our plantation workers and local communities.	
Diversity and Inclusion 	Providing equal opportunities for all workers and fostering an inclusive workplace.	

OUR JOURNEY TO CLIMATE ACTION

We recognise the critical importance of addressing climate change and its profound impact on the global environment, economies, and communities. As a leading player in the agricultural sector, we are acutely aware of our responsibility to mitigate our environmental footprint and contribute to sustainable practices. This section outlines our commitment to transparency and accountability in our climate-related disclosures, detailing our strategies, actions, and performance in managing climate risks and opportunities. By adopting comprehensive climate-related reporting, we aim to provide our stakeholders with a clear understanding of how we are aligning our operations with global climate goals, thereby ensuring the long-term resilience and sustainability of our business.

GOVERNANCE

Recognising the significant impact of climate change on our operations, BPlant has integrated climate considerations into our decision-making processes. These initiatives are directed by strategies overseen by the Board of Directors and supported by the Sustainability Committee and Management Sustainability Committee.

Board of Directors

- The Board oversees the Group's sustainability strategies, policies and performance, including those that are climate-related and convenes on a quarterly basis
- The Board reviews and approves ESG KPIs including those that are climate-related

Management

- The SC and MSC recommend sustainability strategies and initiatives to the Board, including those that are climate-related
- The SC and MSC review and monitor the implementation of sustainability initiatives and sustainability performance, including those that are climate-related

STRATEGY

During the 2023 reporting period, we made substantial progress in identifying and understanding potential climate-related risks, impacts, and opportunities at the Group level to assess their influence on our value chain. The following table categorises these potential risks, impacts, and opportunities into Transition Risks and Physical Risks.

Transition Risks

Transition Risk	Potential Impact	Potential Opportunities
Policy and Legal		
Medium term (6-10 years) to long-term (>11 years)		
<ul style="list-style-type: none"> • Regulations imposed for regulatory environmental compliance 	<ul style="list-style-type: none"> • Potential incurred costs from penalties and fines 	<ul style="list-style-type: none"> • Accomplishment of long-term best practice management to prevent non-compliance
Technology		
Short term (1-5 years) to long-term (>11 years)		
<ul style="list-style-type: none"> • Challenges in R&D to determine better planting and harvesting technologies • Difficulties in the adoption of new technology and new low-carbon production process options 	<ul style="list-style-type: none"> • Additional costs for R&D • Incurred upfront costs from investments in new technology and its implementation 	<ul style="list-style-type: none"> • Better yields upon adoption of improved planting and harvesting • Cost and resource savings upon successful implementation of new low-carbon production

OUR JOURNEY TO CLIMATE ACTION

Transition Risk	Potential Impact	Potential Opportunities
Market Long-term (>11 years)		
<ul style="list-style-type: none"> Increased cost to maintain a climate-responsive value chain 	<ul style="list-style-type: none"> Decrease in profit from cost increase 	<ul style="list-style-type: none"> Opportunity to lead climate-progressive palm oil production
Reputation Long-term (>11 years)		
<ul style="list-style-type: none"> Increased stakeholder concerns about climate impacts and expectations of climate action on the Group where non-action may affect brand reputation 	<ul style="list-style-type: none"> Revenue affected by negative stakeholder sentiments that influence product demands 	<ul style="list-style-type: none"> Opportunity to strengthen brand reputation by leading a climate-conscious palm oil brand

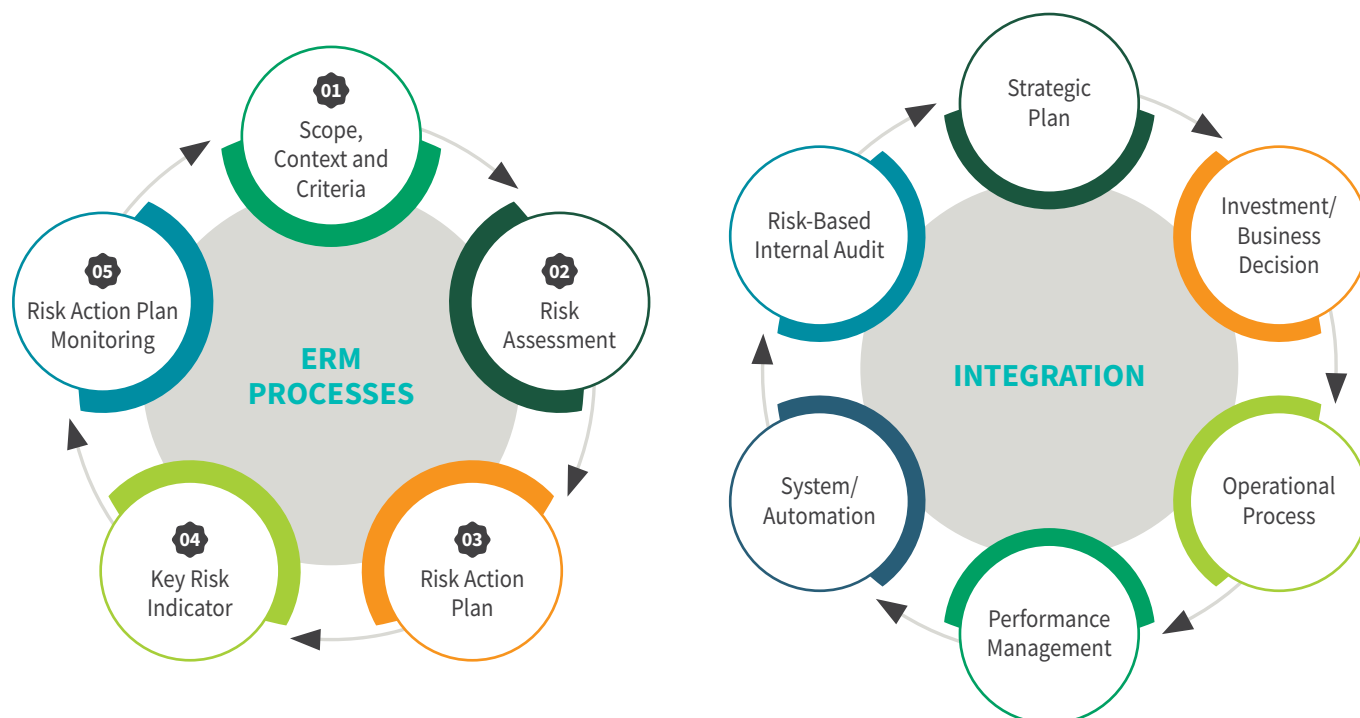
Physical Risks

Physical Risk	Potential Impact	Potential Opportunities
Acute Short term (1-5 years) to long-term (>11 years)		
<ul style="list-style-type: none"> Potential short-term extreme climate-related events i.e., heat waves, flooding, landslides, etc. 	<ul style="list-style-type: none"> Short-term extreme climate-related events may cause reduced yield, high impact on workforce, damage to plantations and assets as well as losses for the Group 	<ul style="list-style-type: none"> Opportunity to innovate and adopt technology and processes that withstand acute climate-related events ahead of industry peers
Chronic Long-term (>11 years)		
<ul style="list-style-type: none"> Potential long-term effects such as land inundation and extreme variability in weather patterns i.e. high temperatures, intense rain, etc. 	<ul style="list-style-type: none"> Long-term climate-related impacts may cause delays in yield and production as well as increase operating costs, capital costs and insurance costs to manage impacts on plantations and production 	<ul style="list-style-type: none"> Opportunity to adopt innovative technology and processes that withstand long-term climate impacts in advance of industry peers

OUR JOURNEY TO CLIMATE ACTION

CLIMATE RISK MANAGEMENT

Climate risk management is embedded in the Group’s Enterprise Risk Management (ERM) Policy and Framework, involving the participation of management committees and working groups. Our climate-related risks are identified, assessed, and managed through the ERM Model and Approach summarised below:



ERM Pillars			
BPlant Vision and Mission	Leader and Commitment of Management and Board	ERM Policy	Governance and Reporting Structure
Authorities and Responsibilities	Risk Parameter	ERM Procedures	
Sustainability of ERM			
Value Creation and Protection		Communication and Consultation	
Authorities and Responsibilities	Risk Parameter	ERM Procedures	

METRICS AND TARGETS

BPlant quantifies carbon emissions, waste, energy and water consumption. We measure carbon emissions in tCO₂e, electricity in kWh, water in m³, and waste in MT. To determine GHG, energy and water intensity, we calculate absolute values and normalise them by dividing against the total production volume of our operations.

We have been utilising the RSPO PalmGHG calculator to monitor and track GHG emissions from our operations since 2019. In 2023, we quantified and categorised our GHG emissions into Scope 1, 2, and 3 in line with the GHG Protocol Standard. Additional details regarding our management approach and performance data can be found in the section of Energy Efficiency and Climate Resilience on page 157 to 161 and page 175 to 177 respectively.

ACHIEVING SUSTAINABLE GROWTH

At BPlant, we cultivate sustainable growth through a comprehensive approach that encompasses robust business continuity strategies, stringent corporate governance practices, and anti-corruption measures. In addition, we are dedicated to safeguarding data privacy and cybersecurity while ensuring transparency and sustainability across our supply chain. Furthermore, we invest in research and development initiatives aimed at enhancing productivity and continually explore avenues for business expansion within the industry.

Material Sustainability Matters

- Business Continuity
- Corporate Governance and Anti-Corruption
- Data Privacy and Cybersecurity
- Traceability and Supply Chain
- Research and Development and Yield Improvement
- Creating Business Opportunities

Key Highlights

100%

of our operations are MSPO certified

60%

of our operations are RSPO certified

100%

local suppliers*

22

publications of Integrity Awareness

FOUR

complaints received via BPlant's whistleblowing channels

ZERO

cases of confirmed corruption

UNSDGs



Note: *Refers to total procurement spending on local suppliers at Boustead Estates Agency Sdn Bhd.

BUSINESS CONTINUITY

Why it matters

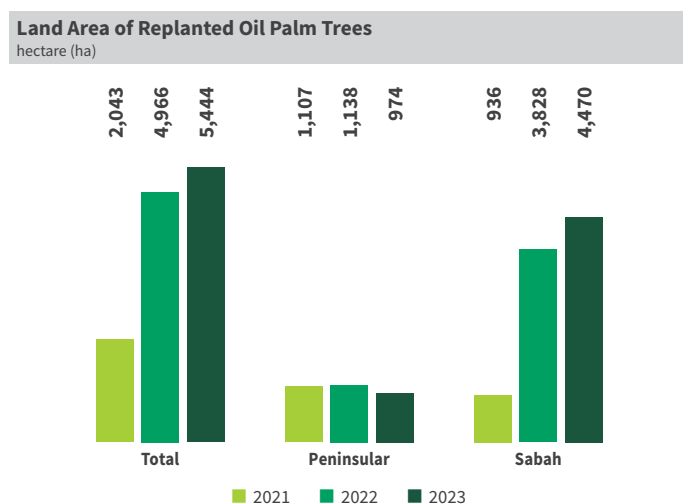
Palm oil production plays a vital role in the economies of its production regions and the adoption of sustainable practices enhances the year-round livelihoods of smallholders and producers, thus promoting economic growth as well as rural development. Towards this end, business continuity which helps safeguard profitability and sustainability is crucial to ensure economic resilience.

BPlant’s Approach

BPlant aims to sustain economic growth through various initiatives, including the 25-Year Replanting Programme (RP25), which is designed to secure the Group’s continued advancement in the palm oil industry.

The RP25 initiative involves strategically replanting 4% to 7% of our total cultivated area annually until 2045 to counteract the challenges posed by the ageing oil palm profile across our plantations. To achieve this, we will implement a three-year mechanisation plan, focusing on optimising harvesting operations, in-field crop evacuation, and external crop transportation. These concerted efforts aim to boost productivity and yield while also mitigating the growing labour scarcity in the sector.

BPlant’s Progress



BPlant’s total land area of replanted oil palm trees have seen a steady increase over the past 3 years.

CORPORATE GOVERNANCE AND ANTI-CORRUPTION

Why it matters

Responsible corporate governance and robust anti-corruption protocols are indispensable across all industries, including the palm oil sector. Implementing sound practices in these areas ensures adherence to legal standards, mitigates risks, promotes fair competition, and contributes to the industry’s sustainability. By emphasising transparency and maintaining a rigorous anti-corruption policy, it reinforces our credibility and integrity in fostering public trust.

BPlant’s Approach

Corporate Governance

BPlant places a strong emphasis on corporate governance to ensure accountability, transparency and ethical conduct across all our operations. The following policies have been put in place to uphold these principles:

Sustainability Policy

- To outline our commitment to conducting business in a manner that promotes environmental responsibility, social well-being, and economic viability

Code of Ethics and Conduct

- To outline our guidelines and principles that ensure professionalism and integrity throughout any and all business conducts

Remuneration Policy and Procedure

- To outline the framework and guidelines governing the compensation and benefits within the Group to ensure transparency, fair compensation and fairness for all employees

Furthermore, to support the identification, evaluation and management of risk, we have established an Enterprise Risk Management Policy and Framework.

ACHIEVING SUSTAINABLE GROWTH

For each identified risk, we have outlined corresponding mitigation measures to manage and minimise their potential impact. The following table summarises these risks and mitigation measures:

Risks	Mitigation Measures
Human Capital	Implementation of Remuneration Policy and Procedure
Operational Productivity Strategic	Establishment of 25-Year Replanting Programme
Cost Financial Market	Implementation of Plantation Performance Improvement Programme
Legal and Compliance	Encouragement of RSPO certifications

Anti-Corruption

We maintain an unwavering stance against any form of bribery or corruption, enforcing a strict zero-tolerance policy. To mitigate potential occurrences and uphold ethical business practices, we have implemented comprehensive policies designed to prevent, detect, and address any potential breaches of our anti-corruption guidelines.

Anti-Bribery Anti- Corruption

- To ensure the highest ethical standards are upheld the Group maintains an anti-bribery anti-corruption policy. Any possibilities for corruption will be dealt with decisively and directly

No Gift Policy

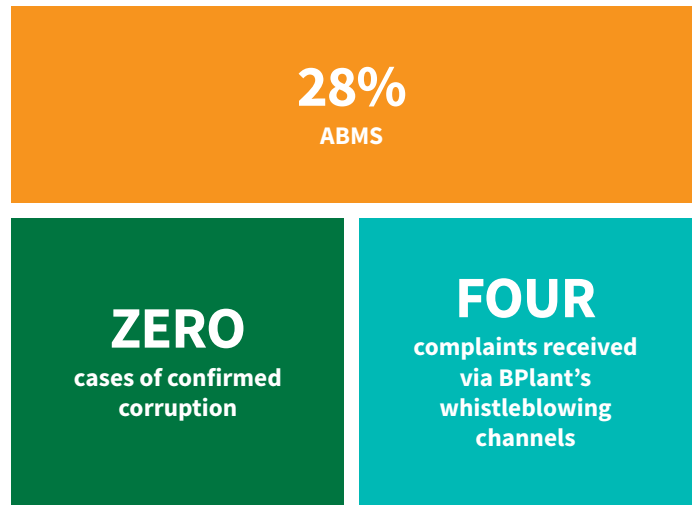
- To avoid any conflicts of interest in business transactions with the Group. Accepting gifts, entertainment, or hospitality could be interpreted as bribery and could harm the Group’s reputation or violate anti-bribery and corruption laws

Whistleblowing Policy

- To ensure an anonymous and secure channel to report improper conduct. All complaints will be processed swiftly and decisive action will be taken. This provides all stakeholders and employees with a safe and reliable avenue to voice their concerns

BPlant’s Performance

Throughout 2023, our headquarters office, 13 estates and one palm oil mill were certified with ISO 37001:2016 Anti-Bribery Management Systems (ABMS). We recorded zero confirmed cases of corruption, with only four complaints received via our whistleblowing channel. Additionally, we increased our integrity awareness efforts by publishing 22 integrity awareness publications.



DATA PRIVACY AND CYBERSECURITY

Why it matters

In an environment where digitalisation takes centre stage, data privacy and cybersecurity are crucial elements to maintain trust and safeguard against a range of cyberthreats. Inadequate protection can expose the Group to operational disruption, reputation damage, data leaks, and financial penalties stemming from data breaches.

BPlant’s Approach

We have implemented various cybersecurity measures, including Standard Operating Procedures (SOPs) that enable efficient identification and resolution of potential threats or risks. We ensure that all software used in our operations is licensed to minimise vulnerabilities associated with unauthorised software. Recognising that all parties play a role in maintaining a secure digital environment, we regularly disseminate awareness emails to equip employees with the knowledge and tools needed to navigate potential threats and protect sensitive information effectively.

BPlant’s Progress

In 2023, BPlant has reported zero cases of non-compliance related with data privacy and cybersecurity.

ZERO cases concerning substantiated breaches of customer privacy and losses of customer data

TRACEABILITY AND SUPPLY CHAIN

Why it matters

Traceability in the supply chain ensures adherence to ethical and environmental standards, promoting accountability and compliance with regulations. As we trace products through each stage, we uphold customer expectations, enhance efficiency, and foster positive societal impact in the long term. This transparency builds trust, drives sustainability efforts, and ensures that products meet ethical and environmental criteria throughout their journey from production to consumption.

BPlant’s Approach

Vendors Registration

BPlant prioritises vendors that adhere to relevant health, safety, environment, employment and statutory regulations, and as such requires all suppliers to undergo a rigorous process to assess their capabilities in ethical and reliable supply.

As part of process, we require all vendors, workers, agents, and subcontractors to adopt our Vendor Code of Conduct, reflecting the Group’s approach to social and environmental responsibility, and ethics. To streamline procurement for further efficiency and transparency in our vendor management, we have also established an e-procurement system called Procurehere.

- 01 Vendors interested in providing services must complete registration and submit necessary documents for legality verification
- 02 Vendors on approved list will be invited to tender for projects, with evaluation including technical assessment
- 03 Awarded contractors will be evaluated biannually or upon project completion

Transparency and Traceability

Aligned with stringent palm oil industry regulations, we place utmost importance on responsible and sustainable palm oil production.

In 2023, BPlant prioritised enhancing supply chain transparency and traceability to promote responsible and sustainable palm oil production, mitigating risks associated with environmental and social impacts. Our initiatives included certifying FFB smallholders with RSPO Certification through a collaboration with Wild Asia under the Wild Asia Group Scheme (WAGS), while raising awareness on traceability with 50% of our suppliers.

By implementing traceability systems, we ensure compliance with regulations and demonstrate accountability to regulators and stakeholders and verify our suppliers’ adherence to environmental and social responsibility standards.

BPlant’s Progress

At present, we do not disclose our percentage on the Traceability to Plantation. Instead, we monitor based on our suppliers’ submission of the Sustainability Pledge and Sustainability Information Form. In 2023, 85% of our suppliers submitted their Sustainability Pledge, while 67% submitted the Sustainability Information Form.

	2021	2022	2023
Sustainability Pledge	N/A	67%	85%
Sustainability Information Form	N/A	42%	67%

Note: N/A - Not available

ACHIEVING SUSTAINABLE GROWTH

**100% of our operations
are MSPO certified**

**60% of our operations
are RSPO certified**

**100% of our palm oil mills
are ISO 9001:2015 certified**

We aim to introduce supplier screening for environmental and social factors in 2024, with data disclosure targeted in the next reporting year onwards.

BPlant is pleased to report that 100% of our palm oil mills are ISO 9001:2015 and all our operations are MSPO-certified which covers management traceability of the production throughout the supply chain.



Nursery at Taiping Rubber Plantation Estate, Perak

RESEARCH AND DEVELOPMENT (R&D) AND YIELD IMPROVEMENT

Why it matters

R&D and yield improvement are crucial for driving innovation and enhancing productivity. Investments in R&D facilitate the development of new technologies, methodologies and enhanced practices to improve the efficiency and reduce costs and the impact on the environment. Yield optimisation enhances the number of crops produced, minimising land use while meeting market demand.

BPlant's Approach

BPlant investments significantly in R&D and operates two distinct research facilities: Applied Agricultural Resources Sdn Bhd and Advanced Agriecological Research Sdn Bhd. An annual budget of RM16 million is allocated to support continuous operational enhancements. We strive to identify avenues for increased efficiency and remain dedicated to cultivating sustainable practices that mitigate ecological impact.

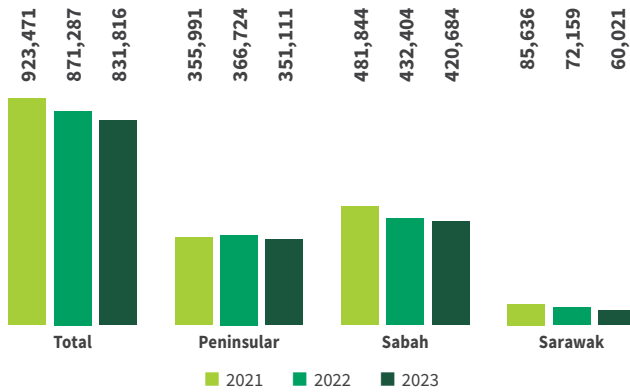
The Plantation Performance Improvement Programme, initiated in 2021, aims to increase productivity and improve cost optimisation by maximising the yield. The comprehensive initiative targets various strategies, including driving operational excellence, optimising palm age profiles, replicating successful mechanisation methods, and implementing Good Agricultural Practices.

We have also implemented the Zip Zap battery-operated cutter for palms ranging between 12 to 20 feet tall, along with the utilisation of light carbon fibre poles in tall palm areas, replacing traditional aluminium poles to improve production efficiency. Up to 120 palm tasking systems and roll-on task system were employed along with the utilisation of mechanised platform collection to streamline harvesting operations, facilitating centralised harvesting for timely crop evacuation.

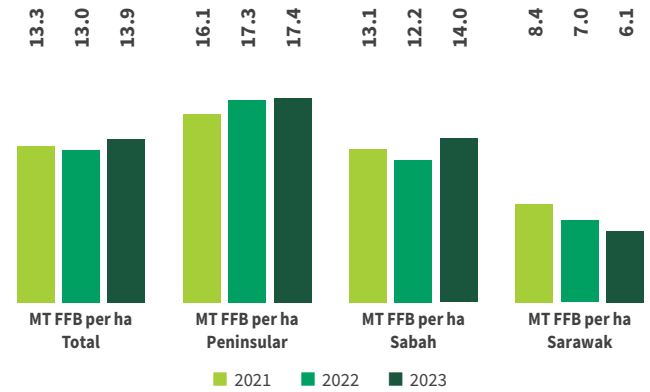
Another significant initiative entailed closely monitoring the monthly number of bunches per palm, with targets set at 1.08 bunches per palm for Prime Mature palms and 1.35 bunches per palm for Young Mature palms, aimed at enhancing productivity. The reintroduction of the Daily FFB Bunch Count and Quality Assessment on palm rows involves estates monitoring FFB quality daily and reporting to BPlant headquarters monthly.

BPlant's Progress

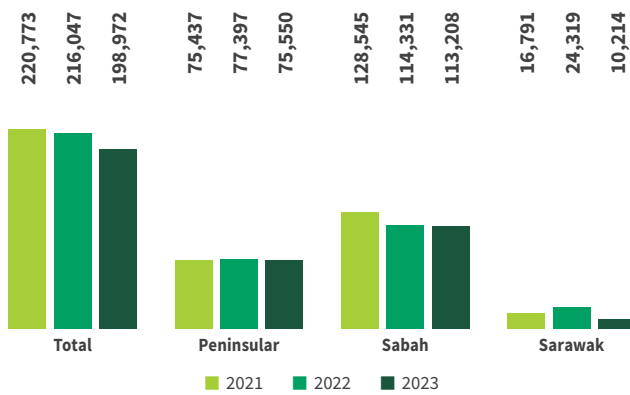
FFB Production
(MT)



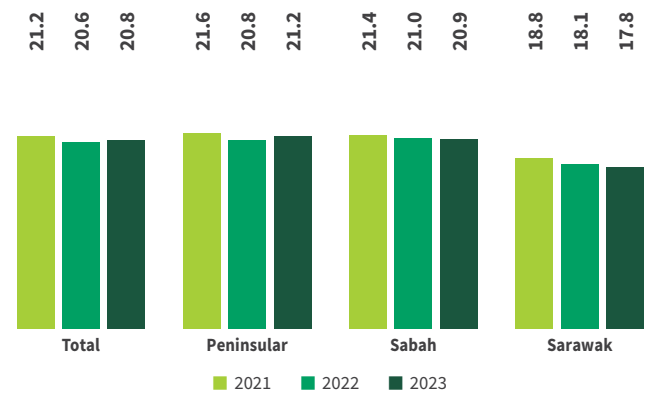
FFB Yield
(MT per ha)



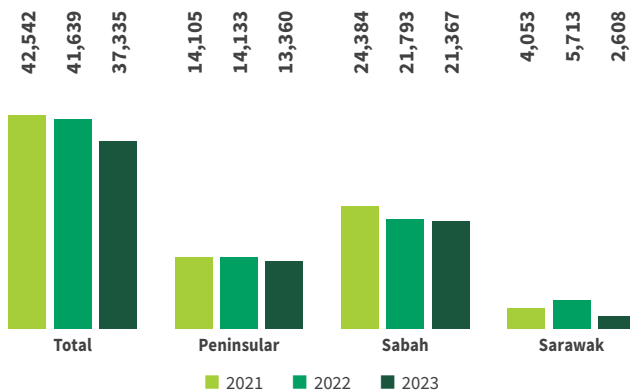
CPO Production
(MT)



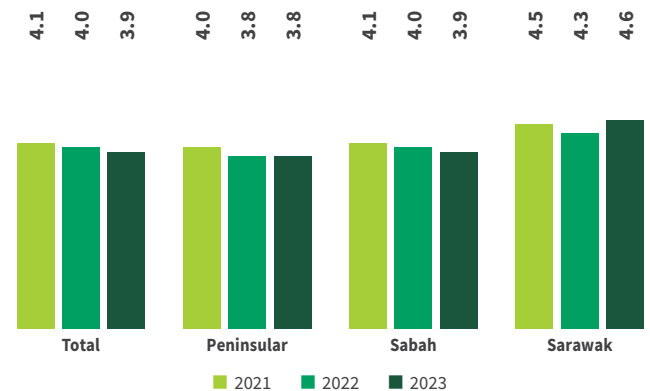
CPO Extraction Rate
(%)



Palm Kernel Production
(MT)



Kernel Extraction Rate
(%)



ACHIEVING SUSTAINABLE GROWTH

CREATING BUSINESS OPPORTUNITIES

Why it matters

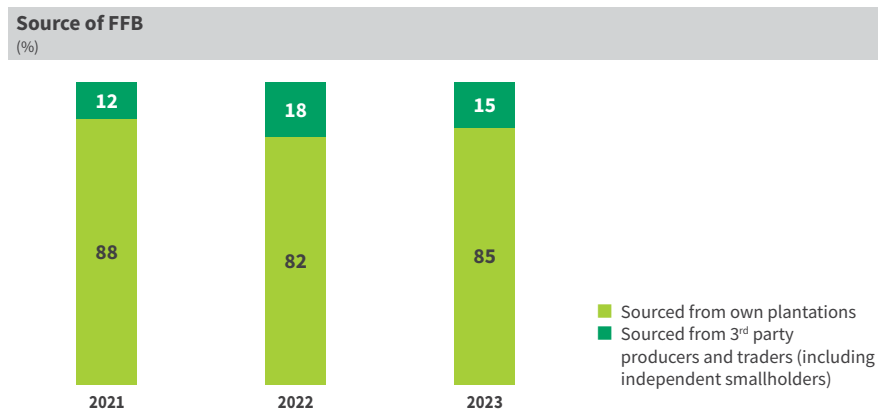
Consistently creating business opportunities is essential for the Group’s continued sustainable growth and supports smallholders’ livelihoods. Fostering this practice drives economic development, cultivates competition, creates jobs, and adds value along the supply chain. It further stimulates innovation, introduces fresh product offerings, and empowers smallholders, advancing the business and benefiting local communities.

BPlant’s Approach

BPlant contributes to sustainable long-lasting business and economic growth in local communities by supporting smallholders, creating job opportunities, and collaborating with over 1,000 local suppliers and vendors across the group.

BPlant’s Progress

FFB Sourcing



In 2023, 15% of our FFB were sourced from 3rd party producers which includes independent smallholders.

Type of Procurement

Over the past three years, BPlant has consistently ensured that 100% of our procurement activities are sourced locally.



A worker holding oil palm loose fruits during harvesting at Bebar Estate, Pahang

SAFEGUARDING THE ENVIRONMENT

Environmental stewardship and sustainability are cornerstones of the Group's operations. This compels us to undertake responsible practices and meticulously manage our natural resources. As we strive to mitigate the environmental impact of palm oil production and safeguard biodiversity, we aim to play a definitive role in building a sustainable future for generations to come.

Material Sustainability Matters

- High Conservation Value Areas and Biodiversity
- Energy Efficiency and Climate Resilience
- Air, Water, Waste and Effluent Management

Key Highlights

100%

operations assessed
for biodiversity
risks

20%

increased in
purchased
electricity

33%

increased in combined
Scope 1 and 2
GHG emissions

9%

reduction of total
non-scheduled waste
generated

8%

reduction of palm oil
mill's water
consumption
compared to the
previous year

UNSDGs



SAFEGUARDING THE ENVIRONMENT

HIGH CONSERVATION VALUE (HCV) AREAS AND BIODIVERSITY

Why it matters

Preserving our HCV areas and biodiversity is fundamental for BPlant. We recognise our duty to safeguard the ecosystem, prioritising water, air and soil conservation alongside the protection of biodiversity, including flora and fauna. These endeavours are vital to uphold the ecosystem’s critical functions that underpin our operations.

BPlant’s Approach

Before initiating any new activities, all of our operational units are mandated to undergo an Environmental Aspect Impact Assessment and evaluation to address any potential adverse environmental effects.

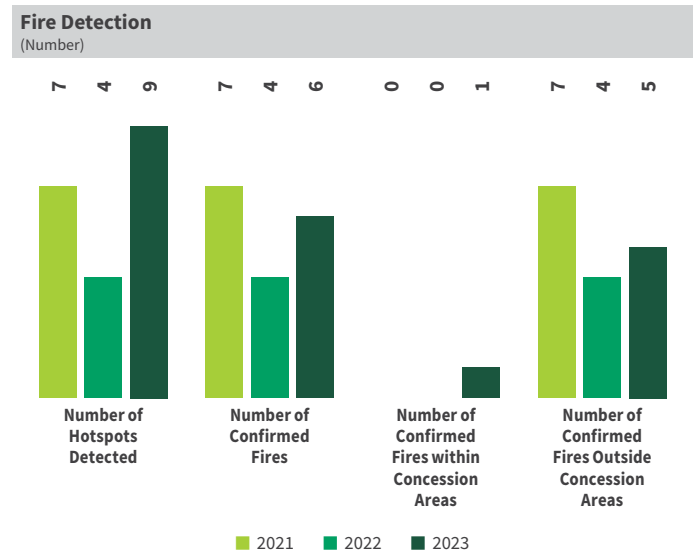
Within these assessments, our conservation areas which encompass riparian and buffer zones, are meticulously identified, mapped, managed, and monitored across all operational units. We conduct regular assessments that are benchmarked against RSPO and MSPO standards, ensuring adherence to conservation protocols in designated HCV and biodiversity areas through continuous patrols.

Zero Deforestation and Open Burning

At BPlant, we strictly prohibit all deforestation and open burning activities especially on peat land within our operational and concession boundaries in line with our sustainability policy, aiming to prioritise the safety of our personnel and minimise climate impact. To enhance fire detection and prevention efforts as a large-scale plantation, we utilise the RSPO Hotspot Hub to detect hotspots originating from peat fires and open burning alongside potential fires in oil palm plantations within our operations.

Upon detecting a hotspot within or near our concession, the RSPO GIS Team alerts BPlant, after which our Sustainability Secretariat takes action to respond to the incident. We have further devised a comprehensive fire prevention plan and implemented control measures with input from stakeholders within our boundaries. Emergency Response Teams have also been established at each of our operating units and trained in fire evacuation procedures. We recognise that preventing deforestation and open burning requires collaboration with surrounding communities. Therefore, we conduct internal and external awareness campaigns to educate stakeholders about fire risks and promote safety measures.

Fire Hotspots



In 2023, we documented a total of six confirmed fire incidents, with one occurring within the concession area and five outside it.

Integrated Pest Management

To mitigate the impact of our operations on the ecosystem, we are actively embracing biological control methods. Part of the methods used involves implementing integrated pest management strategies that reduces our reliance on chemical pesticides, thus mitigating the impact of our operations on the ecosystem. Our approach includes initiatives such as planting Vetiver grass to combat soil erosion, encouraging the growth of natural vegetation and *Nephrolepis biserrata* (tropical fern) to enhance water retention and bolster soil structure as well as employing barn owls for rat control within our plantations. At present, we have constructed nest boxes that are meticulously designed to optimise owl occupancy and breeding. These boxes are strategically installed at a ratio of one per 10 to 20 ha to support the population of barn owls.

Soil Management

In our operations, soil and water are vital resources. To address the potential pollution of soil, surface water and groundwater, we have introduced a soil conservation programme aimed at identifying critical areas where preserving soil integrity is essential. As part of this programme, we utilise Empty Fruit Bunches (EFB), a byproduct from our palm oil mill that enriches the soil moisture with nutrients, applying it within our plantation.

The use of EFB enhances soil moisture retention and prevents erosion. We regularly conduct water sampling to ensure compliance with Environmental Quality Act 1974, MSPO and RSPO standards, thereby demonstrating our efforts to environmental responsibility and regulatory compliance.

Furthermore, we implement the Integrated Site-Specific Fertiliser Recommendations System, as recommended by our agronomists, to determine the type and frequency of fertiliser application for achieving nutrient balance. This system enables us to monitor and prevent overuse of fertilisers, thereby mitigating the risk of pollution. We also apply mycorrhizae during the nursery stage to protect our trees from Ganoderma.

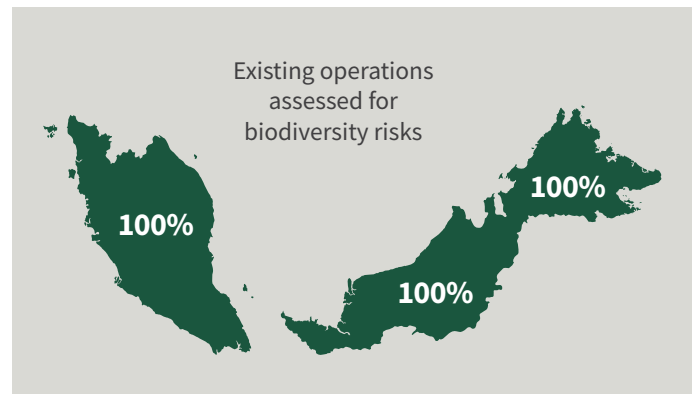
BPlant's Progress

Conserving HCV Areas

In 2023, our HCV area covers a total expanse of 576 ha comprising of wetlands, riparian buffer zones and jungle patches. The Peninsular region encompasses 167 ha and Sabah 409 ha. We are pleased to report that all our operations across Peninsular Malaysia, Sabah and Sarawak have been 100% assessed for biodiversity risks with some enhancements of the assessment still in progress.

Conservation Status of Flora and Fauna

Our internal assessments identified 13 endangered and six critically endangered fauna species scattered across our operations, as classified by the International Union for Conservation of Nature (IUCN) Red List. We continue to review our HCV management plan on an annual basis, thus ensuring proper management at all our operations.



ENERGY EFFICIENCY AND CLIMATE RESILIENCE

Why it matters

Extreme weather events pose significant risks to our natural environment, business operations, and daily lives. As such, these adverse weather conditions ultimately impact the growth and yield of our palm trees. Therefore, it is crucial for us to fully understand the potential risks and opportunities associated with climate change. At BPlant, we are adopting energy management practices and utilising renewable energy sources to mitigate the impacts of climate change.

BPlant's Approach

To curb GHG emissions, our strategy encompasses mitigating carbon emissions, enhancing energy efficiency in operational assets and expanding conservation initiatives, with a focus on our No Deforestation, No Peat and No Exploitation commitment.

SAFEGUARDING THE ENVIRONMENT

Generation of Renewable Energy

The Group continues to benefit from the biogas plant established at our palm oil mill in Telok Sengat, Johor, in 2015. Biogas, produced from the anaerobic breakdown of POME, a byproduct of our palm oil mill, yields methane gas. This biogas is captured through a biodigester covered lagoon system and converted into electricity which reduces our dependency on fossil fuels for palm oil mill operation.

We further utilise other byproducts such as EFB and shells which are generated from oil processing as solid fuel to operate steam boilers and as biomass fuel for power generation.

Besides the use of generating energy, our efforts to reduce emissions include installing solar panels at our guard house and streetlights at some of our operating units.

GHG Emissions

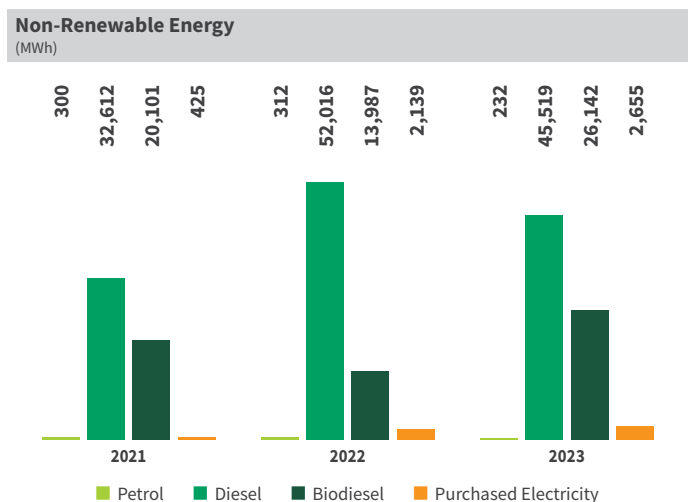
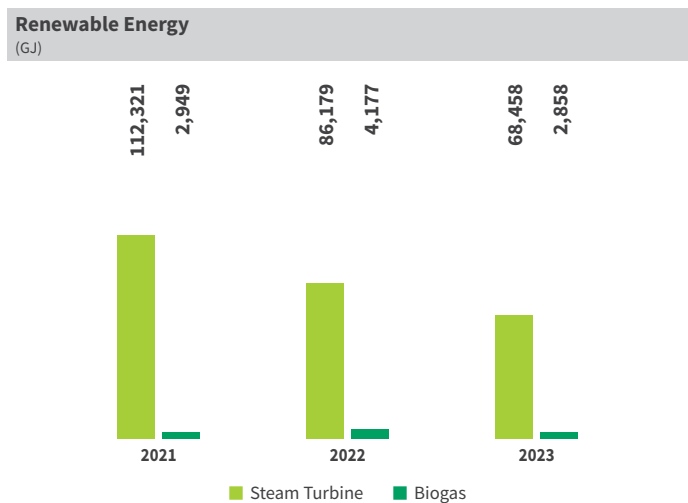
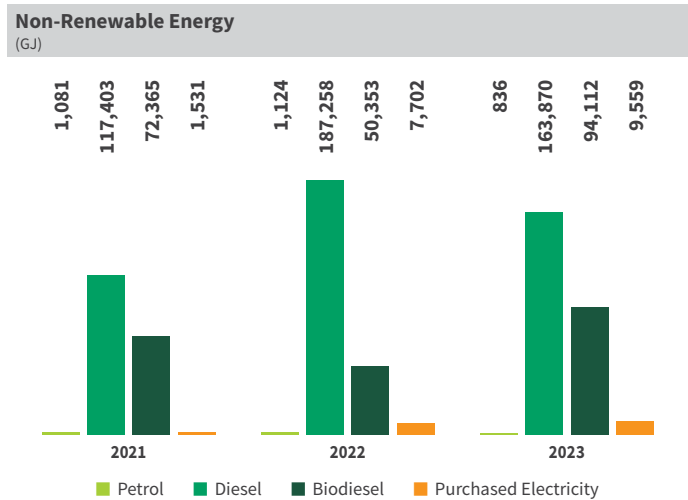
We have been utilising the RSPO PalmGHG calculator and GHG Protocol to monitor and track greenhouse gas emissions from our operations since 2019. This calculator includes the POME, Fuel Consumption, Grid Electricity Utilisation, Land Conversion, Fertilisers and Peat Oxidation in our operations. Continuously striving for accuracy and comprehensiveness in our data, we aim to better understand our operational impact and devise effective mitigation strategies. In 2023, we quantified and categorised our GHG emissions into Scope 1, 2, and 3 in line with the GHG Protocol.

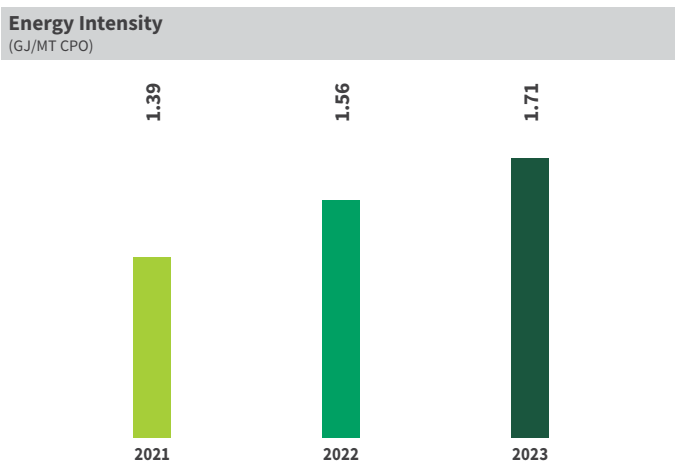
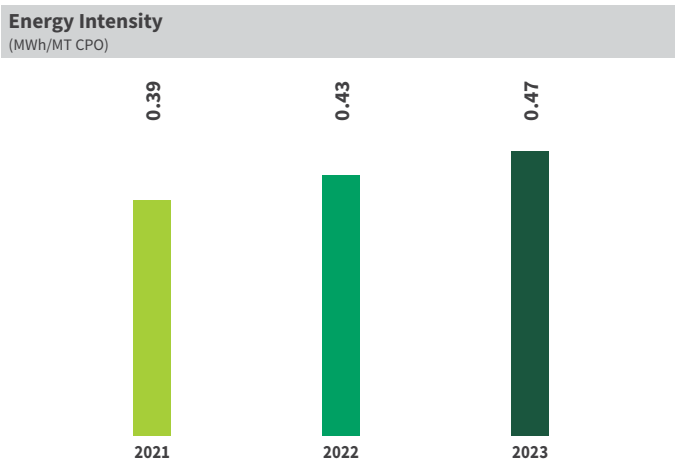
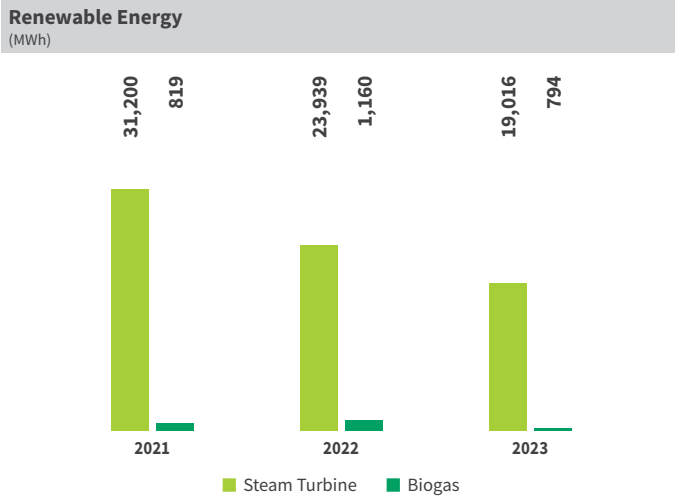
BPlant's Progress

Energy Consumption

In 2023, the Group's total energy consumption from non-renewable sources, including petrol, diesel, biodiesel, and purchased electricity, amounted to 268,377 Gigajoules (GJ). This represents a 9% increase compared to the previous year. Conversely, energy consumption from renewable energy sources, comprising biogas and steam turbine energy, totalled 71,316 GJ, marking a 21% decrease from the previous year.

As for the palm oil mill, renewable energy is utilised, resulting in a reduction in output from the biogas plant by 32% and the biomass-powered steam turbine sources by 21%. This drop in electricity consumption is due to the reduction in FFB processed.

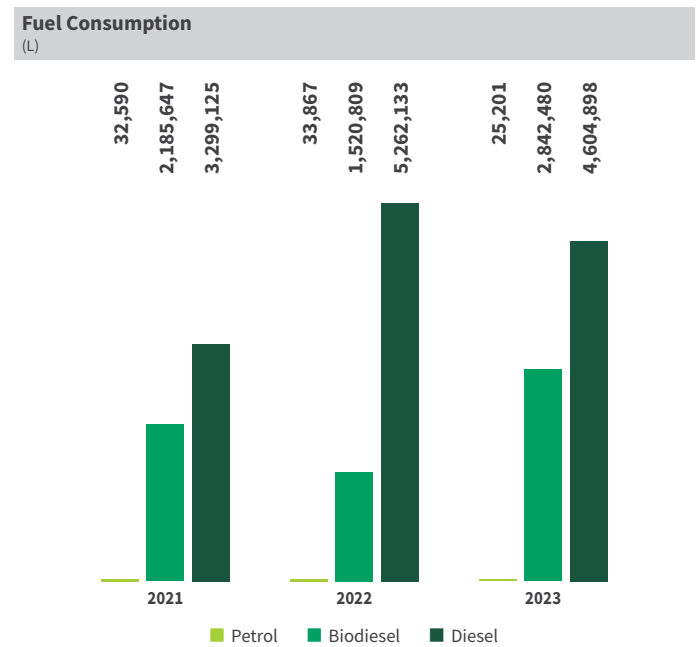




Our energy intensity for 2023 amounted to 1.71 GJ per MT CPO equivalent to 0.47 MWh per MT CPO, indicating a 9% decrease in FFB harvested compared to 2022.

Note:
Calculations for energy consumption utilise conversion values from the U.S. Energy Information Administration

Fuel Consumption



The Group consumed 25,201 litres of petrol, 2,842,480 litres of biodiesel and 4,604,898 litres of diesel in 2023.

SAFEGUARDING THE ENVIRONMENT

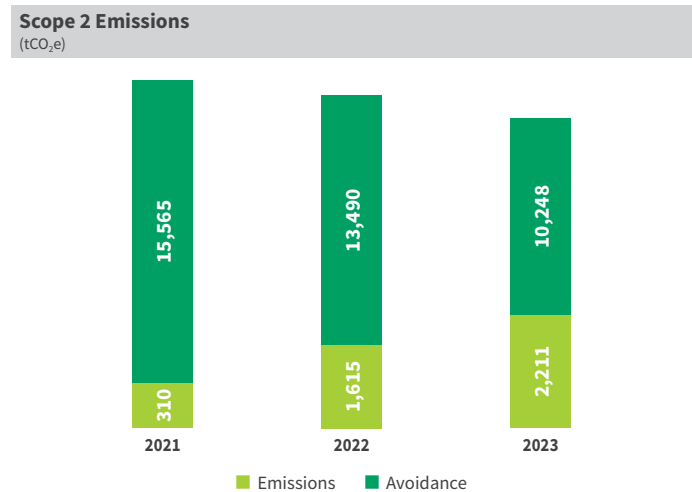
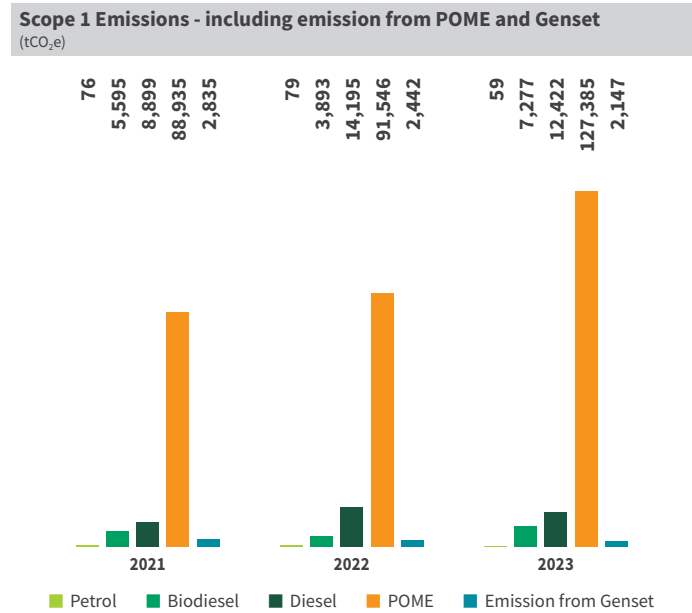
Electricity Consumption

In 2023, we noted an overall reduction in electricity consumption throughout the past three years. Purchased electricity increased by 20% which corresponds to the decrease in electricity generated from renewable energy generated. Purchased electricity and electricity generated from diesel generators was mainly used in the operations which includes the office, staff and workers' quarters, water treatment plant and the guardhouse.

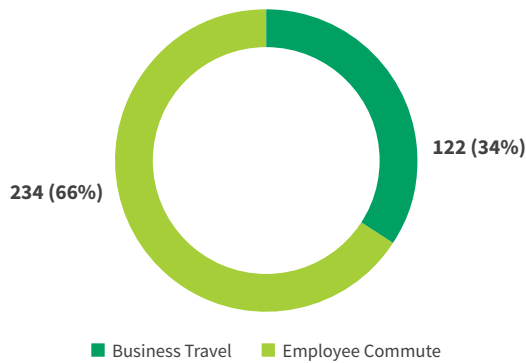


GHG Emissions

In 2023, our operations emitted a total of 151,885 tCO₂e. Combined Scope 1 and 2 emissions increased by 33% compared to 2022. Of this total, Scope 1 emissions accounted for 149,290 tCO₂e including emission from POME and Genset, Scope 2 emissions were 2,211 tCO₂e, and Scope 3 emissions amounted to 385 tCO₂e. Our Scope 1 emissions increased by 33% compared to the previous year. Meanwhile, our Scope 2 emissions have consistently increased from 2021 to 2023. Meanwhile, according to our use of the RSPO Palm GHG Calculator, our emissions for 2023 are 1,299 kilo tCO₂e, which represents a decrease of about 5% compared to 2022 at 1,364 kilo tCO₂e.



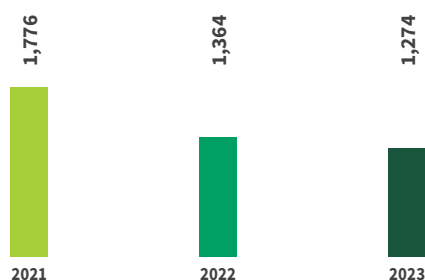
Scope 3 Emissions in 2023⁶
(tCO₂e)



For our inaugural tracking of Scope 3 emissions under employee commuting and business travel, we have calculated a total of 385 tCO₂e, of which 356 tCO₂e is emitted from from headquarters⁶, while another 29 tCO₂e is from operating units.

From the total emissions, 17 tCO₂e is emitted from business travel by land for the headquarters⁶ and operating unit, amounting to 14 tCO₂e and 3 tCO₂e, respectively. For business travel by air, the emissions are limited to headquarters only, at 108 tCO₂e. For employee commuting, the headquarters⁶ contribute the emission of 234 tCO₂e, whilst the operating unit contributes only 26 tCO₂e.

Biogenic GHG Emissions
(tCO₂e)



Note:

1. Calculation methodology is based on the GHG Protocol Corporate Accounting and Reporting Standards.
2. Scope 1 and 3 emissions factors were sourced from the UK Government’s GHG Conversion Factor 2023.
3. Scope 2 emissions factor were sourced from the National Energy Commission: Grid Emissions Factor 2021.
4. Scope 1 emissions calculation excludes combustion emissions from boilers.
5. Scope 3 GHG emissions is calculated for 2023 only.
6. The boundary for Scope 3 GHG emissions specifically relates to Boustead Estate Agency Sdn Bhd and Boustead Life Sciences Agency Sdn Bhd only. The term ‘headquarters’ for Scope 3 specifically relates to these 2 entities.

7. Emissions from *Scope 3 Category 7 Employee commuting* was calculated using the distance-based method.
8. The assumption for calculating employee commuting days is based on the total working days in the year, excluding public holidays specific to Kuala Lumpur.
9. The distance-based method has been used to calculate Scope 3 GHG emissions for business travel by both air and land. For air travel, the distance is calculated using the Air Miles Calculator.
10. Biogenic GHG Emissions is extracted from RSPO PalmGHG Calculator (with the exclusion of Grid Electricity Utilisation and Fuel Consumption).

AIR, WATER, WASTE AND EFFLUENT MANAGEMENT

Why it matters

Responsible management of air, water, waste, and effluent is crucial for palm oil plantations due to the potential environmental impact. Proper management ensures compliance with regulations, mitigates pollution risks, protects local ecosystems, and upholds the company’s reputation. In addition, effective management practices contribute to sustainable operations, reducing operational costs and enhancing long-term viability.

BPlant’s Approach

Air Management

BPlant prioritises air quality monitoring at our palm oil mills, acknowledging its crucial role in protecting the health and safety of our employees and local communities, and ensuring regulatory compliance. Our efforts entail the monitoring of air quality and the installation of wet scrubbers to mitigate air pollution to comply with Environmental Quality (Clean Air) Regulations 2014.

Water Management

As a responsible organisation, BPlant recognises that water is a precious resource, and we understand that our palm oil mill processing activities account for the majority of our overall water consumption. Supporting our pursuit towards sustainability, we use water efficiently by leveraging surface water that has been processed to meet the quality standards required for production. We also continually enhance our water efficiency by implementing recycling and reuse practices where feasible. These initiatives include:

- Introducing the use of premixing chemicals
- Reducing the frequency of cleaning at palm oil mills
- Utilising fibre and wood dust in the event of spillages to minimise reliance on water usage.
- Monitoring water usage for palm oil mill processes and setting targets for achievement.

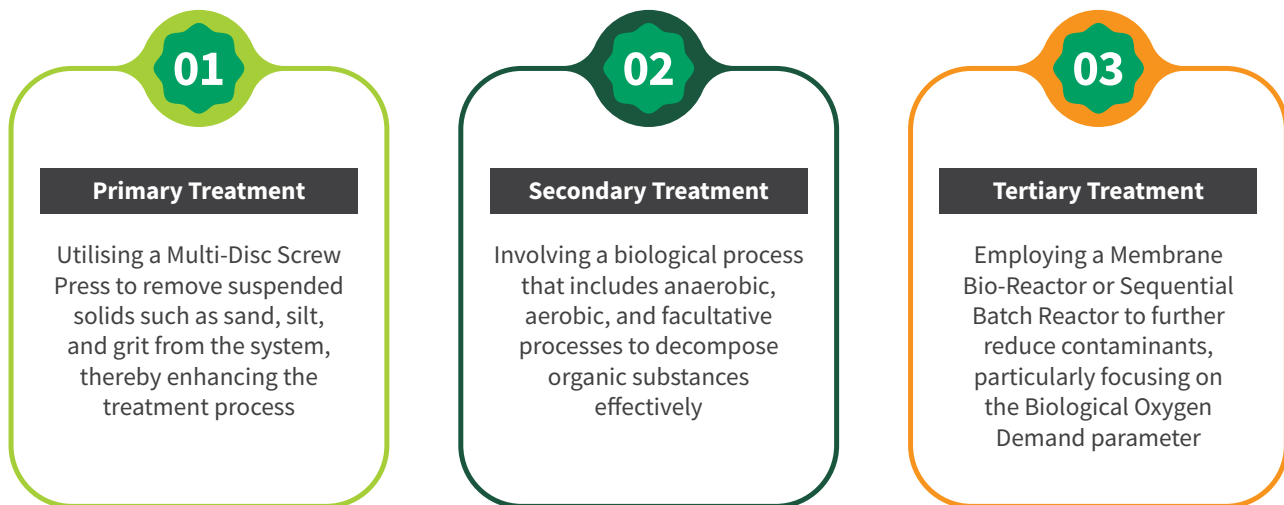
SAFEGUARDING THE ENVIRONMENT

Waste and Effluent Management

BPlant has instituted a reuse, reduce, and recycle initiative by deploying recycling bins at each of our operational units to divert waste from landfills. Scheduled waste management systems are in place at every operational site where they are managed by licenced scheduled waste contractors tasked with handling our scheduled waste. To ensure compliance with the Environmental Quality (Scheduled Waste) Regulations 2005, annual sustainability internal audits are conducted to verify proper waste disposal practices.

Various byproducts are generated from our operations, including EFB, shell, and POME. These byproducts are utilised to generate energy during milling operations, while EFB mulch serves as organic fertiliser that is applied in our plantations.

Before POME is discharged, it undergoes three phases of treatment used at respective palm oil mills: Phase 1 involves Primary Treatment, Phase 2 includes Secondary Treatment, and Phase 3 comprises Tertiary Treatment. Following these treatment phases, sampling is conducted to ensure that effluent parameters remain compliant with regulations.



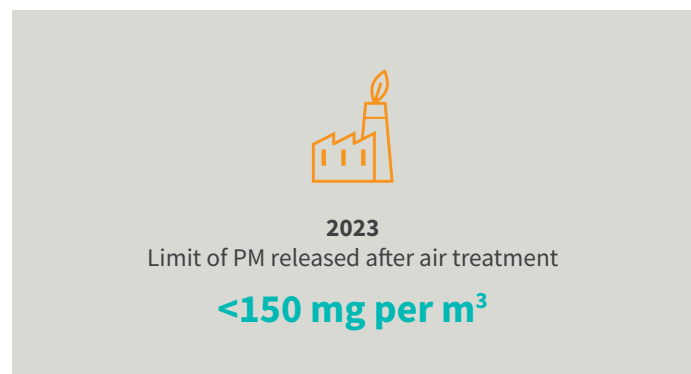
BPlant's Progress

Air Management

Our palm oil mill has been installed with nine Electrostatic Precipitators (ESP) and one wet scrubber. The functions of these system are to remove fine dust and particulate matter.

The wet scrubber and ESPs employed in our palm oil mills in contrast, are equipped with a Continuous Emissions Monitoring System, enabling us to monitor emissions in real-time tracking.

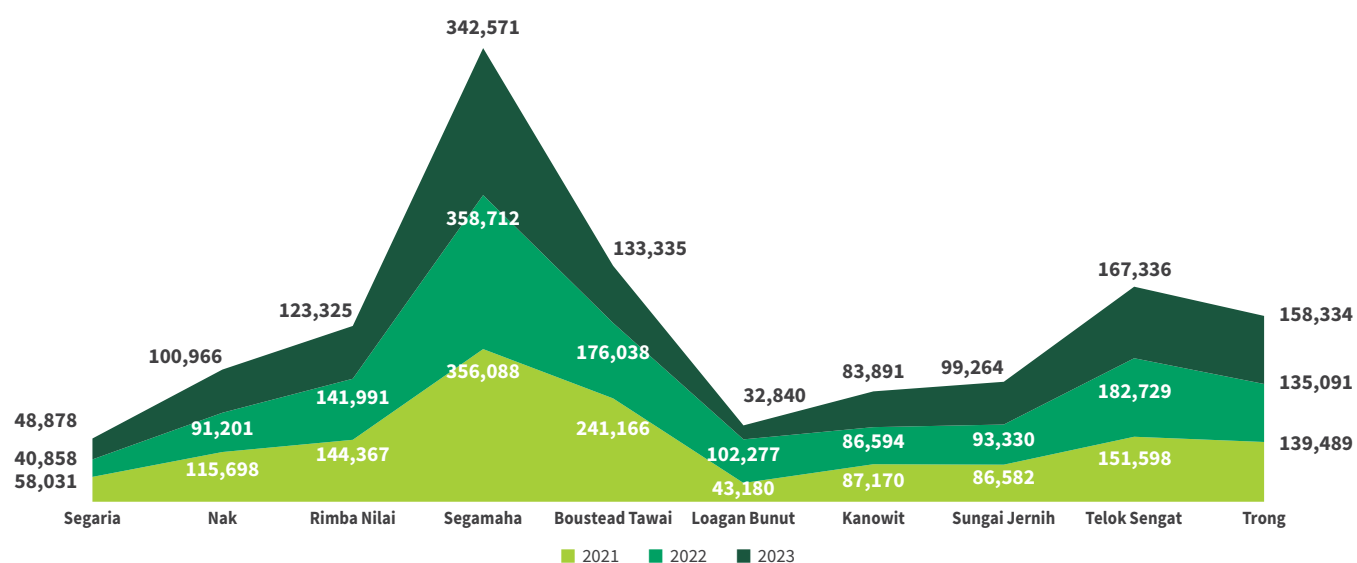
From 2021 through 2023, we consistently recorded an average particulate matter (PM) level of less than 150 mg per m³ which falls below the stack emissions threshold established by the Department of Environment.



Water Management

For 2023, a total of 1,290,740 m³ of water was utilised by the Group through the palm oil mills which is an 8% decrease compared to the previous year.

Palm Oil Mill Water Consumption
(m³)



Note: We have restated the figures for 2021 and 2022 to reflect the validated amounts.

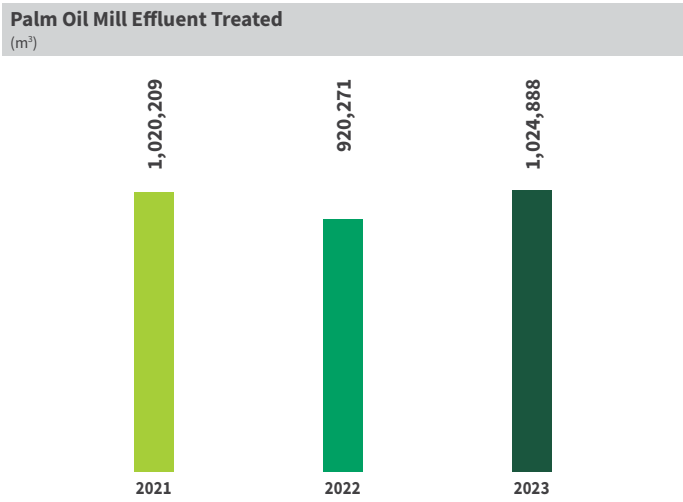
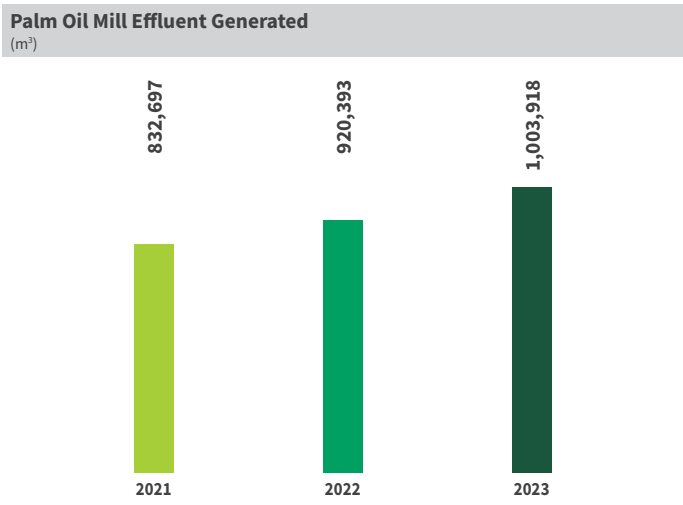
We have recorded our water intensity over the past three years as an effective measure of water efficiency and as an indicator of our reduction efforts.

Palm Oil Mills	Water Intensity (m ³ per MT of FFB produced)		
	2021	2022	2023
Segaria	0.80	0.60	0.73
Nak	1.49	1.32	1.27
Rimba Nilai	1.49	1.52	1.42
Segamaha	1.87	1.84	1.81
Boustead Tawai	1.47	1.47	1.12
Loagan Bunut	1.98	1.35	3.37
Kanowit	1.29	1.48	1.77
Sungai Jernih	0.82	0.83	0.88
Telok Sengat	1.16	1.24	1.30
Trong	1.22	1.20	1.39

SAFEGUARDING THE ENVIRONMENT

Waste and Effluent Management

In 2023, the total non-scheduled waste which comprises domestic waste, solids from the dewatering system, boiler ash, EFB, fibre, and shell generated from our operations amounted to 392,696 MT, marking a 9% decrease compared to the waste generated in 2022. Similarly, a notable reduction in scheduled waste was observed in 2023 compared to previous years.



To ensure compliance with the Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977, our POME undergoes three phases of treatment at the respective palm oil mill before discharge or reused for land irrigation.

CARING FOR OUR PEOPLE

At BPlant, our people are our most valuable asset, and their well-being, safety, and development are at the core of our values. We firmly believe that by cultivating a supportive, nurturing environment where all can thrive, we can boost employee engagement and ultimately drive enhanced productivity and performance across our operations, contributing to the long-term success of our Group.

Material Sustainability Matters

- Occupational Safety and Health
- Labour Practices and Standards
- Diversity and Inclusion
- Social Welfare and Community Investment

Key Highlights

ZERO

recorded fatalities

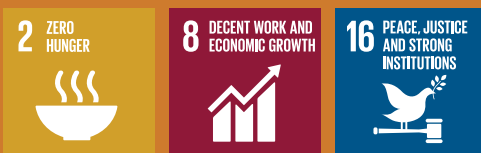
FREE

incidents of discrimination

57,265

hours of training for employees allocated

UNSDGs



CARING FOR OUR PEOPLE

OCCUPATIONAL SAFETY AND HEALTH

Why it matters

Occupational Safety and Health (OSH) is paramount for BPlant as an oil palm group, ensuring the well-being of workers and minimising accident risks. This safeguards human lives, our reputation, and productivity in hazardous work environments. Adhering to OSH standards also ensures compliance with regulations, fosters sustainable operations, and builds community trust.

BPlant’s Approach

The Safety Committee convenes quarterly to bring together employee representatives and committee members for discussions on OSH updates and SOPs. To ensure comprehensive safety coverage, all outsourced workers are incorporated into our OSH system, with primary safety responsibilities assigned to the principal. Our Safety and Health Policy underscores the shared responsibility of both employers and employees for overall OSH management.

Hazard Identification, Risk Assessment and Risk Control (HIRARC)

HIRARC is an integral part of our OSH management system. Our hazard identification is carried out through the following activities:



Based on the Safety Element Audit in RSPO and MSPO Standard for BPlant, we have initiated preventive action plans to minimise and eliminate future accidents.

Enhance Incident Investigation and Reporting Procedure	<ul style="list-style-type: none"> • Workshop with selected representatives from operations in developing the procedure • Publish the Incident Investigation and Reporting Procedure
Directives for Investigation	<ul style="list-style-type: none"> • Expand reporting criteria for minor incidents in monthly Lost Time Injury (LTI) updates
Reporting Update Mandate	<ul style="list-style-type: none"> • Mandate all operations to update details of minor incidents in monthly LTI updates • Implement a uniform reporting format
Development of Procedures and Guidelines	<ul style="list-style-type: none"> • Review HIRARC, Workplace Inspection and Emergency Evacuation Plan • Ensure strict adherence across operations
OSH Training Programmes	<ul style="list-style-type: none"> • Identify the need for additional OSH training programmes • Plan and implement targeted OSH awareness programmes for workers

BPlant's Progress

We are pleased to report that we recorded zero work-related fatalities in 2023. However, there were a total of 187 recorded cases, including 28 major incidents and 159 minor incidents, resulting in a total Lost Time Injury Frequency Rate (LTIFR) of 11.76.

The primary factors contributing to these incidents were falling objects, moving machinery parts, and hearing impairments. In response, our Sustainability and Safety Department has implemented various corrective actions following thorough investigations. These include enhancing equipment quality, improving safety barriers, enforcing safe work practices, providing training sessions, and implementing measures for noise protection. We remain vigilant by closely monitoring the situation on the ground to prevent any potential risks in the future.

	2021	2022	2023
Total number of work-related fatalities	1	0	0
Total major recordable work-related injuries and ill health	21	30	28
Total minor recordable work-related injuries and ill health	100	99	159
Lost Time Injury Frequency Rate (LTIFR)	5.95	6.68	11.76

Note: LTIFR is calculated as a rate of number of lost time incidents per the total number of hours worked, multiplied by 1,000,000.

Safety and Health Training

In 2023, total training for health and safety amounted to 6,494 hours for 1,806 attendees. The following are the list of safety trainings provided:

Safety Procedure Trainings	First Aid Training
OSH Development Training	Accident Investigation Prevention and Reports
OSH Committee Training	Authorised Gas Tester and Authorise Entrant and Standby Person (Refresher)
OSH Skills Training	Emergency Response Plan and Fire Evacuation

CARING FOR OUR PEOPLE

LABOUR PRACTICES AND STANDARDS

Why it matters

Our efforts towards responsible labour practices and standards ensure fair and ethical treatment of workers, enhancing our corporate image and maintaining our social license to operate. Upholding these standards also helps mitigate legal risks, boost employee morale, and promote long-term sustainability in the communities where we operate.

BPlant’s Approach

To ensure compliance and accountability, we conduct annual internal audits on RSPO and MSPO standards, including the management of foreign labour. Our employees also have the opportunity to join recognised labour unions such as All Malayan Estates Staff Union (AMESU) and National Union of Plantation Workers (NUPW) which empowers them to advocate for their rights.

We further offer accommodation to all employees in accordance with the Employees’ Minimum Standards of Housing, Accommodations and Amenities Act 1990. This includes providing them with free utilities such as electricity and water up to a certain capacity, with provisions for excess usage. All our workers also receive compensation in line with the Minimum Wages Order 2022 and to promote work-life balance, maternity and paternity leave policies are in place to support them as well.

Measures to eliminate child and forced labour

To prevent child and forced labour among our foreign labours, especially newly hired Indonesian foreign labours, we will first ensure that all identification information is accurate and that no children aged 18 years and below are employed. Following this, we conduct Communication Pack Briefings with our employees, providing comprehensive explanations of the Employment Contract and referencing the Employment Act 1955 in their language to ensure they understand their working rights. After which, we will then educate them on the 11 indicators of forced labour. We ensure that our workers receive compensation in line with minimum wages standards and that they are not compelled to work overtime or during public holidays against their will.

Retention of Talent

To enhance talent retention, our organisation prioritises development and growth opportunities through the implementation of the Learning and Development Policy Human Resource 2022. We conduct regular Training Needs Analyses to identify skill gaps and tailor training programmes accordingly, as outlined in the Master Plan BPlant training calendar. Performance-based rewards further incentivise employees, promoting a culture of excellence and achievement. Our employee engagement initiative thus fosters a sense of belonging and involvement, while the Annual Key Happiness Index Survey provides valuable insights into employee satisfaction in informing ongoing retention strategies.

Employee Benefits

At BPlant, we provide various benefits to attract and retain top talent.

Life Insurance
Health Insurance
Disability and invalidity coverage (SOCSO)
Paternity/Maternity leave
Attractive Retirement Provision Perception by employer (EPF)
Attractive Number of Annual Leave

The Group has implemented a structured performance review process that considers an employee’s performance, capabilities and potential. The process enables the identification of competency gaps, acknowledgment of performance and the mapping of future career paths.

The briefings were carried out in the country of origin and upon arrival. Apart from that, BPlant also conducted post-surveys for new workers on zero recruitment fees. Following any findings of breaches by a recruitment agent, BPlant will blacklist the recruitment agent and Company will ensure compensation is provided to the affected workers.

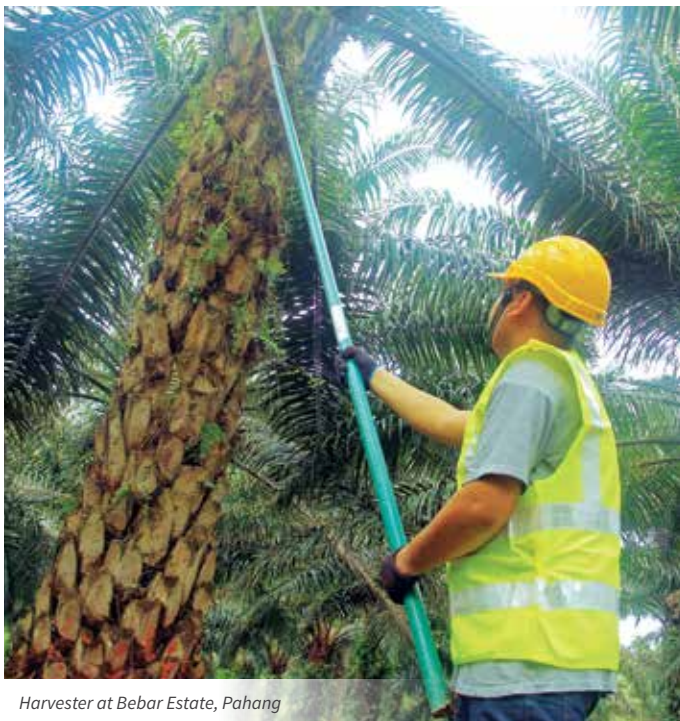
BPlant's Progress

We are pleased to highlight that our proactive measure including the awareness of our E-Adu platform in 2023 successfully supported a discrimination-free environment.



2023

FREE Incidents of discrimination

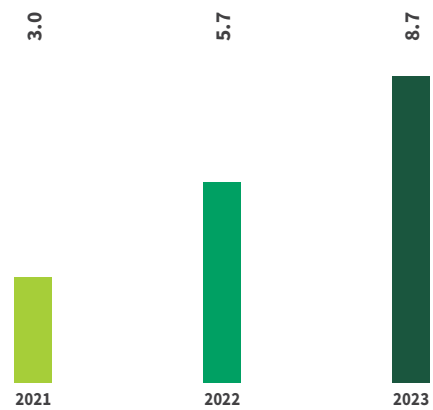


Harvester at Bebar Estate, Pahang

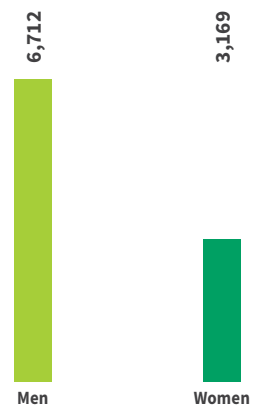
Talent Retention

In 2023, we allocated 57,265 hours of training for a total of 30,477 attendance collectively expended RM1,084,719 for training purposes.

Average Training Hours per Employee



Training Hours by Gender in 2023



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Employee Category	Total Training Hours 2023
Senior Management	564
Middle Management	4,568
Executive	8,147
Non-Executive	7,844
Worker/Labourer	36,142

Note: Average training hours is calculated utilising the total hours spent on training with total number of employees that attended training.

New Hires and Turnover

Throughout 2023, the Group recruited 747 individuals, consisting of 520 men and 227 women. The majority of these new hires were aged between 30 and 50 years, followed by individuals under 30 years old, with only 2 individuals above the age of 50.

The Group also recorded a turnover of 88 individuals across the Senior Management, Middle Management, Executive, Non-Executive and Worker/Labourer categories.

Number of New Hires by Gender	2023
Number of New Hires by Gender	
Men	520
Women	227
Number of New Hires by Age Group	
<30	299
30-50	444
>50	2
Number of Turnovers by Employee Category	
Senior Management	2
Middle Management	3
Executive	17
Non-Executive	7
Worker/Labourer	50
Number of Turnovers by Gender	
Men	76
Women	12
Number of Turnovers by Age Group	
<30	12
30-50	65
>50	11

DIVERSITY AND INCLUSION

Why it matters

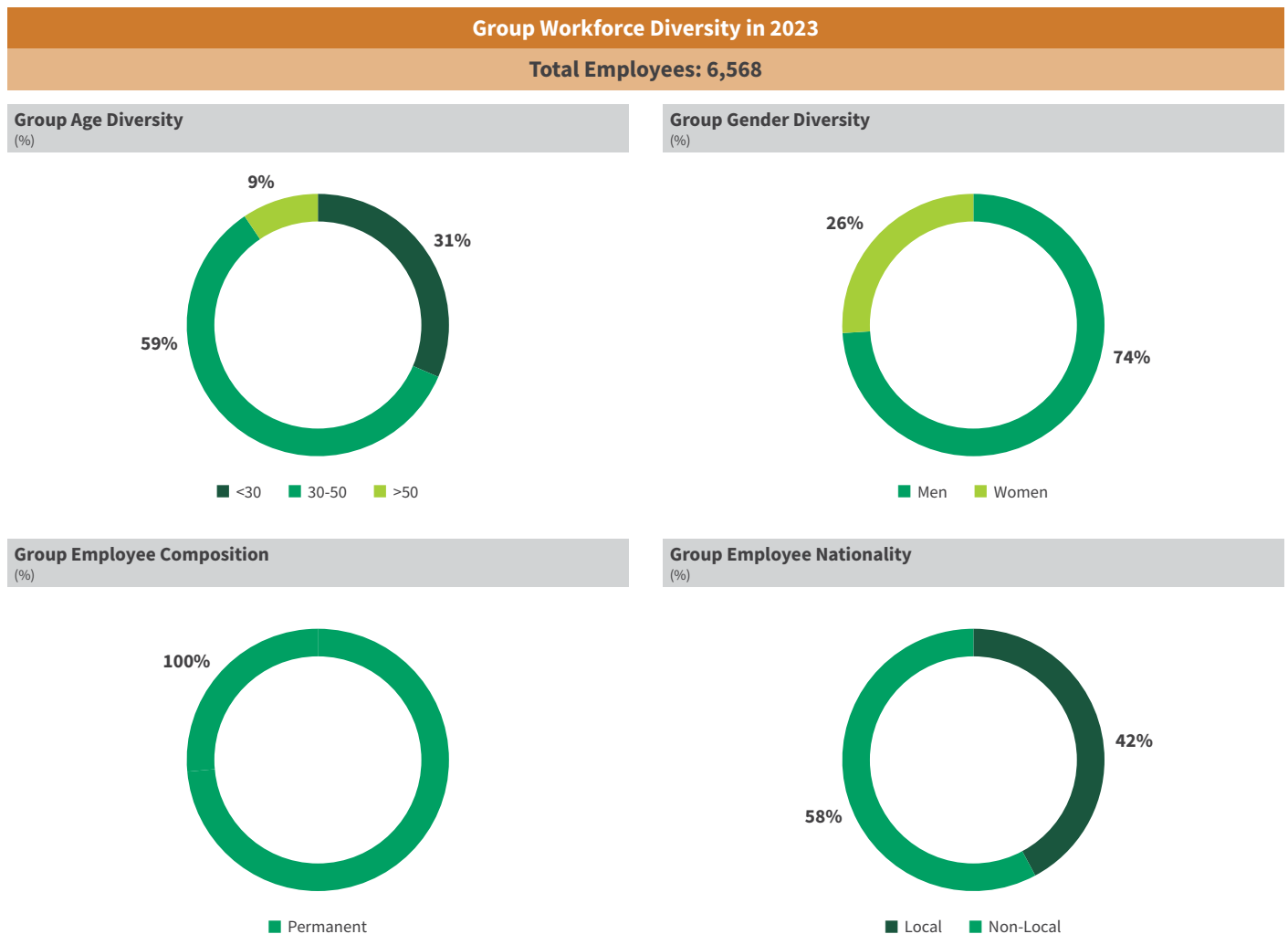
Fostering a diverse and inclusive environment enhances creativity, problem-solving as well as adaptability by bringing together a variety of perspectives and experiences. Embracing diversity strengthens our commitment to equity while fostering positive relationships with employees and stakeholders alike.

BPlant’s Approach

At BPlant, we prioritise a merit-based approach in our recruitment policy, emphasising fair hiring processes that do not discriminate based on age, gender, race, nationality, or culture. This fosters a workplace built on fairness, equality, and transparent communication.

In 2023, we established a centralised Gender Committee to streamline and strengthen our existing gender committees at each operating unit. Our current practice is guided by the Sustainability Policy to provide equal opportunities regardless of gender and empower our employees to utilise their full potential. The respective operating units continued to strengthen the establishment of the Gender Committee which aims to raise awareness and address gender-related issues.

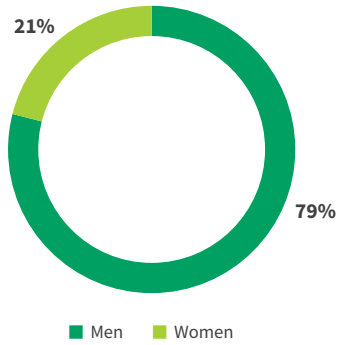
BPlant’s Progress



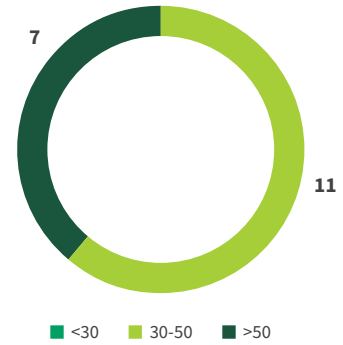
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Senior Management

Gender Diversity
(%)

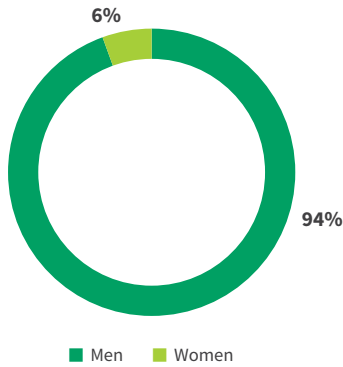


Age Diversity
(Number)

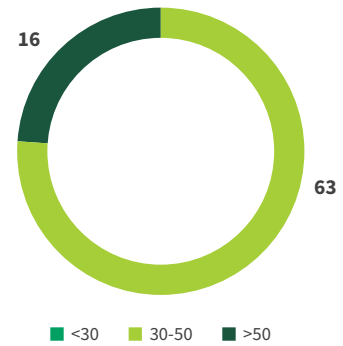


Middle Management

Gender Diversity
(%)

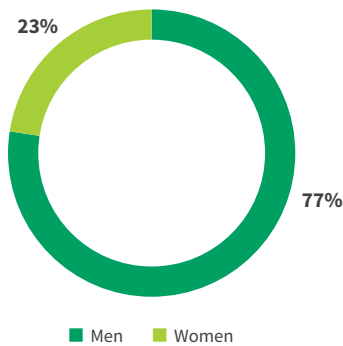


Age Diversity
(Number)

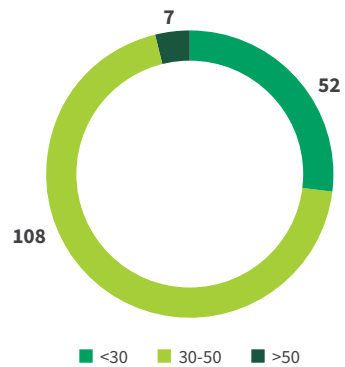


Executive

Gender Diversity
(%)

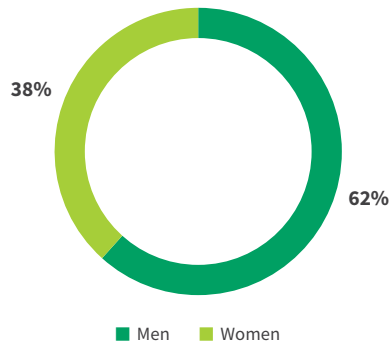


Age Diversity
(Number)

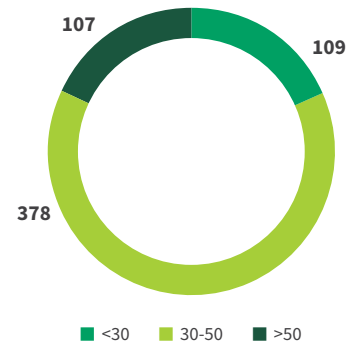


Non-Executive

Gender Diversity
(%)

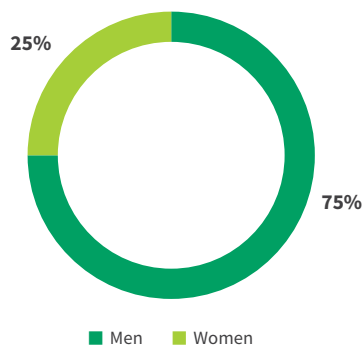


Age Diversity
(Number)

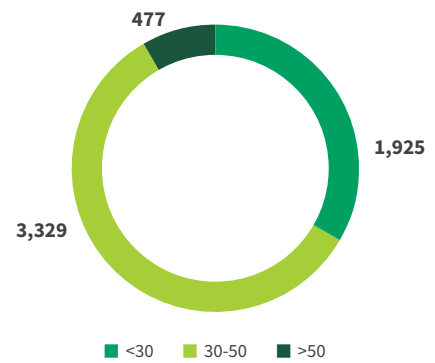


Workers/Labourers

Gender Diversity
(%)



Age Diversity
(Number)



CARING FOR OUR PEOPLE

SOCIAL WELFARE AND COMMUNITY INVESTMENT

Why it matters

Engaging actively with the local community cultivates a symbiotic relationship, fostering mutual support and understanding between our Group and the communities we serve. By being responsive to the community's needs, we cultivate trust, goodwill and a positive reputation, all of which are integral to our long-term success.

BPlant's Approach

The local community is instrumental in supporting our operations in various capacities.



Involved in the Supply Chain

Local communities provide essential services such as logistics for our operations



Social Licence

Maintaining positive relationships involves earning the trust and support of community members, government entities, and other stakeholders which can help facilitate our operations



Enhance Reputation and Brand

Engaging with the local community and supporting local initiatives is crucial to our commitment to be a responsible company/organisation

We have initiated Open Days since 2022 to engage with the surrounding communities, complementing our annual stakeholder meetings aimed at addressing their concerns regarding our operations. The 2nd annual BPlant Open Day event was conducted at the Sungai Jernih Business Unit with the objective of engaging our workers, community and stakeholders.

We prioritised distributing wakalah (zakat) to retired armed forces/veterans and areas where we operate most extensively. It is important to note that we also provide support to workers' dependents, particularly children, to ensure access to education.

BPlant conducts regular water sampling in rivers, especially those connected to local communities to ensure and monitor the activities conducted in our operation do not pollute the watercourses. This initiative demonstrates our efforts to safeguarding the rights and well-being of the local communities.

BPlant's Progress

BPlant demonstrated our proactive stance through our Corporate Social Responsibility initiatives in 2023 contributing a total of RM4.9 million to benefit the local community.

CONCLUSION

As we draw this statement to a close, BPlant will continue to uphold sustainability practices in the palm oil industry through our ongoing efforts. In our pursuit towards responsible sourcing and environmental stewardship, we will continue to navigate the evolving regulatory landscapes, including compliance with the EUDR while focusing on enhancing transparency and traceability across our supply chain. By prioritising sustainability and ESG performance, we aim to create long-term value for stakeholders while contributing to a more sustainable future.

PERFORMANCE DATA TABLE

Governance

Indicator	Unit	2021	2022	2023
Data Privacy and Cybersecurity				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	N/A	N/A	0
Research and Development and Yield Improvement				
Bursa S1(d) Percentage of certified palm oil as a percentage of total palm oil produced, used or processed, relative to RSPO recommendations	%	61	59	71
Bursa S6(d) Percentage of certified FFB volume produced by own estates in accordance to certified environmental or sustainable standards (RSPO)	%	65	70	72
Traceability and Supply Chain				
Bursa C7(a) Proportion of spending on local suppliers	%	100	100	100*

Social

Indicator	Unit	2021	2022	2023
Occupational Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	1	0	0
Bursa C5(b) Lost time incident rate	Rate	5.95	6.68	11.76
Bursa C5(c) Number of employees trained on health and safety standards	Number	N/A	N/A	1,806
Labour Practices and Standards				
Bursa C6(a) Total hours of training by employee category				
• Senior Management	Hours	N/A	N/A	564
• Middle Management	Hours	N/A	N/A	4,568
• Executive	Hours	N/A	N/A	8,147
• Non-Executive	Hours	N/A	N/A	7,844
• Worker/Labourer	Hours	N/A	N/A	36,142
Bursa C6(b) Percentage of employees that are contractors or temporary staff				
• Permanent	%	N/A	N/A	100
• Contract	%	N/A	N/A	0
Bursa C6(c) Total number of employee turnover by employee category				
• Senior Management	Number	N/A	N/A	2
• Middle Management	Number	N/A	N/A	3
• Executive	Number	N/A	N/A	17
• Non-Executive	Number	N/A	N/A	7
• Worker/Labourer	Number	N/A	N/A	50
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	N/A	N/A	N/A

Note: *Refers to total procurement spending on local suppliers at Boustead Estates Agency Sdn Bhd.

PERFORMANCE DATA TABLE

Indicator	Unit	2021	2022	2023
Diversity and Inclusion				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Gender group by employee category				
• Senior Management (Male)	%	13	15	17
• Senior Management (Female)	%	0	1	1
• Middle Management (Male)	%	75	82	74
• Middle Management (Female)	%	3	7	8
• Executive (Male)	%	130	125	119
• Executive (Female)	%	25	41	45
• Non-Executive (Male)	%	426	384	354
• Non-Executive (Female)	%	244	206	220
• Workers/Labourers (Male)	%	5,768	5,660	4,298
• Workers/Labourers (Female)	%	2,029	1,996	1,433
Age group by employee category				
• Senior Management (<30)	%	0	0	0
• Senior Management (30-50)	%	5	7	11
• Senior Management (>50)	%	8	9	7
• Middle Management (<30)	%	0	0	0
• Middle Management (30-50)	%	41	66	63
• Middle Management (>50)	%	22	19	16
• Executive (<30)	%	63	65	52
• Executive (30-50)	%	91	105	108
• Executive (>50)	%	8	9	7
• Non-Executive (<30)	%	N/A	N/A	109
• Non-Executive (30-50)	%	N/A	N/A	378
• Non-Executive (>50)	%	N/A	N/A	107
• Worker/Labourer (<30)	%	N/A	N/A	1,925
• Worker/Labourer (30-50)	%	N/A	N/A	3,329
• Worker/Labourer (>50)	%	N/A	N/A	477
Bursa C3(b) Percentage of directors by gender and age				
• Male	%	89	91	86
• Female	%	11	9	14
• 30-50	%	33	27	14
• 51-60	%	22	18	43
• >60	%	45	55	43

Indicator	Unit	2021	2022	2023
Community Engagement				
Bursa C2(b) Total amount of beneficiaries of the investment in communities	RM	N/A	N/A	4,916,315
Bursa S2(a) Average retail electric or water rate	Number	N/A	N/A	N/A

Environment

Indicator	Unit	2021	2022	2023
Energy, Emissions and Climate Resilience				
Bursa C4(a) Total energy consumption	GJ	192,380	246,437	268,377
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	105,890	112,155	149,290
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	310	1,615	2,211
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (business travel and employee commuting)*	tCO ₂ e	N/A	N/A	385
Waste and Effluent Management				
Bursa C10(a) Total waste generated – schedule waste – non-schedule waste	MT	50 404,978	181 430,525	69 392,696
Bursa C10(a)(i) Total waste diverted from disposal	MT	404,978	430,525	392,696
Bursa C10(a)(ii) Total waste directed to disposal	MT	50	181	69
Bursa S8(a) Total volume of water (effluent) discharge over the reporting period	m ³	1,020,209	920,271	1,024,888
Water Consumption				
Bursa C9(a) Total volume of water used	m ³	3,444,575	3,645,790	4,770,739
High Conservation Value and Biodiversity				
Bursa S1(a) Percentage of existing operations or projects assessed for biodiversity risks	%	100	100	100
Bursa S1(b) Size and location of all habitat areas protected or restored	ha	576	576	576
Bursa S1(c) Total number of International Union for Conservation of Nature Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company	Number	N/A	13 endangered, 6 critically endangered	13 endangered, 6 critically endangered

Note: N/A - Not available

* Emissions for Headquarters Boustead Estate Agency Sdn Bhd and Boustead Life Sciences Agency Sdn Bhd is 356 tCO₂e; Operating units is 29 tCO₂e.

GLOBAL REPORTING INITIATIVE CONTENT INDEX

Statement of use	Boustead Plantations Berhad has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 2: General Disclosures 2021	2-1 Organisational details	6-22
	2-2 Entities included in the organisation's sustainability reporting	14-15
	2-3 Reporting period, frequency and contact point	2-3
	2-6 Activities, value chain and other business relationships	20-21
	2-7 Employees	170-173
	2-9 Governance structure and composition	98-114
	2-10 Nomination and selection of the highest governance body	98-114
	2-11 Chair of the highest governance body	98-114
	2-12 Role of the highest governance body in overseeing the management of impacts	98-114
	2-13 Delegation of responsibility for managing impacts	98-114
	2-14 Role of the highest governance body in sustainability reporting	141
	2-16 Communication of critical concerns	46-48
	2-17 Collective knowledge of the highest governance body	74-94
	2-18 Evaluation of the performance of the highest governance body	98-114
	2-19 Remuneration policies	98-114
	2-20 Process to determine remuneration	98-114
	2-22 Statement on sustainable development strategy	70, 134-180
	2-23 Policy commitments	134-180
	2-24 Embedding policy commitments	134-180
	2-25 Processes to remediate negative impacts	134-180
2-26 Mechanisms for seeking advice and raising concerns	121, 169	
2-27 Compliance with laws and regulations	162, 164, 168, 174, 175-177	
2-28 Membership associations	134	
2-29 Approach to stakeholder engagement	40-43	
2-30 Collective bargaining agreements	49-56	

GRI STANDARD	DISCLOSURE	LOCATION (PAGE)
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	145-147
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	37-39
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	119
	205-2 Communication and training about anti-corruption policies and procedures	137,14-150
	205-3 Confirmed incidents of corruption and actions taken	148-150
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	157-160
	302-3 Energy intensity	159
	302-4 Reduction of energy consumption	157-160
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	163
	303-2 Management of water discharge-related impacts	163
	303-5 Water consumption	163
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	160
	305-2 Energy indirect (Scope 2) GHG emissions	160
	305-3 Other indirect (Scope 3) GHG emissions	161
	305-5 Reduction of GHG emissions	155
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	162
	306-2 Management of significant waste-related impacts	162
	306-3 Waste generated	164
	306-4 Waste diverted from disposal	177
	306-5 Waste directed to disposal	177
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	170
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	168
	401-3 Parental leave	168
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	166-167
	403-2 Hazard identification, risk assessment, and incident investigation	166
	403-4 Worker participation, consultation, and communication on occupational health and safety	166-167
	403-5 Worker training on occupational health and safety	167
	403-6 Promotion of worker health	55
	403-8 Workers covered by an occupational health and safety management system	166-167
	403-9 Work-related injuries	16

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GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	171-173
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	169
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DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

PRINCIPAL ACTIVITIES

The Company is an Investment Holding Company and is also involved in oil palm plantation operations. The principal activities of the subsidiaries and associates are disclosed in Note 38 to the financial statements. There have been no significant changes in the nature of the principal activities of the Group and the Company during the financial year under review.

RESULTS

	Group RM'000	Company RM'000
Profit for the year attributable to:		
Shareholders of the Company	42,381	88,617
Non-controlling interests	(6,709)	-
	35,672	88,617

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

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

DIVIDENDS

During the financial year under review, the Company paid a fourth interim dividend of 3.30 sen per share totaling RM73,920,000 in respect of the financial year ended 31 December 2022 as declared in the Directors' report of that year.

The Directors have declared the following single tier dividends in respect of the financial year ended 31 December 2023:

	Dividend		Date declared	Date of payment
	Sen per share	RM'000		
First interim dividend	1.00	22,400	23 May 2023	23 June 2023

The Directors do not recommend the payment of any final dividend for the current financial year.

DIRECTORS' REPORT

DIRECTORS

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Wira Aziah Ali	
Izaddeen Daud	
Fahmy Ismail	
(Dr.) Salihin Abang	
Lieutenant General Datuk Azizan Md Delin (R)	(Appointed on 20 April 2023)
Datuk Muhar Hussain	(Appointed on 23 August 2023)
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	(Deceased on 7 February 2024)

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

Ahmad Azhar Shah Ibrahim	
Ahmad Rahman Mat Akat	
Datuk Ago Anak Dagang	
Khairudin Ibrahim	
Mohamad Mahazir Mustafa	
Sebastian Anak Baya	
Bibi Umizah Othman	(Appointed on 12 April 2023)
Datu Monaliza Zaidel	(Resigned on 13 March 2024)

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 any benefits (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 or its related corporations as shown below) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member or with a Company in which the Director has a substantial interest.

	Group RM'000	Company RM'000
Salaries	1,011	-
Fees	670	599
Defined contribution plans	288	31
Allowances	496	371
	2,465	1,001

DIRECTORS' REPORT

DIRECTORS' BENEFITS (CONT'D.)

Pursuant to Section 289 of the Companies Act 2016, the Company maintained a Directors' and Officers' Liability Insurance to provide appropriate insurance cover for the Directors and Officers of the Company. The Directors and Officers shall not be indemnified by such insurance for any deliberate negligence, fraud, intentional breach of law or breach of trust proven against them. The total insured limit for the Directors' and Officers' Liability Insurance effected for the Directors and Officers of the Group was RM15,000,000. The amount of insurance premium paid during the financial year was RM36,427.

DIRECTORS' INTERESTS

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

	Number of ordinary shares		At 31.12.2023
	At 1.1.2023	Acquired Sold	
Boustead Plantations Berhad			
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	53,000	– (53,000)	–
Fahmy Ismail	1,000	– (1,000)	–

Other than the above, none of the other Directors in office at the end of the financial year had any interest in shares of the Company or its related corporations during the financial year.

HOLDING COMPANIES

On 15 November 2023, the immediate holding company has changed from Boustead Holdings Berhad, a company incorporated and domiciled in Malaysia, to Lembaga Tabung Angkatan Tentera, a Malaysian statutory body established under the Tabung Angkatan Tentera Act, 1973. On 23 January 2024, Boustead Plantations Berhad was delisted from the Main Market of Bursa Malaysia Securities Berhad following the acquisition by Lembaga Tabung Angkatan Tentera.

OTHER STATUTORY INFORMATION

- (a) Before the income statements 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 provision for doubtful debts and satisfied themselves that there were no known bad debts and that adequate provision 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 provision for doubtful debts in the Group and in the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION (CONT'D.)

- (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 the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group or of the Company which has arisen that secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT AND SUBSEQUENT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant and subsequent events are disclosed in Note 34 to the financial statements.

AUDITORS

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

Auditors' remuneration of the Group and the Company are RM1,376,000 and RM612,000 respectively, as disclosed in Note 5 to the financial statements.

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

LIEUTENANT GENERAL DATUK AZIZAN MD DELIN (R)

(DR.) SALIHIN ABANG

Kuala Lumpur
5 April 2024

STATEMENT BY DIRECTORS

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

We, Lieutenant General Datuk Azizan Md Delin (R) and (Dr.) Salihin Abang, being two of the Directors of Boustead Plantations Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 190 to 268 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and cash flows for the year then ended.

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

LIEUTENANT GENERAL DATUK AZIZAN MD DELIN (R)

(DR.) SALIHIN ABANG

Kuala Lumpur
5 April 2024

STATUTORY DECLARATION

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

I, Mohamad Mahazir Mustaffa (CA 45704), being the officer primarily responsible for the financial management of Boustead Plantations Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 190 to 268 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 in Kuala Lumpur on 5 April 2024.

Before me

MD HAMDAN BIN KAMARUDDIN

MOHAMAD MAHAZIR MUSTAFFA

Commissioner for Oaths
Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BOUSTEAD PLANTATIONS BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Boustead Plantations Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and income statements, statements of 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 material accounting policy information, as set out on pages 190 to 268.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

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

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.

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

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

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

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of 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 Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOUSTEAD PLANTATIONS BERHAD (INCORPORATED IN MALAYSIA)

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.
- 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BOUSTEAD PLANTATIONS BERHAD (INCORPORATED IN MALAYSIA)

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

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

Kuala Lumpur, Malaysia
5 April 2024

HOH YOON HOONG

No. 02990/08/2024 J
Chartered Accountant

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	851,694	1,176,948	291,921	413,850
Operating costs	5	(749,843)	(882,318)	(218,712)	(230,781)
Results from operations		101,851	294,630	73,209	183,069
Gain on disposal of plantation assets	6	-	458,743	-	458,743
Reversal/(allowance) for expected credit losses	7	-	-	3,159	(196,189)
Interest income	8	2,990	5,060	86,812	94,600
Finance costs	9	(39,798)	(34,275)	(45,880)	(40,198)
Share of results of associates		5,601	4,849	-	-
Profit before taxation and zakat		70,644	729,007	117,300	500,025
Taxation	10	(31,432)	(137,582)	(25,143)	(102,997)
Zakat		(3,540)	(2,629)	(3,540)	(2,629)
Profit for the year		35,672	588,796	88,617	394,399
Attributable to:					
Shareholders of the Company		42,381	595,311	88,617	394,399
Non-controlling interests		(6,709)	(6,515)	-	-
Profit for the year		35,672	588,796	88,617	394,399
Earnings per share					
Basic (sen)	11	1.9	26.6		

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

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year	35,672	588,796	88,617	394,399
Other comprehensive (loss)/income				
<i>Other comprehensive (loss)/income that will be classified to profit or loss in subsequent periods (net of tax):</i>				
Share of comprehensive (loss)/income of associates	(25)	12	-	-
<i>Other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Remeasurement loss on defined benefit obligation	(492)	-	(499)	-
Total other comprehensive (loss)/income for the year, net of tax	(517)	12	(499)	-
Total comprehensive income for the year, net of tax	35,155	588,808	88,118	394,399
Attributable to:				
Shareholders of the Company	41,864	595,323	88,118	394,399
Non-controlling interests	(6,709)	(6,515)	-	-
Total comprehensive income for the year, net of tax	35,155	588,808	88,118	394,399

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,923,246	1,861,858	1,224,454	1,225,329
Right-of-use assets	14	1,836,059	1,868,776	182,612	184,350
Investment in subsidiaries	15	-	-	210,659	210,659
Investment in associates	16	29,135	30,535	3,355	3,330
Goodwill on consolidation	17	2,281	2,281	-	-
Deferred tax assets	18	2,276	2,765	-	-
Receivables	19	-	-	1,541,843	1,424,832
		3,793,097	3,766,215	3,162,923	3,048,500
Current assets					
Inventories	20	88,463	136,488	13,283	35,897
Biological assets	21	29,948	31,835	11,325	11,107
Receivables	19	43,009	133,333	52,830	190,263
Tax recoverable		10,003	2,243	-	-
Cash and bank balances	22	62,627	165,618	61,667	164,532
		234,050	469,517	139,105	401,799
Total assets		4,027,147	4,235,732	3,302,028	3,450,299

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	23	1,422,344	1,422,344	1,422,344	1,422,344
Non-distributable reserves	24	-	(273)	-	-
Retained profits	25	1,495,818	1,550,547	846,144	854,346
Equity attributable to equity holders of the parent		2,918,162	2,972,618	2,268,488	2,276,690
Non-controlling interests		(121,040)	(114,331)	-	-
Total equity		2,797,122	2,858,287	2,268,488	2,276,690
Non-current liabilities					
Borrowings	26	253,075	394,757	253,075	394,757
Deferred tax liabilities	18	302,669	299,327	88,121	84,275
Lease liabilities	27	6,836	7,233	1,041	1,383
Payables	28	7,710	6,774	5,852	4,983
		570,290	708,091	348,089	485,398
Current liabilities					
Borrowings	26	521,196	462,096	521,196	462,096
Lease liabilities	27	3,419	2,309	354	369
Payables	28	131,402	181,211	162,131	213,324
Taxation		3,718	23,738	1,770	12,422
		659,735	669,354	685,451	688,211
Total liabilities		1,230,025	1,377,445	1,033,540	1,173,609
Total equity and liabilities		4,027,147	4,235,732	3,302,028	3,450,299

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital RM'000	Non-distributable reserves RM'000	Distributable retained profits RM'000	Total equity attributable to equity holders of the parent RM'000	Non-controlling interests RM'000	Total equity RM'000
Group						
At 1 January 2022	1,422,344	(285)	1,294,596	2,716,655	(107,816)	2,608,839
Profit for the year	-	-	595,311	595,311	(6,515)	588,796
Other comprehensive loss	-	12	-	12	-	12
Total comprehensive (loss)/income for the year	-	12	595,311	595,323	(6,515)	588,808
Transaction with owners:						
Dividends (Note 12)	-	-	(339,360)	(339,360)	-	(339,360)
At 31 December 2022	1,422,344	(273)	1,550,547	2,972,618	(114,331)	2,858,287
At 1 January 2023	1,422,344	(273)	1,550,547	2,972,618	(114,331)	2,858,287
Profit for the year	-	-	42,381	42,381	(6,709)	35,672
Other comprehensive loss	-	(25)	(492)	(517)	-	(517)
Total comprehensive income/(loss) for the year	-	(25)	41,889	41,864	(6,709)	35,155
Transfer to distributable retained profits	-	298	(298)	-	-	-
Transaction with owners:						
Dividends (Note 12)	-	-	(96,320)	(96,320)	-	(96,320)
At 31 December 2023	1,422,344	-	1,495,818	2,918,162	(121,040)	2,797,122

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital RM'000	Distributable retained profits RM'000	Total equity RM'000
Company			
At 1 January 2022	1,422,344	799,307	2,221,651
Profit for the year, representing total comprehensive income	-	394,399	394,399
Transaction with owners:			
Dividends (Note 12)	-	(339,360)	(339,360)
At 31 December 2022	1,422,344	854,346	2,276,690
At 1 January 2023	1,422,344	854,346	2,276,690
Profit for the year	-	88,617	88,617
Other comprehensive loss	-	(499)	(499)
Total comprehensive income/(loss) for the year	-	88,118	88,118
Transaction with owners:			
Dividends (Note 12)	-	(96,320)	(96,320)
At 31 December 2023	1,422,344	846,144	2,268,488

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from operating activities				
Cash receipts from customers	851,892	1,183,475	272,258	366,141
Cash paid to suppliers and employees	(627,512)	(746,798)	(191,180)	(192,071)
Cash generated from operations	224,380	436,677	81,078	174,070
Defined benefit obligations paid	(588)	(616)	(437)	(402)
Tax refund	2,537	48	2,363	-
Taxation and zakat paid	(52,158)	(115,855)	(28,449)	(64,975)
Net cash generated from operating activities	174,171	320,254	54,555	108,693
Cash flows from investing activities				
Purchase of property, plant and equipment	(139,682)	(71,698)	(25,845)	(14,075)
Purchase of right-of-use assets	-	(540)	-	(193)
Net proceeds from disposal of property, plant and equipment and compulsory land acquisition	88,222	399,610	88,209	399,608
Real property gains tax paid	(9,245)	(39,477)	(9,245)	(39,477)
Dividends received	7,000	6,000	75,155	6,000
Interest received	2,995	5,056	86,842	93,654
Acquisition of additional shares in associates	(25)	-	(25)	-
Acquisition of subsidiary	-	-	-	(250)
Net cash (used in)/generated from investing activities	(50,735)	298,951	215,091	445,267

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

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash flows from financing activities				
Dividends paid	(96,320)	(339,360)	(96,320)	(339,360)
Net drawdown/(repayment) of revolving credits	24,600	(94,100)	24,600	(94,100)
Repayment of term loans	(117,500)	(99,000)	(117,500)	(99,000)
Drawdown of term loans	9,500	35,500	9,500	35,500
Movement in subsidiaries balances, net	-	-	(136,548)	85,457
Payment of principal portion of lease liabilities	(3,401)	(2,092)	(357)	(17)
Interest paid	(43,306)	(36,453)	(55,886)	(58,999)
Transaction costs on borrowings	-	(270)	-	(270)
Net cash used in financing activities	(226,427)	(535,775)	(372,511)	(470,789)
Net (decrease)/increase in cash and cash equivalents	(102,991)	83,430	(102,865)	83,171
Cash and cash equivalents at beginning of year	165,605	82,175	164,519	81,348
Cash and cash equivalents at end of year	62,614	165,605	61,654	164,519
Cash and cash equivalents at end of year				
Cash and bank balances (Note 22)	62,627	165,618	61,667	164,532
Bank overdrafts (Note 26)	(13)	(13)	(13)	(13)
	62,614	165,605	61,654	164,519

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

ACCOUNTING POLICIES

(A) BASIS OF PREPARATION

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

The financial statements of the Group and the Company are prepared under the historical cost basis except as disclosed in the accounting policies below.

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

(B) BASIS OF CONSOLIDATION

The consolidated financial statements of the Group comprise the Company and its subsidiaries.

The financial statements of the subsidiaries used for preparing the consolidated financial statements, are prepared for the same reporting period as the Company using consistent accounting policies.

The Group controls an investee if and only if the Group 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 in the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting rights of an investee, the Group considers the following in assessing whether or not the Group's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Group, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

ACCOUNTING POLICIES

(B) BASIS OF CONSOLIDATION (CONT'D.)

Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition. The accounting policy for goodwill is set out in Note (T).

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses 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.

In business combinations achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Non-controlling interests

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

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from shareholders' equity. Losses of a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Change in ownership interest of subsidiaries

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

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.

ACCOUNTING POLICIES

(B) BASIS OF CONSOLIDATION (CONT'D.)

Business combinations under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values at the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any differences between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.

The Group has elected no restatement of financial information in the consolidated financial statements for the periods prior to the combination of entities under common control.

Investment in subsidiaries – separate financial statements

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less any impairment losses. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate income statement.

(C) ASSOCIATES

An associate is defined as a company, not being a subsidiary or an interest in a joint venture, 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 not in control or joint control over those policies. Details of the associate are as disclosed in Note 16.

On acquisition of an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and is included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

The Group's interest in associate is equity accounted. Under the equity method, investment in associate is carried in the consolidated statement of financial position at cost plus post acquisition changes in the Group's share of net assets of the associate, less distribution received and any impairment in value of individual investment. Any change in other comprehensive income (OCI) of these investees is presented as part of the Group's OCI.

The consolidated statement of comprehensive income reflects the share of the associate's results after tax. Where there has been a change recognised directly in the equity of associate, the Group recognises its share of such change. Unrealised gains or losses on transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate. When the Group's share of losses exceeds its interest in associate, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

ACCOUNTING POLICIES

(C) ASSOCIATES (CONT'D.)

Where the financial year end of the associate is not coterminous with that of the Group, the share of results is arrived at using the last audited financial statements available and management financial statements to the end of the accounting period. Where necessary, adjustments are made to the financial statements of the associate to ensure consistency of the accounting policies used with those of the Group. The most recent available financial statements of the associate are used by the Group in applying the equity method.

The Group determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value. Impairment loss is recognised in profit or loss.

An associate is equity accounted for from the date the Group obtains significant influence until the date the Group ceases to have significant influence. 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.

Investment in associate – separate financial statements

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

(D) INVESTMENT IN JOINT OPERATION

A joint operation is a joint arrangement whereby the parties that have the joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

The Group and the Company as a joint operator recognise in relation to its interest in a joint operation:

- Its share of any assets held jointly;
- Its share of any liabilities incurred jointly;
- Its share of the revenue from the sale of the output by the joint operation; and
- Its share of any expenses incurred jointly.

The Group and the Company account for the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with the MFRSs applicable to the assets, liabilities, revenue and expenses.

Profits and losses resulting from transactions between the Group and/or the Company and its joint operation are recognised in the Group's and the Company's financial statements only to the extent of the unrelated investors' interest in the joint operation.

ACCOUNTING POLICIES

(E) PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

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

Freehold land is not amortised. Capital work-in-progress items are not available for use and thus not depreciated. Oil palms are classified as bearer plants. Expenditure that are directly related to the planting and upkeep of oil palms are capitalised until the palms reach maturity. Upon maturity, maintenance and upkeep of oil palms are expensed to profit or loss. Depreciation for bearer plants commence when oil palms reach maturity.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values, over the term of their estimated useful lives as follows:

Bearer plants	22 years
Buildings	2 – 30 years
Plant and machinery	2 – 30 years
Motor vehicles	3 – 7 years
Furniture and equipment	2 – 15 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

(F) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost incurred in bringing each product to its present location and condition are accounted for, as follows:

- (i) Produce stocks: deemed cost of consumable biological assets, cost of direct materials and labour, and a proportion of manufacturing overheads; and
- (ii) Consumable and nursery stocks: purchase cost on a weighted average basis and all incidental costs incurred in bringing the stocks into stores.

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.

ACCOUNTING POLICIES

(G) BIOLOGICAL ASSETS

Biological assets comprise the produce growing on oil palms. Biological assets are measured at fair value less costs to sell. Changes in fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected fresh fruit bunches (FFB) harvest and the market price at reporting date of crude palm oil (CPO) and palm kernel (PK) adjusted for extraction rates less processing, harvesting and transportation costs.

(H) CURRENCY CONVERSION

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company. All transactions are recorded in RM. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and recorded on initial recognition at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss. Exchange differences arising on monetary items that form part of the Group's net investment in foreign operations are recognised initially in OCI and accumulated under foreign exchange currency reserve in equity. The foreign exchange currency reserve is reclassified from equity to profit or loss of the Group on disposal of the investment in foreign operations.

(I) CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, cash and cash equivalents comprise cash and bank balances, and short-term deposits net of overdrafts which are subject to an insignificant risk of changes in value.

(J) RESEARCH AND DEVELOPMENT

The Group's and the Company's research and development is undertaken through an associate, whereby contribution towards such activity is recognised as an expense as and when incurred.

ACCOUNTING POLICIES

(K) REVENUE

(i) Revenue from contracts with customers

The Group and the Company are principally involved in selling plantation produce and providing plantation agency services. Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group and the Company expect to be entitled in exchange for those goods or services. The Group and the Company have generally concluded that it is the principal in its revenue arrangements, except for the plantation agency services below, because it typically controls the goods or services before transferring them to the customer.

Sale of plantations produce

The Group's and the Company's plantation produce revenue are derived from sales of CPO, PK and FFB. Revenue from sale of plantation produce is recognised at the point in time when control of the goods is transferred to the customer.

There is no element of financing present as the Group's and the Company's sale of plantation produce are either on cash terms (immediate payment or advance payment not exceeding 30 days); or on credit terms of up to 30 days.

Plantation agency services

The Group's plantation agency services involve the provision of management and consultancy services to estates and mills.

The Group recognises revenue from plantation agency services over time, using an input method to measure the progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group. Normal credit term is 30 days upon invoice being issued.

(ii) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Company is as follows:

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

(L) 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 and consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

All other assets are classified as non-current.

ACCOUNTING POLICIES

(L) CURRENT VERSUS NON-CURRENT CLASSIFICATION (CONT'D.)

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 12 months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period.

All other liabilities are classified as non-current.

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

(M) PROVISIONS

Provisions are recognised when the Group and the Company have present obligations (legal or constructive) as a result of past events, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of the obligations.

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 finance costs.

(N) 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.

(O) BORROWING COSTS

Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale, and in the case of bearer plants, when the oil palms reach maturity.

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

ACCOUNTING POLICIES

(P) TAXATION

Malaysian taxes

Taxation on the profit or loss for the year comprises current and deferred tax, and is recognised in the profit or loss. Current tax is the expected amount of taxes payable in respect of the taxable profit for the year including real property gains tax payable on disposal of properties and is measured using the tax rates that have been enacted or substantively enacted at the reporting date. Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.

Deferred tax

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

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

- When the deferred tax liability arises from the initial recognition of goodwill or 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;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when 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, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the unused tax credits carried forward and unused tax losses carried forward can be utilised, except:

- When 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;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements. 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.

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 re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 OCI or directly in equity.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

ACCOUNTING POLICIES

(Q) EMPLOYEE BENEFITS

(i) Short-term benefits

Short-term benefits such as wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees of the Group and the Company. 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.

(ii) Defined contribution plans

As required by law, the Group and the Company make contributions to the Employees 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.

(iii) Defined benefit plans

The Group and the Company also pay defined benefits to the workers and staff of estates and mills in Peninsular Malaysia in accordance with agreement between the Malayan Agricultural Producers Association (MAPA) and the National Union of Plantation Workers (NUPW) as well as between MAPA and All Malayan Estates Staff Union (AMESU). These gratuity benefits are calculated based on the specified rates for each completed year of service.

The defined benefit liability is the aggregate of the present value of the defined benefit obligations (derived using a discount rate based on market yield at the valuation date of high quality corporate bonds for a duration of 3 to 15 years) adjusted for actuarial gains or losses and past service costs. There are no assets which qualify as plan assets as these are unfunded arrangements.

The cost of providing benefits under the defined benefit plans is determined separately for each plan using the projected unit credit method taking into account various factors which includes mortality and disability rates, turnover rates, future salary increases and estimated future cash outflows.

Defined benefit costs comprise service costs, net interest on the net defined benefit liability and remeasurements of net defined benefit liability or asset.

Service costs which include current service costs, past service costs and gains or losses on non-routine settlements are recognised as an expense in profit or loss. Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Group and the Company recognise related restructuring costs.

Net interest on the defined benefit liability is the change during the period in the defined benefit liability that arises from the passage of time which is determined by applying the discount rate based on high quality corporate bonds to the defined benefit liability. Net interest on the defined benefit liability is recognised as expense or income in profit or loss. Remeasurements comprising actuarial gains and losses are recognised immediately in OCI in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

ACCOUNTING POLICIES

(R) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group and the Company assess at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units (CGU)).

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

Impairment losses are recognised in profit or loss.

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

(S) LEASES

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

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 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:

Land are depreciated over the lease terms ranging from 15 to 999 years. Motor vehicles are depreciated over the lease terms of 5 years.

If ownership of the leased asset transfers 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.

The right-of-use assets are also subject to impairment as disclosed in Note (R).

ACCOUNTING POLICIES

(S) LEASES (CONT'D.)

As a lessee (cont'd.)

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises 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 payments of penalties for terminating the lease, if the lease term reflects the Group 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 uses 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 (i.e., 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 applies 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). It also applies 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.

As a lessor

Leases in which the Group 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 income statement 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.

(T) GOODWILL

After initial recognition, goodwill is stated at cost less any accumulated impairment losses. Goodwill is not amortised, but instead, reviewed for impairment annually and whenever events or changes in circumstances indicate that the carrying amount may be impaired.

For the purpose of impairment testing, goodwill allocated to the related CGU is monitored by management, usually at business segment level or statutory company level as the case may be. Where the recoverable amount of the CGU is less than its carrying amount, including goodwill, an impairment loss is recognised in profit or loss. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Gains and losses on the disposal of an entity include the carrying amount of the goodwill relating to the entity sold.

ACCOUNTING POLICIES

(U) 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.

(i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition and measured either at amortised cost, fair value through 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 and the Company'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 and the Company have applied the practical expedient, the Group and the Company initially measure 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 of the Group and the Company do not contain a significant financing component and therefore are measured at the transaction price determined under MFRS 15 Revenue from Contracts with Customers (MFRS 15).

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.

The Group's and the Company'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.

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 and the Company commit to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified as financial assets at amortised costs (debt instruments).

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.

The Group's and the Company's financial assets at amortised cost includes trade receivables, other receivables (excluding prepayments and GST receivables), loans to Group companies, and cash and bank balances.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(i) Financial assets (cont'd.)

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 when:

- The rights to receive cash flows from the asset have expired, or
- The Group and the Company have 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 the Group and the Company have transferred substantially all the risks and rewards of the asset, or the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group and the Company have transferred its rights to receive cash flows from an asset or has entered into a pass-through 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 and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have 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 and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise 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 and the Company expect to receive, discounted at an approximation of the original EIR. 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-month (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, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have 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 and the Company consider a financial asset in default when factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments that indicate that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables 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.

The Group's and the Company's financial liabilities include trade and other payables (excluding defined benefit obligations and other taxes payable), and loans and borrowings including bank overdrafts and lease liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

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.

(iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

ACCOUNTING POLICIES

(V) 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 event(s) 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.

(W) FAIR VALUE MEASUREMENT

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 and 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.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is an investment holding company and is also involved in oil palm plantation operations. The principal activities of the subsidiaries and associates are disclosed in Note 38.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and was listed on the Main Market of Bursa Malaysia Securities Berhad (Bursa Malaysia). The registered office of the Company is Level 23, The Bousteador, No. 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor.

The Immediate Holding Company was Boustead Holdings Berhad (BHB), a public limited liability company. BHB is incorporated and domiciled in Malaysia and was listed on the Bursa Malaysia. The Ultimate Holding Corporation was Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established by the Tabung Angkatan Tentera Act, 1973.

On 15 November 2023, the immediate holding company changed from BHB to LTAT. On 23 January 2024, the Company was delisted from the Bursa Malaysia following the acquisition by LTAT. The Company is a Government-related entity by virtue of its relationship with LTAT.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 5 April 2024.

2. CHANGES IN ACCOUNTING POLICIES

The accounting policies adopted are consistent with those of the previous financial year, except in the current period, the Group and the Company adopted the following new and amended Malaysian Financial Reporting Standards (MFRSs) mandatory for annual financial periods beginning on or after 1 January 2023:

2.1 Adoption of new standards effective 1 January 2023

Description	Effective for annual periods beginning on or after
MFRS 17: Insurance Contracts (including amendments on initial Application on MFRS 17 and MFRS 9 - Comparative Information)	1 January 2023
Amendments to MFRS 101 and MFRS Practise Statement 2: 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 Single Transaction	1 January 2023
Amendments to MFRS 112: International Tax Reform - Pillar Two Modules Rules	1 January 2023

The adoption of the above new and amended MFRSs did not have any significant financial impact to the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

2. CHANGES IN ACCOUNTING POLICIES (CONT'D.)

2.2 Standards and interpretations issued but not yet effective

The 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 standards, if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease liability in a Sales and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current and Non-current	1 January 2024
Amendments to MFRS 107 and MFRS 7: Supplier Finance Arrangements	1 January 2024
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sales or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above standards and interpretations will have no material impact on the financial statements in the period of application.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. The estimates, assumptions and judgements 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 as follows:

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

The Group and the Company review the carrying amounts of the property, plant and equipment and right-of-use assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the Group and the Company shall estimate the recoverable amount of CGU or groups of CGU. The recoverable amount is measured at the higher of fair value less costs of disposal (FVLCD) or value-in-use (VIU).

Where the recoverable amounts of CGU or groups of CGU is determined on the basis of FVLCD, the fair values are based on valuations by independent professional valuers which were derived from comparisons with recent transactions involving other similar vacant agricultural land in the vicinity, size, tenure of title and the related valuation adjustments made by independent professional valuers, and from the income capitalisation method derived using assumptions on fresh fruit bunches (FFB) yields, long term average crude palm oil (CPO) prices, cost of production and an appropriate rate of return over the cropping life of the oil palms. Changes to any of these assumptions would affect the amount of impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONT'D.)

(a) Impairment of property, plant and equipment and right-of-use assets (cont'd.)

Determining the VIU of CGU or Groups of CGU requires the determination of future cash flows expected to be derived from continuing use of the asset and from the ultimate disposal of such assets, which thus require the Group and the Company to make estimates and assumptions that can materially affect the financial statements.

The estimation of the recoverable amount involves significant judgement and estimations. While the Group and the Company believe that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The accumulated impairment losses are disclosed in Notes 13 and 14.

(b) Impairment of goodwill

The Group tests for impairment of goodwill annually and at any other time when such indicators exist. This requires an estimation of VIU of the assets or CGU to which the goodwill is allocated. Estimating the VIU requires management to estimate the expected future cash flows from the asset or CGU and also to choose a suitable discount rate in order to determine the present value of those cash flows. The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, changes in the assumptions may materially affect the assessment of recoverable amounts. The carrying amount of goodwill as at 31 December 2023 was RM2,281,000 (2022: RM2,281,000) as disclosed in Note 17.

(c) Deferred tax assets

Deferred tax assets are recognised for all unused tax losses, unabsorbed capital and agricultural allowances and deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses, allowances and deductible temporary differences can be utilised. The recognition of deferred tax assets is based upon the likely timing and level of future taxable profits together with tax planning strategies. Deferred tax assets not recognised on unused tax losses, capital and agricultural allowances of the Group amounted to RM447,141,000 (2022: RM437,302,000) at the reporting date as disclosed in Note 18.

(d) 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 3 to 4 weeks 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 21.

If the tonnage of unripen FFB vary by 10%, the fair value of the Group's and Company's biological assets would increase or decrease by RM2,995,000 (2022: RM3,184,000) and RM1,132,000 (2022: RM1,111,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

	Note	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers					
– Sale of plantation produce	4(a)	851,008	1,176,206	271,037	359,291
– Plantation agency services	4(a)	686	742	–	–
Revenue from other sources	4(b)	–	–	20,884	54,559
		851,694	1,176,948	291,921	413,850

(a) Disaggregated revenue from contracts with customers

Geographical markets

Peninsular Malaysia	355,332	462,413	241,251	323,447
Sabah	447,316	592,831	29,786	35,844
Sarawak	49,046	121,704	–	–
	851,694	1,176,948	271,037	359,291

Timing of revenue recognition

Goods transferred at a point in time	851,008	1,176,206	271,037	359,291
Services rendered over time	686	742	–	–
	851,694	1,176,948	271,037	359,291

(b) Revenue from other sources

Gross dividends received/receivable from				
– Subsidiaries	–	–	13,740	54,415
– Associates	–	–	7,000	–
Sundry income	–	–	144	144
	–	–	20,884	54,559

(c) Performance obligations

Contracts with customers are mainly for sales of FFB, crude palm oil, palm kernel or for provision of plantation management services with no other performance obligation included therein. A performance obligation is satisfied upon delivery of the produce to the palm oil mill or refinery. Plantation management services are normally performed over the contracted period of service.

NOTES TO THE FINANCIAL STATEMENTS

5. OPERATING COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Changes in inventories of produce stocks	13,078	(15,086)	5,625	(5,746)
Changes in fair value net of transfers to produce stocks (Note 21)	1,887	15,211	(218)	3,811
Raw materials, consumables and other direct costs	252,367	371,956	70,416	80,522
Staff costs	306,388	288,656	77,256	73,261
Defined contribution plan	12,612	11,993	2,969	2,781
Unfunded defined benefit plan (Note 29)	877	785	649	529
Depreciation of property, plant and equipment (Note 13)	83,225	89,980	27,667	27,787
Depreciation of right-of-use assets (Note 14)	37,375	35,927	1,738	1,363
Other operating costs	42,034	82,896	32,610	46,473
	749,843	882,318	218,712	230,781
Other operating costs include:				
Auditors' remuneration				
– Current year	935	935	346	346
– Prior year	–	(3)	–	–
Other services				
– Current year	441	264	266	264
Directors' remuneration				
– Fees	670	1,083	599	1,083
– Allowance	166	379	166	379
Research and development	16,042	16,472	16,042	16,472
Provision for obsolete stock (Note 20)	–	476	–	–
Reversal of allowance for expected credit losses on other receivables (Note 19 (ii))	(21)	(32)	(20)	(30)
Property, plant and equipment written off (Note 13)	1,709	4,964	305	1,215
Windfall levy	13,041	44,689	6,479	17,697
The directors' benefits as follows:				
Salaries	1,011	1,481	–	–
Fees	670	1,083	599	1,083
Defined contribution plans	288	352	31	2
Allowances	496	1,177	371	393
	2,465	4,093	1,001	1,478

NOTES TO THE FINANCIAL STATEMENTS

6. GAIN ON DISPOSAL OF PLANTATION ASSETS

In the previous year, the Group and the Company have disposed the following assets:

- (i) On 28 September 2021, CIMB Islamic Trustee Berhad, acting solely as trustee for BPlant entered into a sale and purchase agreement (SPA) with SIPP Power Sdn Bhd for the disposal of 5 parcels of freehold land in Kulai Young estate held under GRN 229629 Lot 3564, HSD 64784 PTD 109021, HSD 64789 PTD 109026, HSD 64796, PTD 109033 and HSD 64797 PTD 109034 all within Mukim of Kulai, District of Kulai, Johor measuring 663.98 hectares for a total cash consideration of RM428.8 million. The sale of the land was completed on 27 January 2022. The net gain on disposal was recognised at RM364.1 million.
- (ii) On 22 July 2022, CIMB Islamic Trustee Berhad, acting solely as trustee for BPlant entered into a SPA with Nur Solar Sdn Bhd for the disposal of land in Bukit Mertajam estate held under Geran Mukim 577, Lot 15 and Geran 39039, Lot 1314 and partial of land under Geran 32397, Lot 277 Mukim Padang China, Daerah Kulim, Kedah measuring 300 acres for a total cash consideration of RM98.0 million. The condition precedents as stated in the SPA had been fulfilled on 20 December 2022. The net gain on disposal was recognised at RM90.9 million.
- (iii) Compulsory land acquisition by government on certain parcel of land in Telok Sengat Estate for the purpose of road construction for a cash compensation of RM4.9 million. The net gain on disposal was recognised at RM3.7 million.

7. NET REVERSAL/(ALLOWANCE) FOR EXPECTED CREDIT LOSSES

	Company	
	2023 RM'000	2022 RM'000
Loan to non-wholly owned subsidiaries (Note 19)		
– Allowance for the year	(5,872)	(196,189)
– Reversal allowance for the year	9,031	–
	3,159	(196,189)

During the financial year, the management had identified and recognised an allowance for expected credit losses of RM5,872,000 (2022: RM196,189,000) on the net carrying amount of the loans to non-wholly owned subsidiaries as they are not expected to be recoverable in the near future.

8. INTEREST INCOME

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest income				
– Subsidiaries	–	–	83,825	89,542
– Financial institutions	2,653	4,536	2,650	4,534
– Others	337	524	337	524
	2,990	5,060	86,812	94,600

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCE COSTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Interest expenses				
– Financial institutions	41,799	36,178	41,799	36,178
– Subsidiaries	–	–	3,788	3,573
– Joint operation partner	674	599	674	599
– Lease liabilities (Note 27)	404	166	51	5
	42,877	36,943	46,312	40,355
Add: Amortisation of transaction costs on borrowings	818	797	818	797
Less: Interest capitalised (Note 13(c))	(3,897)	(3,465)	(1,250)	(954)
	39,798	34,275	45,880	40,198

10. TAXATION

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax				
– Charge for the year	27,809	94,523	21,028	55,882
– (Over)/under provision in prior year	(263)	(528)	111	(443)
	27,546	93,995	21,139	55,439
Deferred tax (Note 18)				
– Origination and reversal of temporary differences	3,972	(3,960)	4,026	(1,104)
– Over provision in prior year	(86)	(1,175)	(22)	(60)
	3,886	(5,135)	4,004	(1,164)
Real property gains tax	–	48,722	–	48,722
	31,432	137,582	25,143	102,997

NOTES TO THE FINANCIAL STATEMENTS

10. TAXATION (CONT'D.)

Reconciliations of the taxation applicable to profit before taxation and zakat at the statutory rate of 24% (2022: 24%) to the tax expense of the Group and the Company are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit/(Loss) before taxation and zakat	70,644	729,007	117,300	500,025
Taxation at statutory tax rate of 24% (2022: 24%)	16,955	174,962	28,152	120,006
Effect of Cukai Makmur (2022: 33%)	-	8,695	-	8,695
Effects of share of results of associates	(1,344)	(1,164)	-	-
Effects of income subject to different tax rates	-	(109,204)	-	(109,204)
Income not subject to tax	(370)	(912)	(5,302)	(13,971)
Non-deductible expenses	18,547	20,563	6,572	53,837
Tax incentives	(4,368)	(4,585)	(4,368)	(4,585)
Deferred tax assets not recognised	2,361	2,208	-	-
(Over)/under provision of taxation in prior year	(263)	(528)	111	(443)
Over provision of deferred tax in prior year	(86)	(1,175)	(22)	(60)
Real property gains tax	-	48,722	-	48,722
Taxation for the year	31,432	137,582	25,143	102,997

11. EARNINGS PER SHARE

The basic earnings per share of the Group is calculated by dividing profit attributable to ordinary equity holders of the Company of RM42,381,000 (2022: RM595,311,000) by the weighted average number of ordinary shares in issue during the year of 2,239,999,895 (2022: 2,239,999,895). The Group does not have any potential dilutive ordinary shares for financial years ended 31 December 2023 and 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS

12. DIVIDENDS

	Amount		Dividend per ordinary share	
	2023 RM'000	2022 RM'000	2023 Sen	2022 Sen
Dividends on ordinary shares in respect of the current financial year				
– First interim declared on 23 May 2023 and paid on 23 June 2023	22,400	–	1.00	–
– First interim declared on 23 May 2022 and paid on 24 June 2022	–	163,520	–	7.30
– Second interim declared on 23 August 2022 and paid on 27 September 2022	–	61,600	–	2.75
– Third interim declared on 22 November 2022 and paid on 22 December 2022	–	24,640	–	1.10
	22,400	249,760	1.00	11.15
Dividends on ordinary shares in respect of the previous financial year				
– Fourth interim declared on 21 February 2023 and paid on 22 March 2023	73,920	–	3.30	–
– Fourth interim declared on 21 February 2022 and paid on 22 March 2022	–	89,600	–	4.00
	73,920	89,600	3.30	4.00
	96,320	339,360	4.30	15.15

The Directors do not recommend the payment of any final dividend for the current financial year.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2023							
Cost							
At 1 January	1,082,810	1,001,552	343,078	325,674	70,675	117,332	2,941,121
Additions	-	99,511	8,067	12,780	9,692	16,104	146,154
Disposals	-	-	-	-	-	(671)	(671)
Transfers from/(to) group companies	-	-	495	44	20	(922)	(363)
Reclassification	-	-	633	1,825	-	(2,458)	-
Write off	-	(58,547)	(265)	-	-	(327)	(59,139)
At 31 December	1,082,810	1,042,516	352,008	340,323	80,387	129,058	3,027,102
Accumulated depreciation							
At 1 January	-	426,013	165,410	205,027	55,501	70,699	922,650
Charge for the year	-	43,090	13,907	17,706	5,143	5,954	85,800
Disposals	-	-	-	-	-	(658)	(658)
Write off	-	(28,767)	(265)	-	-	(202)	(29,234)
At 31 December	-	440,336	179,052	222,733	60,644	75,793	978,558
Accumulated impairment losses							
At 1 January	-	122,942	7,019	2	6	26,644	156,613
Write off	-	(28,196)	-	-	-	-	(28,196)
Adjustment	-	(498)	(2,621)	-	-	-	(3,119)
At 31 December	-	94,248	4,398	2	6	26,644	125,298
Net carrying amount							
At 31 December	1,082,810	507,932	168,558	117,588	19,737	26,621	1,923,246

During the current and previous financial year, the Group acquired property, plant and equipment by cash. Included in total additions is borrowing costs capitalised of RM3,897,000 (2022: RM3,465,000).

The depreciation charge for plant and equipment which were exclusively used for replanting activities, was capitalised as additions for immature bearer plants amounting to RM2,575,000 (Note 13(c)) during the year.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Group							
2022							
Cost							
At 1 January	1,090,673	993,893	349,246	321,667	70,354	117,069	2,942,902
Additions	-	40,705	4,826	13,541	11,289	4,802	75,163
Disposals	(7,863)	(1,582)	-	-	-	(81)	(9,526)
Transfers to group companies	-	-	-	-	-	(9)	(9)
Reclassification	-	-	605	2,537	-	(3,142)	-
Write off	-	(31,464)	(11,599)	(12,071)	(10,968)	(1,307)	(67,409)
At 31 December	1,082,810	1,001,552	343,078	325,674	70,675	117,332	2,941,121
Accumulated depreciation							
At 1 January	-	396,440	159,017	197,738	60,850	66,954	880,999
Charge for the year (Note 5)	-	47,601	14,137	18,473	4,770	4,999	89,980
Disposals	-	(982)	-	-	-	(55)	(1,037)
Write off	-	(17,046)	(7,744)	(11,184)	(10,119)	(1,190)	(47,283)
Transfers to group companies	-	-	-	-	-	(9)	(9)
At 31 December	-	426,013	165,410	205,027	55,501	70,699	922,650
Accumulated impairment losses							
At 1 January	-	135,695	9,216	59	160	26,645	171,775
Write off	-	(12,753)	(2,197)	(57)	(154)	(1)	(15,162)
At 31 December	-	122,942	7,019	2	6	26,644	156,613
Net carrying amount							
At 31 December	1,082,810	452,597	170,649	120,645	15,168	19,989	1,861,858

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2023							
Cost							
At 1 January	952,065	341,440	99,669	50,258	24,141	4,935	1,472,508
Additions	-	18,606	1,914	1,741	2,385	2,449	27,095
Transfer to group companies	-	-	-	-	-	3	3
Reclassification	-	-	518	771	-	(1,289)	-
Write off	-	(6,929)	-	-	-	-	(6,929)
At 31 December	952,065	353,117	102,101	52,770	26,526	6,098	1,492,677
Accumulated depreciation							
At 1 January	-	133,358	44,739	27,103	19,588	3,110	227,898
Transfer from group companies	-	-	-	-	-	1	1
Charge for the year (Note 5)	-	17,879	4,861	3,025	1,340	562	27,667
Write off	-	(6,624)	-	-	-	-	(6,624)
At 31 December	-	144,613	49,600	30,128	20,928	3,673	248,942
Accumulated impairment losses							
At 1 January/31 December	-	19,281	-	-	-	-	19,281
Net carrying amount							
At 31 December	952,065	189,223	52,501	22,642	5,598	2,425	1,224,454

During the current and previous financial year, the Company acquired property, plant and equipment by cash. Included in the total additions is the borrowing costs capitalised of RM1,250,000 (2022: RM954,000).

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

	Freehold land RM'000	Bearer plants RM'000	Buildings RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Other assets RM'000	Total RM'000
Company							
2022							
Cost							
At 1 January	959,928	335,936	100,683	51,399	21,340	5,027	1,474,313
Additions	-	10,016	318	746	3,389	560	15,029
Disposals	(7,863)	(1,582)	-	-	-	(72)	(9,517)
Transfer to group companies	-	-	-	-	-	(3)	(3)
Reclassification	-	-	290	-	-	(290)	-
Write off	-	(2,930)	(1,622)	(1,887)	(588)	(287)	(7,314)
At 31 December	952,065	341,440	99,669	50,258	24,141	4,935	1,472,508
Accumulated depreciation							
At 1 January	-	118,498	40,735	25,736	18,831	3,162	206,962
Charge for the year (Note 5)	-	18,471	4,927	2,918	1,297	174	27,787
Disposals	-	(982)	-	-	-	(48)	(1,030)
Write off	-	(2,629)	(923)	(1,551)	(540)	(178)	(5,821)
At 31 December	-	133,358	44,739	27,103	19,588	3,110	227,898
Accumulated impairment losses							
At 1 January	-	19,559	-	-	-	-	19,559
Write off	-	(278)	-	-	-	-	(278)
At 31 December	-	19,281	-	-	-	-	19,281
Net carrying amount							
At 31 December	952,065	188,801	54,930	23,155	4,553	1,825	1,225,329

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

- (a) The other assets consist of office equipment, computers, laboratory equipment and buildings, plant and machinery under construction. The cost of buildings, plant and machinery under construction amounted to RM16,549,000 (2022: RM11,888,000) and RM719,000 (2022: RM1,427,000) for the Group and the Company respectively.
- (b) The freehold land of the Company with carrying amount of RM646,870,000 (2022: RM646,870,000) are held by CIMB Islamic Trustee Berhad, acting as trustee for the Company.
- (c) Movement of bearer plants

	Mature RM'000	Immature RM'000	Total RM'000
Group			
2023			
Cost			
At 1 January	925,798	75,754	1,001,552
Additions	-	99,511	99,511
Reclassification	7,450	(7,450)	-
Write off	(58,547)	-	(58,547)
At 31 December	874,701	167,815	1,042,516
Accumulated depreciation			
At 1 January	426,013	-	426,013
Charge for the year	43,090	-	43,090
Write off	(28,767)	-	(28,767)
At 31 December	440,336	-	440,336
Accumulated impairment losses			
At 1 January	122,942	-	122,942
Write off	(28,196)	-	(28,196)
Adjustment	(498)	-	(498)
At 31 December	94,248	-	94,248
Net carrying amount			
At 31 December	340,117	167,815	507,932

Included in the additions of the bearer plants of the Group is the borrowing costs of RM3,897,000 (Note 9) capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.59%.

The depreciation charge for plant and equipment which were exclusively used for replanting activities, was capitalised as additions for immature bearer plants amounting to RM2,575,000 during the year.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Group			
2022			
Cost			
At 1 January	925,724	68,169	993,893
Acquisition of Boustead Tawai Estates	-	40,705	40,705
Additions	(1,582)	-	(1,582)
Reclassification	33,120	(33,120)	-
Write off	(31,464)	-	(31,464)
At 31 December	925,798	75,754	1,001,552
Accumulated depreciation			
At 1 January	396,440	-	396,440
Charge for the year	47,601	-	47,601
Disposals	(982)	-	(982)
Write off	(17,046)	-	(17,046)
At 31 December	426,013	-	426,013
Accumulated impairment losses			
At 1 January	135,429	266	135,695
Reclassification	266	(266)	-
Write off	(12,753)	-	(12,753)
At 31 December	122,942	-	122,942
Net carrying amount			
At 31 December	376,843	75,754	452,597

Included in the additions of the bearer plants of the Group is the borrowing costs of RM3,465,000 (Note 9) capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.22%.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Company			
2023			
Cost			
At 1 January	313,668	27,772	341,440
Additions	-	18,606	18,606
Reclassification	5,125	(5,125)	-
Write off	(6,929)	-	(6,929)
At 31 December	311,864	41,253	353,117
Accumulated depreciation			
At 1 January	133,358	-	133,358
Charge for year	17,879	-	17,879
Write off	(6,624)	-	(6,624)
At 31 December	144,613	-	144,613
Accumulated impairment losses			
At 1 January/31 December	19,281	-	19,281
Net carrying amount			
At 31 December	147,970	41,253	189,223

Included in the additions of the bearer plants of the Company is the borrowing costs of RM1,250,000 (Note 9) capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.40%.

NOTES TO THE FINANCIAL STATEMENTS

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Company			
2022			
Cost			
At 1 January	307,911	28,025	335,936
Additions	-	10,016	10,016
Disposals	(1,582)	-	(1,582)
Reclassification	10,269	(10,269)	-
Write off	(2,930)	-	(2,930)
At 31 December	313,668	27,772	341,440
Accumulated depreciation			
At 1 January	118,498	-	118,498
Charge for the year	18,471	-	18,471
Disposals	(982)	-	(982)
Write off	(2,629)	-	(2,629)
At 31 December	133,358	-	133,358
Accumulated impairment losses			
At 1 January	19,559	-	19,559
Impairment losses for the year (Note 7)	(278)	-	(278)
At 31 December	19,281	-	19,281
Net carrying amount			
At 31 December	161,029	27,772	188,801

Included in the additions of the bearer plants of the Company is the borrowing costs of RM954,000 (Note 9) capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.22%.

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS

	Building RM'000	Motor vehicles RM'000	Land RM'000	Total RM'000
Group				
2023				
Cost				
At 1 January	4,244	8,555	2,069,030	2,081,829
Additions	6,027	329	–	6,356
Adjustment	(4,005)	162	770	(3,073)
At 31 December	6,266	9,046	2,069,800	2,085,112
Accumulated depreciation				
At 1 January	1,703	595	195,348	197,646
Charge for the year (Note 5)	1,902	1,765	33,708	37,375
Adjustment	(1,703)	–	328	(1,375)
At 31 December	1,902	2,360	229,384	233,646
Accumulated impairment losses				
At 1 January/31 December	–	–	15,407	15,407
Net carrying amount				
At 31 December	4,364	6,686	1,825,009	1,836,059
2022				
Cost				
At 1 January	–	2,037	2,069,030	2,071,067
Additions	4,244	6,518	–	10,762
At 31 December	4,244	8,555	2,069,030	2,081,829
Accumulated depreciation				
At 1 January	–	226	161,493	161,719
Charge for the year (Note 5)	1,703	369	33,855	35,927
At 31 December	1,703	595	195,348	197,646
Accumulated impairment losses				
At 1 January/31 December	–	–	15,407	15,407
Net carrying amount				
At 31 December	2,541	7,960	1,858,275	1,868,776

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS (CONT'D.)

	Motor vehicles RM'000	Land RM'000	Total RM'000
Company			
2023			
Cost			
At 1 January/31 December	1,962	190,752	192,714
Accumulated depreciation			
At 1 January	22	8,342	8,364
Charge for the year (Note 5)	392	1,346	1,738
At 31 December	414	9,688	10,102
Net carrying amount			
At 31 December	1,548	181,064	182,612

	Motor vehicles RM'000	Land RM'000	Total RM'000
Company			
2022			
Cost			
At 1 January	-	190,752	190,752
Additions	1,962	-	1,962
At 31 December	1,962	190,752	192,714
Accumulated depreciation			
At 1 January	-	7,001	7,001
Charge for the year (Note 5)	22	1,341	1,363
At 31 December	22	8,342	8,364
Net carrying amount			
At 31 December	1,940	182,410	184,350

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS (CONT'D.)

- (a) As at 31 December 2023, the right-of-use assets of the Group with carrying amount of RM55,509,000 (2022: RM57,570,000) are subleased from the registered owners for the subsidiaries.
- (b) As at 31 December 2023, the right-of-use assets of the Company with carrying amount of RM181,065,000 (2022: RM182,411,000) are held by CIMB Islamic Trustee Berhad acting as trustee for the Company.
- (c) As at 31 December 2023, the right-of-use assets of the Group and the Company with carrying amount of RM6,686,000 (2022: RM7,960,000) and RM1,548,000 (2022: RM1,940,000) are held under hire purchase arrangements.
- (d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Depreciation expense of right-of-use assets (Note 5)	37,375	35,927	1,738	1,363
Interest expenses on lease liabilities (Note 9)	404	166	51	5
Total amount recognised in profit or loss	37,779	36,093	1,789	1,368

The Group and the Company had total cash outflows for leases of RM3,805,000 (2022: RM2,798,000) and of RM408,000 (2022: RM215,00) respectively.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM'000	2022 RM'000
Unquoted shares in Malaysia		
Cost		
At 1 January	306,772	306,522
Additional	-	250
31 December	306,772	306,772
Accumulated impairment losses		
At 1 January/31 December	96,113	96,113
Net carrying amount		
At 31 December	210,659	210,659

The Group's interest in subsidiaries and their principal activities are disclosed in Note 38 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Subsidiaries with material non-controlling interests

The Group regards Boustead Pelita Kanowit Sdn Bhd (BPK), Boustead Pelita Tinjar Sdn Bhd (BPT) and Boustead Pelita Kanowit Oil Mill Sdn Bhd (BPKOM) as subsidiaries that have material non-controlling interests. These subsidiaries are incorporated and operated in Malaysia.

The summarised financial information of BPK, BPT and BPKOM before inter-company eliminations is provided below.

	BPK		BPT		BPKOM	
	2023 %	2022 %	2023 %	2022 %	2023 %	2022 %
Equity interest held by non-controlling interests	40	40	40	40	40	40

(i) Summarised statements of comprehensive income

	BPK		BPT		BPKOM	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	28,334	49,474	14,755	63,967	36,297	60,476
Loss for the year	(8,131)	(10,581)	(5,534)	(3,531)	(3,107)	(2,177)
Attributable to:						
Shareholders of the Company	(4,879)	(6,349)	(3,320)	(2,119)	(1,864)	(1,306)
Non-controlling interests	(3,252)	(4,232)	(2,214)	(1,412)	(1,243)	(871)
	(8,131)	(10,581)	(5,534)	(3,531)	(3,107)	(2,177)

NOTES TO THE FINANCIAL STATEMENTS

15. INVESTMENT IN SUBSIDIARIES (CONT'D.)

Subsidiaries with material non-controlling interests (cont'd.)

(ii) Summarised statements of financial position

	BPK		BPT		BPKOM	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Non-current assets	14,175	16,844	26,630	28,384	9,442	10,065
Current assets	4,017	19,124	6,842	8,662	23,673	41,188
Total assets	18,192	35,968	36,472	37,046	33,115	51,253
Current liabilities, representing total liabilities	251,615	260,931	38,896	33,775	3,676	18,650
Net (liabilities)/assets	(233,423)	(224,963)	(2,424)	3,271	29,439	32,603
Attributable to:						
Shareholders of the Company	(132,930)	(127,722)	29,920	33,401	17,642	19,563
Non-controlling interests	(100,493)	(97,241)	(32,344)	(30,130)	11,797	13,040
	(233,423)	(224,963)	(2,424)	3,271	29,439	32,603

(iii) Summarised statements of cash flows

	BPK		BPT		BPKOM	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net cash generated from/(used in):						
Operating activities	9,711	1,376	(1,375)	111	(17,278)	10,265
Investing activities	(329)	-	(3,182)	(241)	703	801
Financing activities	(9,463)	(1,383)	4,629	124	16,566	(11,057)
Net (decrease)/increase in cash and cash equivalents	(81)	(7)	72	(6)	(9)	10

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Unquoted shares, at cost				
At 1 January	3,330	3,330	3,330	3,330
Addition	25	-	25	-
At 31 December	3,355	3,330	3,355	3,330
Share of post acquisition reserves	25,780	27,205	-	-
	29,135	30,535	3,355	3,330
Equity interest in associates	50%	50%	50%	50%

The summarised financial information represents the amounts in the financial statements of associates and not the Group's share of those amounts.

(a) Summarised statements of comprehensive income:

	2023 RM'000	2022 RM'000
Revenue	61,203	59,152
Profit for the year	11,250	9,698
Other comprehensive (loss)/income	(50)	24
Total comprehensive income	11,200	9,722
Dividend declared and payable during the year	14,000	-

(b) Summarised statements of financial position:

	2023 RM'000	2022 RM'000
Non-current assets	27,749	28,443
Current assets	139,434	90,831
Non-current liabilities	(2,654)	(3,329)
Current liabilities	(106,259)	(54,875)
Net assets	58,270	61,070

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATES (CONT'D.)

(c) Reconciliation of summarised financial information to the net assets of associates:

	2023 RM'000	2022 RM'000
Net assets at 1 January	61,070	51,348
Profit for the year	11,250	9,698
Other comprehensive (loss)/income	(50)	24
Dividend payable	(14,000)	-
Net assets at 31 December	58,270	61,070
Carrying value of Group's investment in associates	29,135	30,535

17. GOODWILL ON CONSOLIDATION

Goodwill on consolidation arose from the acquisition of a subsidiary that is principally involved in oil palm cultivation. At reporting date, the recoverable amount of goodwill was determined on the basis of value-in-use calculation using five year cash flow projections approved by the Board of Directors. The pre-tax discount factor of 11% (2022: 11%) reflects the specific risks of the industry.

Based on the sensitivity analysis, management believes that no reasonably possible change in base case key assumptions would cause the carrying value of the goodwill to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	(296,562)	(302,095)	(84,275)	(85,837)
Recognised in profit or loss (Note 10)	(3,886)	5,135	(4,004)	1,164
Recognised in other comprehensive income	155	-	158	-
Disposal of plantation assets	-	398	-	398
At 31 December	(300,293)	(296,562)	(88,121)	(84,275)
Presented after appropriate offsetting as follows:				
Deferred tax assets	2,376	2,765	-	-
Deferred tax liabilities	(302,669)	(299,327)	(88,121)	(84,275)
	(300,293)	(296,562)	(88,121)	(84,275)

Deferred tax liabilities – Group

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
1 January 2023	(153,855)	(154,020)	(7,640)	(315,515)
Recognised in profit or loss	2,098	(20,875)	451	(18,326)
At 31 December 2023	(151,757)	(174,895)	(7,189)	(333,841)
1 January 2022	(156,332)	(149,148)	(11,290)	(316,770)
Recognised in profit or loss	2,477	(5,270)	3,650	857
Disposal of plantation assets	-	398	-	398
At 31 December 2022	(153,855)	(154,020)	(7,640)	(315,515)

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax assets – Group

	Lease liabilities RM'000	Unused tax losses RM'000	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
1 January 2023	416	45	9,486	9,006	18,953
Recognised in profit or loss	744	13,963	2,434	(2,701)	14,440
Recognised in other comprehensive income	-	-	-	155	155
At 31 December 2023	1,160	14,008	11,920	6,460	33,548
1 January 2022	1,043	149	11,913	1,570	14,675
Recognised in profit or loss	(627)	(104)	(2,427)	7,436	4,278
At 31 December 2022	416	45	9,486	9,006	18,953

Deferred tax liabilities – Company

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
1 January 2023	(13,130)	(71,649)	(2,665)	(87,444)
Recognised in profit or loss	78	(3,639)	(52)	(3,613)
At 31 December 2023	(13,052)	(75,288)	(2,717)	(91,057)
1 January 2022	(13,209)	(70,543)	(3,580)	(87,332)
Recognised in profit or loss	79	(1,504)	915	(510)
Disposal of plantation assets	-	398	-	398
At 31 December 2022	(13,130)	(71,649)	(2,665)	(87,444)

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)**Deferred tax assets – Company**

	Lease liabilities RM'000	Others RM'000	Total RM'000
1 January 2023	(20)	3,189	3,169
Recognised in profit or loss	47	(438)	(391)
Recognised in other comprehensive income	–	158	158
At 31 December 2023	27	2,909	2,936
1 January 2022	–	1,495	1,495
Recognised in profit or loss	(20)	1,674	1,674
At 31 December 2022	(20)	3,169	3,169

Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items:

	Group	
	2023 RM'000	2022 RM'000
Unabsorbed capital and agricultural allowances	71,846	70,718
Unused tax losses	375,295	366,584
	447,141	437,302

Deferred tax assets have not been recognised in respect of these items because of the uncertainty of available taxable profits to enable the utilisation of unused tax losses and unabsorbed capital and agricultural allowances.

The unused tax losses and unabsorbed capital and agricultural allowances of the Group are available for offsetting against future taxable profits subject to the Income Tax Act, 1967 and guidelines issued by the tax authority.

The Ministry of Finance via Finance Bill 2021 announced that the unused tax losses carried forward shall be extended from a maximum period of 7 to 10 consecutive years of assessment. This amendment is deemed to have effect for the year of assessment 2019 and subsequent years of assessment.

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade				
Trade receivables	33,248	33,446	7,012	3,397
Other				
Estate receivables	4,506	4,302	1,020	1,041
Wholly owned subsidiaries				
– Loan	–	–	35,616	34,788
– Current account	–	–	7,549	7,574
Other related companies	180	184	2	2
Associates	1,738	4,269	274	277
Amount due from joint operation partner				
– Current account	497	215	497	215
Prepayments and deposits	704	838	37	37
Workers' housing scheme	327	347	327	347
Dividend receivables	–	–	–	54,415
Sundry receivables	2,193	1,928	823	308
Balance from disposal of land (Note(a))	–	88,209	–	88,209
	10,145	100,292	46,145	187,213
Less: Allowance for expected credit losses	(384)	(405)	(327)	(347)
	9,761	99,887	45,818	186,866
	43,009	133,333	52,830	190,263
Non-current				
Other				
Loans to wholly owned subsidiaries	–	–	1,541,843	1,424,832
Loans to non-wholly owned subsidiaries	–	–	268,030	271,189
Less: Allowance for expected credit losses	–	–	(268,030)	(271,189)
	–	–	1,541,843	1,424,832
Total receivables (current and non-current)	43,009	133,333	1,594,673	1,615,095
Add: Cash and bank balances (Note 22)	62,627	165,618	61,667	164,532
Less: Prepayments	(481)	(225)	(2)	(2)
Total financial assets carried at amortised cost (debt instruments)	105,155	298,726	1,656,338	1,779,625

- (a) On 22 July 2022, CIMB Islamic Trustee Berhad, acting solely as trustee for BPlant entered into a SPA with Nur Solar Sdn Bhd for the disposal of land in Bukit Mertajam estate held under Geran Mukim 577, Lot 15 and Geran 39039, Lot 1314 and partial of land under Geran 32397, Lot 277 Mukim Padang China, Daerah Kulim, Kedah measuring 300 acres for a total cash consideration of RM98.0 million, BPlant has received 10% amounting to RM9.8 million upon signing the SPA.

The condition precedents as stated in the SPA had been fulfilled on 20 December 2022. The full remaining balances of cash consideration were received on 10 February 2023.

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

Trade receivables

Trade receivables are non-interest bearing and are on 30-day (2022: 30-day) credit terms. Trade receivables are recognised at original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Neither past due nor impaired	32,331	32,377	7,003	3,393
Past due				
– 1 to 30 days	829	430	9	–
– 31 to 60 days	79	161	–	–
– 61 to 90 days	3	157	–	4
– > 90 days	6	321	–	–
	917	1,069	9	4
	33,248	33,446	7,012	3,397

Other related companies

Loans to wholly-owned and non-wholly owned subsidiaries (current and non-current) are unsecured, repayable on demand and bear interest ranging from 5.5% to 6.5% (2022: 5.5% to 6.5%) per annum.

Amounts due from Immediate Holding Company, other related companies, associates and current accounts of wholly owned and non-wholly owned subsidiaries are unsecured, interest-free and repayable on demand.

Other receivables – current and non-current

(i) Maturity analysis of non-current receivables

	Company	
	2023 RM'000	2022 RM'000
Due between 2 to 5 years:		
Loans to wholly owned subsidiaries	1,541,843	1,424,832
Loans to non-wholly owned subsidiaries	268,030	271,189
	1,809,873	1,696,021

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

Other receivables – current and non-current (cont'd.)

(ii) Allowance for expected credit losses of other receivables

The allowance for expected credit losses of other receivables for the Group of RM384,000 (2022: RM405,000) and for the Company of RM327,000 (2022: RM347,000) is analysed as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Workers' housing scheme	327	347	327	347
Other receivable				
– Cost of construction of pond	57	58	–	–
	384	405	327	347

Movement in allowance for expected credit losses of other receivables:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
At 1 January	405	437	347	377
Reversal during the year (Note 5)	(21)	(32)	(20)	(30)
At 31 December	384	405	327	347

(iii) Loans to subsidiaries that is impaired

Movement in allowance for expected credit losses of loans to non-wholly owned subsidiaries:

	Company	
	2023 RM'000	2022 RM'000
At 1 January	271,189	75,000
(Net reversal)/allowance for expected credit losses (Note 7)	(3,159)	196,189
At 31 December	268,030	271,189

NOTES TO THE FINANCIAL STATEMENTS

20. INVENTORIES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Produce stocks	28,227	41,305	2,493	8,118
Consumables	30,752	64,367	6,669	21,670
Nursery stocks	29,960	31,292	4,121	6,109
	88,939	136,964	13,283	35,897
Provision for obsolete stock (Note 5)	(476)	(476)	-	-
	88,463	136,488	13,283	35,897

Movement in provision for obsolete stock:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	476	-
Provision for the year (Note 5)	-	476
At 31 December	476	476

The cost of inventories recognised as an expense for the financial year amounted to RM641,649,000 (2022:RM729,881,000) and RM187,984,000 (2022:RM184,849,000) for the Group and for the Company respectively.

21. BIOLOGICAL ASSETS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	31,835	47,046	11,107	14,918
Changes in fair value net of transfers to produce stocks (Note 5)	(1,887)	(15,211)	218	(3,811)
At 31 December	29,948	31,835	11,325	11,107

The biological assets of the Group and of the Company represent fresh fruit bunches (FFB) of 3 to 4 weeks prior to harvesting. The quantity of the unharvested FFB included in the valuation for the Group and the Company are 51,200 (2022: 49,177) metric tonnes and 18,146 (2022: 17,232) metric tonnes respectively. The expected net cash flows are estimated using the expected FFB harvest and market price at reporting date of crude palm oil and palm kernel adjusted for extraction rates less processing, harvesting and transportation costs. The fair valuation of biological assets corresponds with Level 3 of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS

22. CASH AND BANK BALANCES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Cash and bank balances	13,599	53,425	12,639	52,339
Short-term deposits with licensed banks	49,028	112,193	49,028	112,193
	62,627	165,618	61,667	164,532

At the reporting date, the weighted average interest rate per annum and average remaining maturity period of short-term deposits are as follows:

	Group and Company	
	2023	2022
Weighted average interest rate (%)	3.53	3.16
Average remaining maturity period (days)	26	27

Included in cash and bank balances of the Group and the Company is overnight placement with a licensed bank of RM7,310,000 (2022 : RM39,721,000). The overnight deposits earned interest of 1.75% (2022 : 1.25%) per annum.

23. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023 '000	2022 '000	2023 RM'000	2022 RM'000
Issued and fully paid:				
At 1 January/31 December	2,239,999	2,239,999	1,422,344	1,422,344

24. NON-DISTRIBUTABLE RESERVES

	Non-distributable reserve RM'000
At 1 January 2022	(285)
Exchange differences on translation of associates	12
At 31 December 2022 and 1 January 2023	(273)
Exchange differences on translation of associates	(25)
Transfer to distributable retained profits	298
At 31 December 2023	-

25. RETAINED PROFITS

The Company's retained profits are distributable by way of single tier dividends.

NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Short-term borrowings				
Unsecured:				
Bank overdrafts	13	13	13	13
Revolving credits	370,000	345,400	370,000	345,400
Term loans	152,000	117,500	152,000	117,500
Transaction costs on borrowings	(817)	(817)	(817)	(817)
	521,196	462,096	521,196	462,096
Long-term borrowings				
Unsecured:				
Term loans	254,000	396,500	254,000	396,500
Transaction costs on borrowings	(925)	(1,743)	(925)	(1,743)
	253,075	394,757	253,075	394,757
Total borrowings				
Bank overdrafts	13	13	13	13
Revolving credits	370,000	345,400	370,000	345,400
Term loans	406,000	514,000	406,000	514,000
Transaction costs on borrowings	(1,742)	(2,560)	(1,742)	(2,560)
	774,271	856,853	774,271	856,853
Analysis by maturity:				
– within 1 year	521,196	462,096	521,196	462,096
– from 2 to 5 years	233,095	374,316	233,095	374,316
– over 5 years	19,980	20,441	19,980	20,441
	774,271	856,853	774,271	856,853

- (a) The Group's and the Company's bank overdrafts bear interest at 7.57% (2022: 7.32%) per annum.
- (b) The Group's and the Company's revolving credits bear interest at a weighted average rate of 4.44% (2022: 3.73%) per annum.
- (c) Include in term loans of the Group and of the Company of RM406,000,000 (2022: RM514,000,000) is an Islamic term loan of the Group and of the Company of RM126,000,000 (2022: RM189,000,000) which bears an average profit rate of 5.50% (2022: 4.69%) per annum. The remaining term loans of the Group and of the Company of RM280,000,000 (2022: RM325,000,000) bears interest rates which range from 4.85% to 5.60% (2022: 3.42% to 5.15%) per annum.
- (d) All borrowings are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities

	At 1 January 2023 RM'000	Cash flows RM'000	Reclassifi- cation RM'000	Charged to profit or loss RM'000	At 31 December 2023 RM'000
Group					
Short-term borrowings:					
Revolving credits	345,400	24,600	-	-	370,000
Term loans	117,500	(117,500)	152,000	-	152,000
Transaction costs on borrowings	(817)	-	(818)	818	(817)
	462,083	(92,900)	151,182	818	521,183
Long-term borrowings:					
Term loans	396,500	9,500	(152,000)	-	254,000
Transaction costs on borrowings	(1,743)	-	818	-	(925)
	856,840	(83,400)	-	818	774,258
Company					
Short-term borrowings:					
Revolving credits	345,400	24,600	-	-	370,000
Term loans	117,500	(117,500)	152,000	-	152,000
Transaction costs on borrowings	(817)	-	(818)	818	(817)
	462,083	(92,900)	151,182	818	521,183
Long-term borrowings:					
Term loans	396,500	9,500	(152,000)	-	254,000
Transaction costs on borrowings	(1,743)	-	818	-	(925)
	856,840	(83,400)	-	818	774,258

NOTES TO THE FINANCIAL STATEMENTS

26. BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities (cont'd.)

	At 1 January 2022 RM'000	Cash flows RM'000	Reclassifi- cation RM'000	Charged to profit or loss RM'000	At 31 December 2022 RM'000
Group					
Short-term borrowings:					
Revolving credits	439,500	(94,100)	-	-	345,400
Term loans	99,000	(99,000)	117,500	-	117,500
Transaction costs on borrowings	(779)	-	(817)	779	(817)
	537,721	(193,100)	116,683	779	462,083
Long-term borrowings:					
Term loans	478,500	35,500	(117,500)	-	396,500
Transaction costs on borrowings	(2,308)	(270)	817	18	(1,743)
	1,013,913	(157,870)	-	797	856,840
Company					
Short-term borrowings:					
Revolving credits	439,500	(94,100)	-	-	345,400
Term loans	99,000	(99,000)	117,500	-	117,500
Transaction costs on borrowings	(779)	-	(817)	779	(817)
	537,721	(193,100)	116,683	779	462,083
Long-term borrowings:					
Term loans	478,500	35,500	(117,500)	-	396,500
Transaction costs on borrowings	(2,308)	(270)	817	18	(1,743)
	1,013,913	(157,870)	-	797	856,840

NOTES TO THE FINANCIAL STATEMENTS

27. LEASE LIABILITIES

	Building RM'000	Motor vehicles RM'000	Total RM'000
Group			
2023			
Non-current			
Lease liabilities	2,652	4,184	6,836
Current			
Lease liabilities	1,784	1,635	3,419
Total lease liabilities	4,436	5,819	10,255
2022			
Non-current			
Lease liabilities	1,657	5,576	7,233
Current			
Lease liabilities	837	1,472	2,309
Total lease liabilities	2,494	7,048	9,542

Set out below are the movements during the year:

	Building RM'000	Motor vehicles RM'000	Total RM'000
Group			
2023			
At 1 January	2,494	7,048	9,542
Additions	6,027	329	6,356
Adjustment	(2,209)	(33)	(2,242)
Accretion of interest (Note 9)	210	194	404
Payments	(2,086)	(1,719)	(3,805)
Total lease liabilities	4,436	5,819	10,255
2022			
At 1 January	–	1,412	1,412
Additions	4,244	5,978	10,222
Accretion of interest (Note 9)	104	62	166
Payments	(1,854)	(404)	(2,258)
Total lease liabilities	2,494	7,048	9,542

NOTES TO THE FINANCIAL STATEMENTS

27. LEASE LIABILITIES (CONT'D.)

	Building RM'000	Motor vehicles RM'000	Total RM'000
Group			
2023			
Maturity of lease liabilities:			
Not later than 1 year	1,784	1,635	3,419
Later than 1 year and not later than 2 years	1,784	1,598	3,382
Later than 2 years and not later than 5 years	868	2,586	3,454
	4,436	5,819	10,255

2022

Maturity of lease liabilities:			
Not later than 1 year	837	1,472	2,309
Later than 1 year and not later than 2 years	748	1,788	2,536
Later than 2 years and not later than 5 years	909	3,788	4,697
	2,494	7,048	9,542

The average interest rates (per annum) as at the reporting date for lease liabilities is as follow:

	2023 %	2022 %
Lease liabilities	2.70%	2.70%

Change in liabilities arising from financing activities:

	Non-current RM'000	Current RM'000	Total RM'000
Group			
At 1 January 2023	7,233	2,309	9,542
Additions	2,447	3,909	6,356
Reclassification	(1,187)	1,187	-
Adjustment	(1,657)	(585)	(2,242)
Accretion of interest (Note 9)	-	404	404
Cash flows	-	(3,805)	(3,805)
At 31 December 2023	6,836	3,419	10,255
At 1 January 2022	1,095	317	1,412
Additions	6,526	3,696	10,222
Reclassification	(388)	388	-
Accretion of interest (Note 9)	-	166	166
Cash flows	-	(2,258)	(2,258)
At 31 December 2022	7,233	2,309	9,542

NOTES TO THE FINANCIAL STATEMENTS

27. LEASE LIABILITIES (CONT'D.)

	Motor Vehicles	
	2023 RM'000	2022 RM'000
Company		
Non-current		
Lease liabilities	1,041	1,383
Current		
Lease liabilities	354	369
Total lease liabilities	1,395	1,752

Set out below are the movements during the year:

	Motor Vehicles	
	2023 RM'000	2022 RM'000
Company		
At 1 January	1,752	1,769
Accretion of interest (Note 9)	51	5
Payment	(408)	(22)
At 31 December	1,395	1,752

	Motor Vehicles	
	2023 RM'000	2022 RM'000
Company		
Maturity of lease liabilities:		
Not later than 1 year	354	369
Later than 1 year and not later than 2 years	354	357
Later than 2 year and not later than 5 years	687	1,026
Total lease liabilities	1,395	1,752

NOTES TO THE FINANCIAL STATEMENTS

27. LEASE LIABILITIES (CONT'D.)

The average interest rates (per annum) as at the reporting date for lease liabilities is as follow:

	2023 %	2022 %
Lease liabilities	2.94	2.94

	Non-current RM'000	Current RM'000	Total RM'000
Company			
At 1 January 2023	1,383	369	1,752
Reclassification	(342)	342	-
Accretion of interest (Note 9)	-	51	51
Cash flows	-	(408)	(408)
At 31 December 2023	1,041	354	1,395
At 1 January 2022	-	-	-
Additional	1,383	386	1,769
Accretion of interest (Note 9)	-	5	5
Cash flows	-	(22)	(22)
At 31 December 2022	1,383	369	1,752

NOTES TO THE FINANCIAL STATEMENTS

28. PAYABLES

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current				
Trade				
Trade payables	43,853	74,631	7,817	23,472
Other				
Estate payables	29,304	28,826	5,702	4,745
Amount due to joint operation partner				
– Loan	19,771	19,787	19,771	19,287
Other related companies	55	61	7	–
Associates	2,893	5,125	2,959	4,501
Immediate Holding Company	660	891	3	500
Wholly owned subsidiaries				
– Loan	–	–	79,468	84,769
– Current account	–	–	15,028	24,123
Non-wholly owned subsidiaries				
– Loan	–	–	18,832	35,399
– Current account	–	–	51	101
Interest payable	3,841	4,270	3,841	4,270
Accrued expenses	18,827	32,351	6,519	8,832
Other taxes payable	4,849	6,694	464	749
Other payables	7,349	8,575	1,669	2,576
	87,549	106,580	154,314	189,852
	131,402	181,211	162,131	213,324
Non-current				
Other payable				
Defined benefit obligations (Note 29)	7,710	6,774	5,852	4,983
Total payables (current and non-current)	139,112	187,985	167,983	218,307
Total payables (current)	131,402	181,211	162,131	213,324
Add: Borrowings (Note 26)	774,271	856,853	774,271	856,853
Add: Lease liabilities (Note 27)	10,255	9,542	1,395	1,752
Less: Other taxes payable	(4,849)	(6,694)	(464)	(749)
Total financial liabilities carried at amortised cost	911,079	1,040,912	937,333	1,071,180

NOTES TO THE FINANCIAL STATEMENTS

28. PAYABLES (CONT'D.)

Trade and other payables

Trade and estate payables are on 30 to 60 days (2022: 30 to 60 days) payment terms and are non-interest bearing. Other payables are normally settled on an average of 30 days (2022: 30 days) terms and are non-interest bearing.

Related party balances

Amount due to joint operation partner is unsecured, repayable on demand and bears interest at 3.5% (2022: 3.5%) per annum.

Amount due to Immediate Holding Company is unsecured, interest-free and repayable on demand.

Loans from wholly owned and non-wholly owned subsidiaries are unsecured, repayable on demand and bear interest at 3.5% (2022: 3.5%) per annum.

Amounts due to associates, other related companies and current accounts of wholly owned and non-wholly owned subsidiaries are unsecured, interest-free and repayable on demand.

29. DEFINED BENEFIT OBLIGATIONS

(a) The amount recognised in the statements of financial position is determined as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Present value of unfunded defined benefit obligations, representing net liability (Note 28)	7,710	6,774	5,852	4,983

(b) The movement in the net liability in the current year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
At 1 January	6,774	6,605	4,983	4,856
Recognised in profit or loss (Note 5)	877	785	649	529
Recognised in other comprehensive income	647	–	657	–
Defined benefits paid	(588)	(616)	(437)	(402)
At 31 December	7,710	6,774	5,852	4,983

NOTES TO THE FINANCIAL STATEMENTS

29. DEFINED BENEFIT OBLIGATIONS (CONT'D.)

(c) The amount recognised in profit or loss is analysed as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current service cost	568	502	422	321
Interest cost	309	283	227	208
Recognised in profit or loss	877	785	649	529

(d) The amount recognised in other comprehensive income is analysed as follows:

	Group		Company	
	2023	2022	2023	2022
Effect of changes in financial assumptions	(269)	–	(195)	–
Effect of experience adjustment	916	–	852	–
Recognised in other comprehensive income	647	–	657	–

(e) The principal assumptions used to determine the defined benefit obligations are shown below:

	Group and Company	
	2023	2022
Discount rate (% per annum)	4.8	4.4
Salary increment rate (% per annum)	5.5	5.5

(f) The sensitivity analysis arising from reasonably possible changes of each significant assumption on the defined benefit obligations as at year end with all other assumptions held constant is given below:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
1% increase in discount rate	(603)	(491)	(440)	(349)
1% decrease in discount rate	701	563	509	399
1% increase in salary increment rate	712	773	521	557
1% decrease in salary increment rate	(624)	(674)	(458)	(488)

(g) The duration of the Group's and Company's defined benefit obligations at the end of the reporting period is 9 years (2022 : 5 years).

NOTES TO THE FINANCIAL STATEMENTS

30. CAPITAL COMMITMENTS

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Capital expenditure:				
– authorised but not contracted for	204,695	193,673	35,433	36,120

The Group's and the Company's interest in the capital commitment of the joint operation plantation is disclosed in Note 33.

31. SEGMENT INFORMATION

The Group is principally involved in plantation operations and also provides plantation consultancy services. Management controls operations by geographical locations where resources are allocated and performance are monitored for achievement of the desired output. Monthly management reports are prepared by geographical segment for review by Management. Thus, operating segments are best segregated as follows:

(a) Plantation segment

Plantation operations involve the cultivation of oil palms and production of crude palm oil and palm kernel. The Group's plantations are located in Peninsular Malaysia, Sabah and Sarawak.

(b) Others segment

The others segment consists of plantation consultancy and investing activities.

The performance of each operating segment is measured on the basis of operating results before interest income and finance costs. Non-recurring items such as gains on disposal of plantation assets, impairment losses and share of results of associates and fair value gains or losses are excluded from the measurement of a segment's performance.

Transactions between operating segments are undertaken on arm's length basis. Inter-segment revenue namely plantation management fees are eliminated on consolidation. The Group practises central fund management where surplus funds are moved within the Group and the interest income/expenses arising from such arrangements are eliminated in full.

NOTES TO THE FINANCIAL STATEMENTS

31. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is set out in the following table:

	PM*	Plantation		Others	Elimination	Total
	RM'000	Sabah RM'000	Sarawak RM'000	RM'000	RM'000	RM'000
2023						
Revenue						
External customers	354,646	447,316	49,046	686	-	851,694
Inter-segment	-	-	-	29,818	(29,818)	-
Total revenue	354,646	447,316	49,046	30,504	(29,818)	851,694
Segment result						
Interest income	78,723	40,460	(20,288)	2,956	-	101,851
Finance costs						(39,798)
Share of results of associates						5,601
Profit before taxation and zakat						70,644
Taxation						(31,432)
Zakat						(3,540)
Profit for the year						35,672
Other information:						
Depreciation of property, plant and equipment	33,353	43,284	5,715	873	-	83,225
Depreciation of right-of-use assets	4,658	30,167	471	2,079	-	37,375

* Denotes Peninsular Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

31. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is set out in the following table:

	PM*	Plantation Sabah	Sarawak	Others	Elimination	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2022						
Revenue						
External customers	461,671	592,831	121,704	742	-	1,176,948
Inter-segment	-	-	-	30,449	(30,449)	-
Total revenue	461,671	592,831	121,704	31,191	(30,449)	1,176,948
Segment result						
Gain on disposal of plantation assets	172,003	122,982	(3,868)	3,513	-	294,630
Interest income						458,743
Finance costs						5,060
Share of results of associates						(34,275)
Profit before taxation and zakat						4,849
Taxation						729,007
Zakat						(137,582)
Profit for the year						(2,629)
Profit for the year						588,796
Other information:						
Depreciation of property, plant and equipment	33,808	48,395	7,093	684	-	89,980
Depreciation of right-of-use assets	4,141	29,425	471	1,890	-	35,927

* Denotes Peninsular Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT RELATED PARTY TRANSACTIONS

Identification of related parties

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

Related parties of the Group include:

- (i) Direct and indirect subsidiaries;
- (ii) Immediate Holding Corporation, Lembaga Tabung Angkatan Tentera (LTAT), its subsidiaries and direct and indirect associates;
- (iii) Previous Immediate Holding Company, Boustead Holdings Berhad (BHB), its subsidiaries and direct and indirect associates, prior to the disposal of its shareholdings in the Company during the year;
- (iv) Direct and indirect associates;
- (v) Key management personnel which comprises persons (including the Directors of the Company) having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Subsidiaries				
Sale of fresh fruit bunches	-	-	147,986	210,297
Plantation management fees	-	-	7,834	8,239
Interest income	-	-	83,825	89,542
Finance costs	-	-	3,788	3,573
Dividend	-	-	13,740	54,415
Subsidiaries of previous Immediate Holding Company				
Purchase of non-regulated petroleum products	138	201	30	14
Travel agency services	583	449	36	12
Office rental	2,091	1,718	-	-
Financial assistance in respect of hire purchase	950	30	352	23
Previous Immediate Holding Company				
General management fees	1,269	994	635	584
Tax consultancy fees	90	87	12	12
Associates				
Advisory fees	1,395	1,500	348	380
Research and development	16,042	16,472	16,042	16,472
Dividend	7,000	-	7,000	-
Associates of BHB				
Insurance premium	2,248	3,921	440	725
Interest income	1,294	3,593	1,294	3,593
Finance costs	10,335	11,736	10,335	11,736
Purchase of chemical products	843	792	67	67

Related party balances with the previous Immediate Holding Company and subsidiaries are referred to in Notes 19 and 28.

NOTES TO THE FINANCIAL STATEMENTS

32. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Government-related entities

At the reporting date, balances with financial institutions which are Government-related entities are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Bank balances and Islamic deposits	8,747	54,027	8,125	53,350
Term loans	144,000	216,000	144,000	216,000

Key management personnel

The remuneration of key management personnel for the financial year is as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Salaries	1,798	2,044	1,617	1,746
Directors' Fees (Note 5)	670	1,083	599	1,083
Allowances	607	1,613	585	805
Defined contribution plans	490	446	442	393
	3,565	5,186	3,243	4,027

The Directors are of the opinion that related party transactions are in the normal course of business and at terms mutually agreed between the parties.

NOTES TO THE FINANCIAL STATEMENTS

33. INTEREST IN JOINT OPERATION PLANTATION

The Group and the Company have a 50% interest in Kuala Muda Estate, a joint operation plantation, which is held at book value of RM22,435,000 (2022: RM22,435,000). The following amounts represent the Group's and Company's share of the assets and liabilities as well as share of revenue and expenses of the joint operation plantation, which are included in the respective statement of financial position and income statement:

	Group and Company	
	2023	2022
	RM'000	RM'000
Statement of Financial Position		
Non-current assets	27,866	26,808
Current assets	20,734	20,966
Current liabilities	(3,160)	(3,801)
Non-current liabilities	(150)	(141)
Net assets	45,290	43,832
Income Statement		
Revenue	7,682	10,713
Operating costs	(5,229)	(5,317)
Operating profit	2,453	5,396
Capital commitments	663	1,032

34. SIGNIFICANT AND SUBSEQUENT EVENTS

On 24 August 2023, the Company received a notification from the controlling shareholders of the Company, Boustead Holdings Berhad (BHB) and Lembaga Tabung Angkatan Tentera (LTAT), that they have entered into a Strategic Collaboration Agreement (SCA) with Kuala Lumpur Kepong Berhad (KLK) on 24 August 2023 in relation to the following:

- (i) proposed disposal by BHB of a total of 739,199,966 ordinary shares in the Company, representing 33% and 1 share of the total issued shares of the Company, to KLK for as cash consideration of RM1,145,759,947.30 or RM1.55 per share (Proposed Disposal);
- (ii) proposed mandatory take-over offer to acquire all remaining shares not already owned by BHB, LTAT and KLK resulting from Proposed Disposal at a cash offer price of RM1.55 per share; and
- (iii) improving the operational efficiencies and crude palm oil yields of the plantations of the Company over the long-term.

(collectively, the Proposed Strategic Collaboration)

On 4 October 2023, the controlling shareholders of the Company, BHB and LTAT, notified the Company that the condition precedent under the SCA will not be satisfied by the cut-off date of 6 October 2023 and accordingly, the parties of the SCA had mutually agreed not to proceed with the Proposed Strategic Collaboration and to terminate the SCA with immediate effect on 4 October 2023.

Subsequently, the Company received a letter from LTAT on the intention to proceed with the general offer of the Company at the offer price of RM1.55 per share notwithstanding the termination of the SCA, subject to regulatory approvals.

On 10 November 2023, LTAT acquired 739,199,966 shares from BHB for a total cash consideration of RM1,145,759,947.30 or RM1.55 per share. LTAT shareholding stood at 43.59%.

NOTES TO THE FINANCIAL STATEMENTS

34. SIGNIFICANT AND SUBSEQUENT EVENTS (CONT'D.)

Accordingly, the Company received a notice of unconditional mandatory take-over offer from UOB Kay Hian Securities (M) Sdn Bhd and Maybank Investment Bank Berhad, collectively as the Joint Principal Advisers, on behalf of the LTAT (Offeror), to acquire all the remaining shares in the Company not already held by the Offeror for a cash offer price of RM1.55 per share.

The Company was delisted from the Main Market of Bursa Malaysia Securities Berhad on 23 January 2024.

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's activities expose it to a variety of risks, including interest rate, liquidity, credit and commodity price risks. The Group's overall financial risk management objective is to ensure that the Group creates value for its shareholders while minimising potential adverse effects on the performance of the Group.

The Board of Directors reviews and agrees with the policies and procedures for the management of these risks, which are executed by the Chief Executive Officer, through the Management Committee. The Risk Committee provides independent oversight to the effectiveness of the risk management process.

It is the Group's policy that no derivatives shall be undertaken except for use as hedging instruments where appropriate and cost efficient. The Group and the Company do not apply hedge accounting.

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) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's interest rate risk arises from bank deposits, borrowings and intercompany loans.

The Group finances its operations through operating cash flows and borrowings, which is denominated in Ringgit Malaysia. All bank borrowings are on floating rate terms. Loans to subsidiaries are also on floating rate terms, where such rates are remeasured at periodic intervals to approximate market interest rates or cost of borrowings. The floating rate loans to subsidiaries form a natural hedge for its floating rate bank borrowings.

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 50 basis points lower/higher, with all other variables held constant, the Group's and Company's profit before taxation and zakat (PBT) would have been:

	Group		Company	
	(Decrease)/Increase 2023 Effect on PBT RM'000	2022 Effect on PBT RM'000	(Decrease)/Increase 2023 Effect on PBT RM'000	2022 Effect on PBT RM'000
50 basis points decrease in interest rate	3,727	3,822	(5,011)	(4,233)
50 basis points increase in interest rate	(3,727)	(3,822)	5,011	4,233

The assumed movement in the basis points for interest rate for sensitivity analysis is based on a prudent estimate of the current market environment.

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to insufficient 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 practises prudent liquidity risk management by maintaining availability of funding through adequate amount of committed credit facilities.

The borrowings of the Company were obtained mainly for the acquisition of the Group's plantation assets. These borrowings are essentially backed up by the strength of the Group's financial position and its ability to generate cash flows to fund activities. The Group's financial and liquidity position is closely monitored to ensure its continued ability to duly service and repay the loans when due.

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.

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Group				
At 31 December 2023				
Financial liabilities:				
Trade and other payables	126,553	-	-	126,553
Lease liabilities	4,001	7,339	-	11,340
Borrowings	555,046	251,573	20,534	827,153
Total undiscounted financial liabilities	685,600	258,912	20,534	965,046
At 31 December 2022				
Financial liabilities:				
Trade and other payables	174,517	-	-	174,517
Lease liabilities	2,447	7,913	-	10,360
Borrowings	494,089	399,887	21,602	915,578
Total undiscounted financial liabilities	671,053	407,800	21,602	1,100,455

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

Analysis of financial instruments by remaining contractual maturities (cont'd.)

	On demand or within one year RM'000	Two to five years RM'000	Over five years RM'000	Total RM'000
Company				
At 31 December 2023				
Financial liabilities:				
Trade and other payables	161,667	-	-	161,667
Lease liabilities	428	1,191	-	1,619
Borrowings	555,046	251,573	20,534	827,153
Total undiscounted financial liabilities	717,141	252,764	20,534	990,439
At 31 December 2022				
Financial liabilities:				
Trade and other payables	212,575	-	-	212,575
Lease liabilities	421	1,598	-	2,019
Borrowings	494,089	399,887	21,602	915,578
Total undiscounted financial liabilities	707,085	401,485	21,602	1,130,172

NOTES TO THE FINANCIAL STATEMENTS

35. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) Credit risk

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

The Group seeks to control credit risk by setting credit limits, obtaining bank guarantees where appropriate; ensuring that sales are made to customers with appropriate credit history and conducting periodic review on financial standing of customers. Further, sales to customers are reviewed when deliveries exceed guaranteed amounts or set credit limits.

The Group and the Company consider the risk of material loss in the event of non-performance by a financial counterparty to be unlikely due to the good prospects of the industry that its customers operate in and these customers are creditworthy debtors with good payment records with the Group and the Company.

Exposure to credit risk

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position. The Group has no concentration of credit risk on any one particular customer or related company. At the reporting date, the Company has significant concentration of credit risk that arose from exposures to amounts due from 1 (2022: 2) subsidiary representing 94% (2022: 86%) of the Company's trade and other receivables.

There is no credit enhancements for trade and other receivables.

Amounts due from subsidiaries and related companies

There is minimal risk of default as these companies are either profitable or prospectively profitable except for subsidiaries for which allowances have been made in respect of amounts estimated to be not recoverable as disclosed in Note 19. The credit standing of these companies are periodically monitored and reviewed.

(d) Commodity price risk

The Group is exposed to commodity price risk arising from fluctuations in the price of crude palm oil and palm kernel. The Group adopts the strategy of having a mix of spot and forward sales at any one time to mitigate this risk. Forward sales policies are periodically reviewed by management.

NOTES TO THE FINANCIAL STATEMENTS

36. FAIR VALUE OF FINANCIAL INSTRUMENTS

Determination of fair value

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

	Note
Trade and other receivables	19
Amount due to Immediate Holding Company	28
Loans to/from subsidiaries	19, 28
Amount due from/to associates	19, 28
Amount due to joint operation partner	28
Amount due from/to related companies	19, 28
Trade and other payables (current)	28, 29
Borrowings (current and non-current)	26
Lease liabilities (current and non-current)	27

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that approximate market interest rates at the reporting date.

Loans to subsidiaries are evaluated by the Company based on parameters such as interest rates, individual credit worthiness of the respective subsidiaries and the risk characteristics of the financed project. Based on the evaluation, allowances are taken into account for expected losses of the loan. As at 31 December 2023, the carrying amounts of the loan, net of allowances, were not materially different from their calculated fair values.

The fair value of borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending or borrowing arrangements at the reporting date.

37. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2023 and 2022.

The Group monitors capital using gearing ratio, which is derived by dividing borrowings (Note 26) over shareholders' equity. At the reporting date, the Group's gearing ratio is 0.27 times (2022: 0.29 times). The Group's policy is to keep gearing within manageable levels.

NOTES TO THE FINANCIAL STATEMENTS

38. LIST OF SUBSIDIARIES AND ASSOCIATES

Name of Company*	Principal activities	Paid up capital	Group interest	
			2023 %	2022 %
SUBSIDIARIES				
Boustead Telok Sengat Sdn Bhd	Processing of fresh fruit bunches (FFB) and investment holding	RM11,480,000	100	100
Boustead Eldred Sdn Bhd	Cultivation of oil palms	RM15,000,000	100	100
Boustead Solandra Sdn Bhd	Cultivation of oil palms	RM200,000	100	100
Boustead Agency and Consultancy Services Sdn Bhd	Plantation management and engineering consultancy	RM4,500,000	100	100
Boustead Rimba Nilai Sdn Bhd	Cultivation of oil palms and processing of FFB	RM100,000,000	100	100
Boustead Emastulin Sdn Bhd	Cultivation of oil palms and processing of FFB	RM17,000,000	100	100
Boustead Gradient Sdn Bhd	Cultivation of oil palms and processing of FFB	RM3,000,000	100	100
Boustead Trunkline Sdn Bhd	Cultivation of oil palms	RM7,000,000	100	100
Boustead Pelita Kanowit Sdn Bhd	Cultivation of oil palms	RM234,560,000	60	60
Boustead Pelita Tinjar Sdn Bhd	Cultivation of oil palms and processing of FFB	RM161,370,000	60	60
Boustead Pelita Kanowit Oil Mill Sdn Bhd	Operation of palm oil mill	RM30,000,000	60	60
Boustead Estates Agency Sdn Bhd	Plantation management and engineering consultancy	RM1,637,292	100	100
Bounty Crop Sdn Bhd	Ceased operation	RM70,200,000	100	100
Boustead Life Sciences Research Sdn Bhd	Advisory and research on life sciences and commercialisation of products developed from life sciences, health and cosmetic	RM250,000	100	100
Boustead Agro Plantations Sdn Bhd	Farming, marketing and selling of agriculture produces	RM250,000	100	100
ASSOCIATES				
Applied Agricultural Resources Sdn Bhd	Agronomic advisory services, commercial production of oil palm planting materials and investment holding	RM3,050,000	50	50
PT AAR Nusantara**	Production of oil palm seeds (Dissolved on 1 November 2023)	IDR10,000,000,000	-	25
Advanced Agriecological Research Sdn Bhd	Agronomy research services	RM500,000	50	50

* Incorporated in Malaysia unless otherwise indicated

** Incorporated in Indonesia and audited by an overseas firm not associated with Ernst & Young PLT, Malaysia

PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/revaluation*
Peninsular Malaysia						
Batu Pekaka Estate, Kuala Ketil, Kedah	973.7	Oil palm estate	Freehold		42.3	2016*
Kuala Muda Estate (50% interest), Sungai Petani, Kedah	761.7	Oil palm estate	Freehold		27.6	2016*
Stothard Estate, Kuala Ketil, Kedah	976.6	Oil palm estate	Freehold		44.2	2016*
Kedah Oil Palms Estate, Kulim, Kedah	243.0	Oil palm estate	Freehold		22.5	2016*
Bukit Mertajam Estate, Kulim, Kedah ^{N1}	2,633.9	Oil palm estate	Freehold		202.2	2016*
Taiping Rubber Plantation Estate, Trong, Perak	1,347.5	Oil palm estate & palm oil mill	Freehold	20	69.8	2016*
Malaya Estate, Selama, Perak	940.2	Oil palm estate	Freehold		40.3	2016*
Lepan Kabu Estate, Kuala Pahi, Kelantan	2,034.6	Oil palm estate	Freehold		85.1	2016*
Solandra Estate, Kemaman, Terengganu	395.9	Oil palm estate	1984-2054		3.8	2016*
Ladang Tabung Tentera Terengganu (LTT-Terengganu), Kemaman, Terengganu	1,810.7	Oil palm estate	1984-2054		39.6	2016*
Sungai Jernih Estate, Pekan, Pahang	2,695.8	Oil palm estate & palm oil mill	1981-2091	30	102.2	2016*
Bebar Estate, Muadzam Shah, Pahang	2,340.6	Oil palm estate	1984-2083		98.0	2016*
Balau Estate, Semenyih, Selangor	247.4	Oil palm estate	Freehold	14	280.0	2016*
Bekoh Estate, Tangkak, Johor	1,226.1	Oil palm estate	Freehold		70.3	2016*
Eldred Estate, Bekok, Johor	1,799.7	Oil palm estate	Freehold		94.6	2016*
Chamek Estate, Kluang, Johor	814.7	Oil palm estate	Freehold		56.2	2016*
Telok Sengat Estate, Kota Tinggi, Johor	3,672.1	Oil palm estate & palm oil mill	Freehold	35	248.4	2016*

PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/ revaluation*
Sabah						
Sungai Sungai 1, Sungai Sungai 2 and Sungai Sungai 3 Estates, Sugut	6,035.3	Oil palm estate & palm oil mill	1997-2098	16	84.2	2012, 2014, 2016
Kawananan Estate, Sugut	2,585.0	Oil palm estate	1997-2098		26.0	2012
Lembah Paitan Estate, Sugut	1,305.1	Oil palm estate	1997-2098		11.6	1997-2001
Resort Estate, Sandakan	1,106.6	Oil palm estate	1978-2071		17.6	2013
Nak Estate, Sandakan	1,348.4	Oil palm estate	1965-2075	35	73.1	2016*
Sutera Estate, Sandakan	2,197.8	Oil palm estate	1888-2887		153.0	2016*
Ladang Tabung Tentera Sabah (LTT-Sabah), Lahad Datu	2,023.0	Oil palm estate	1979-2077		113.7	2016*
Segaria Estate, Semporna	4,746.2	Oil palm estate & palm oil mill	1965-2072	41	233.2	2016*
Sungai Segamaha and Bukit Segamaha Estates, Lahad Datu	5,660.0	Oil palm estate & palm oil mill	1979-2077	25	292.9	2016*
G&G Estate, Lahad Datu	2,409.8	Oil palm estate	1979-2077		122.2	2016*
Boustead Pertama and Boustead Sapa Payau Estates, Labuk & Sugut	3,944.1	Oil palm estate	1980-2079 1981-2080 1982-2081		202.5	2018
Boustead Sungai Lokan and Boustead Lokan Baru Estates, Labuk & Sugut	4,439.0	Oil palm estate	1980-2079 1981-2080 1982-2081 1988-2087		228.4	2018
Boustead Ruku Ruku Estate, Labuk & Sugut	3,196.2	Oil palm estate	1980-2079 1981-2080 1982-2081		160.7	2018
Boustead Tawai 1 Estate, Labuk & Sugut	1,793.6	Oil palm estate & palm oil mill	1978-2077 1979-2078 1980-2079 1981-2080	21	117.1	2019
Boustead Tawai 2 Estate, Labuk & Sugut	3,232.7	Oil palm estate	1934-2033 1935-2034 1979-2078 1982-2081 1992-2091		164.7	2019

PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/revaluation*
Sarawak						
Loagan Bunut Estate, Tinjar ^{N2}	12,522.9	Oil palm estate & palm oil mill	1991-2091	27	24.0	1994
Pedai Estate, Sibul	3,412.8	Oil palm estate	1998-2058		2.9	1998
Jih Estate, Sibul	2,891.1	Oil palm estate	1998-2058		2.0	1998
Kanowit Palm Oil Mill, Sibul	45.3	Palm oil mill	1998-2058	18	4.0	1994
Kelimum Estate, Sibul ^{N3}	3,444.5	Oil palm estate	1998-2058		2.9	1998
Mapai Estate, Sibul	2,426.8	Oil palm estate	1998-2058		3.2	1998
Bawan Estate, Sibul	1,781.1	Oil palm estate	1998-2058		2.2	1998
Total	97,461.5				3,569.2	

Book values are stated in RM million

N1 - Mayfield Division (formerly known as Malakoff Estate) is included as part of Bukit Mertajam Estate.

N2 - Sungai Lelak Estate and Bukit Limau Estate are included as part of Loagan Bunut Estate.

N3 - Maong Estate is included as part of Kelimum Estate.

GROUP AGRICULTURAL STATISTICS

	2023	2022	2021	2020	2019
Planted area in hectares (ha)					
Past prime	28,245	32,964	34,972	32,952	32,505
Prime	21,189	19,991	20,173	21,672	27,167
Young	10,319	12,639	12,824	12,223	13,183
Total mature	59,753	65,594	67,969	66,847	72,855
Immature	12,454	6,697	5,484	6,647	6,551
Total planted	72,207	72,291	73,453	73,494	79,406
FFB crop metric tonnes (MT)	831,816	871,287	923,471	1,001,557	979,972
FFB yield (MT per ha)	13.9	13.0	13.3	15.0	13.9
Oil yield (MT per ha)	2.9	2.8	2.9	3.2	3.0
Mill production (MT)					
FFB processed	954,944	1,050,823	1,041,364	1,152,763	1,070,639
Crude palm oil	198,972	216,047	220,773	243,080	211,847
Palm kernel	37,335	41,639	42,542	49,211	43,601
Extraction rate (%)					
Crude palm oil	20.8	20.6	21.2	21.1	21.6
Palm kernel	3.9	4.0	4.1	4.3	4.4
Average selling price (RM per MT)					
FFB	716	1,143	946	552	426
Crude palm oil	3,874	5,066	4,341	2,134	2,261
Palm kernel	2,103	3,156	2,922	1,244	1,780

PLANTATION AREA STATEMENT

AREA STATEMENT

	2023		2022	
	Ha	%	Ha	%
Oil palms	72,207	74.1	72,291	74.2
Building sites, roads, unplantable areas, etc	25,255	25.9	25,108	25.8
Total	97,462	100.0	97,399	100.0

AGE PROFILE OF PALMS

2023

Region	Immature <3 years	Mature			Total planted
		Young 4 – 9 years	Prime 10 – 20 years	Past prime >20 years	
Peninsular Malaysia	3,219	4,492	9,805	5,853	23,369
Sabah	9,235	5,794	11,095	12,429	38,553
Sarawak	-	33	289	9,963	10,285
Total ha	12,454	10,319	21,189	28,245	72,207

2022

Region	Immature <3 years	Mature			Total planted
		Young 4 – 9 years	Prime 10 – 20 years	Past prime >20 years	
Peninsular Malaysia	2,689	4,864	9,949	5,834	23,336
Sabah	4,008	7,511	9,984	17,167	38,670
Sarawak	-	264	58	9,963	10,285
Total ha	6,697	12,639	19,991	32,964	72,291

SHAREHOLDINGS STATISTICS

AS AT 31 MAY 2024

Size of shareholdings	No. of holders	%	No. of shares	%
LESS THAN 100	408	14.90	11,349	0.00
100 TO 1,000	821	29.97	317,297	0.01
1,001 TO 10,000	1,150	41.99	4,079,759	0.18
10,001 TO 100,000	343	12.52	8,764,279	0.39
100,001 TO LESS THAN 5% OF ISSUED SHARES	15	0.55	82,185,740	3.67
5% AND ABOVE OF ISSUED SHARES	2	0.07	2,144,641,471	95.74
TOTAL	2,739	100	2,239,999,895	100.00

30 LARGEST SHAREHOLDERS

Name of shareholders	No. of shares	%
1 LEMBAGA TABUNG ANGKATAN TENTERA	1,597,705,537	71.326
2 BOUSTEAD HOLDINGS BERHAD ACCOUNT NON-TRADING	546,935,934	24.416
3 CITIGROUP NOMINEES (ASING) SDN BHD USB AG FOR CITADEL MULTI-ASSET MASTER FUND	76,207,600	3.402
4 MOHD NASRI BIN ABDUL RAHIM	3,500,000	0.156
5 JORDAN TAY SHIH LIANG	420,000	0.018
6 WONG PUAN WAH	387,100	0.017
7 NG KIM NEO	256,340	0.011
8 YEW KEK SEAN	210,000	0.009
9 TAN SWAN PO @ DOLLY TAN	154,000	0.006
10 LAI KEW CHAI @ LAI SWEE	150,000	0.006
11 NA CHAING CHING	148,200	0.006
12 LAM SO HA @ LIM CHONG SWEE	140,000	0.006
13 LUCKY STAR PTE. LTD.	140,000	0.006
14 LEE TACK WAN	127,400	0.005
15 LEE CHEE CHEANG	121,100	0.005
16 NG KAH SING	119,000	0.005

30 LARGEST SHAREHOLDERS (CONT'D.)

Name of shareholders		No. of shares	%
17	HLIB NOMINEES (TEMPATAN) SDN BHD HONG LEONG BANK BHD FOR LEE KAN CHU	105,000	0.004
18	KHAW TEIK GIM	100,000	0.004
19	TAN TIAN HOCK @ TAN TIAN HOCK	100,000	0.004
20	LEE GUAT BENG @ LEE CHOO CHOO	98,000	0.004
21	NG SIOW HWA @ NG KOK HWA	86,160	0.003
22	YEO AYK KE	84,000	0.003
23	TAN SWE BIN	83,860	0.003
24	AZIDIN BIN SULAIMAN	81,900	0.003
25	LEE MING CHEW	75,600	0.003
26	CHEN CHOK MING	70,700	0.003
27	LEE YEW LEE	70,000	0.003
28	PATWANT SINGH A/L NIRANJAN SINGH	70,000	0.003
29	HAN HOCK HAI	67,200	0.003
30	KIET LOONG GOLDSMITH SDN. BERHAD	67,200	0.003
TOTAL		2,227,881,831	99.459%

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
	No. of holders	%	No. of shares	%
Lembaga Tabung Angkatan Tentera	1,597,705,537	71.33	-	-
Boustead Holdings Berhad	546,935,934	24.42	-	-

Class of shares	Ordinary Share
Voting rights	1 vote per ordinary share

DIVIDEND POLICY

It is the policy of the Board in recommending dividends to allow shareholders to participate in the profits of Boustead Plantations Berhad, while taking into account the retention of adequate reserves for future growth.

The Company's income and therefore its ability to pay dividends is dependent upon income from plantation operations, dividends and other distributions from subsidiaries, associated companies and joint operation plantation.

The payment of dividends by subsidiaries and associated companies will depend upon their distributable profits, operating results, financial condition, capital expenditure, debt servicing and other obligations or business plans and applicable laws or agreements restricting their ability to pay dividends or make other distributions.

Under the dividend policy, it is the intention of the Board to adopt a dividend payout ratio of at least 60% of the Company's audited profit after taxation and zakat attributable to shareholders for each financial year, after excluding the profit retained by associated companies, any unrealised income that are non-cash in nature and exceptional gains of non-operating nature where cash flow arising therefrom may be reinvested.

The above-mentioned payout ratio that the Board intends to adopt in respect of dividend payment for a particular financial year or period will depend on the factors outlined below as well as any other factors deemed relevant by the Board. In considering the amount of dividend payment, if any, upon recommendation by the Board, the following factors are taken into account:

- (i) level of cash, gearing and return on equity and retained earnings;
- (ii) expected financial performance;
- (iii) projected levels of capital expenditure, investment plans or growth/expansion strategy;
- (iv) working capital requirements; and
- (v) any contractual restrictions.

The dividend policy reflects the Board's current views on the Group's financial position and the said policy will be reviewed from time to time.

BOUSTEAD PLANTATIONS BERHAD

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