

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:

- 1 promote heightened accountability at the leadership level, namely Board and Senior Management;
- 2 adopt in substance the corporate governance enumerations and not merely in form;
- 3 conduct a thorough debate and rigorous enquiry process before establishing corporate governance systems, policies and procedures;
- 4 identify opportunities to drive the synergistic implementation of corporate governance systems, policies and procedures for improved strategic and operational decision making; and
- 5 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 MCCG 2021 except:

Practice 1.4

(Chairman of the Board should not be a member of Audit Committee, Nomination Committee or Remuneration Committee);

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).

In line with the latitude accorded in the application mechanism of MCCG, the Company has provided explanations for the departures from the said practices supplemented with a description on the alternative measures that seek to achieve the Intended Outcome of the departed Practices, measures that the Company has taken or intends to take to adopt the departed Practices as well as the timeframe for adoption of the departed Practices. Further details on the application of each individual Practice of MCCG are available in the Corporate Governance Report.

CORPORATE GOVERNANCE FRAMEWORK

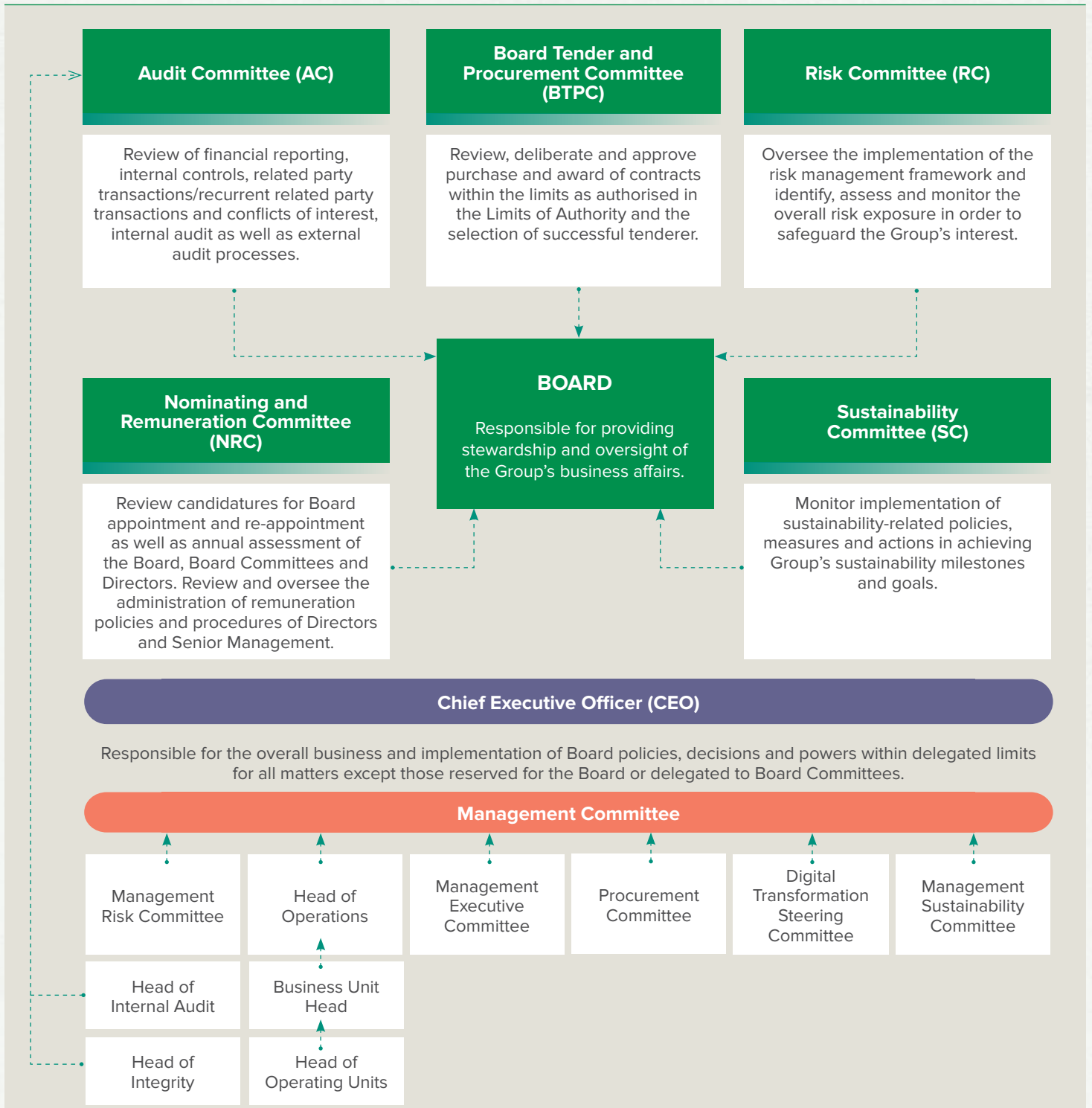
The Board discharges its responsibilities within a clear defined governance framework and robust mechanisms in place. The Board, without abdicating its responsibilities, delegates its governance responsibilities to key Committees of the Board and other Management Committees. The Board retains ultimate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

- 1 promoting the Group's future through sound sustainable practices;
- 2 building cogency through principled leadership;
- 3 securing the integrity and quality of financial reporting; and
- 4 ensuring good reputation with accountable behaviour.

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 on 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:

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



▶ BPlant Board Members sharing a light-hearted moment with employees at Segaria Estate, Sabah.

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.

The pandemic had changed the way the Board and the Management undertook their respective activities. Board and Board Committee meetings were carried out both online and by physical attendance of members during the year under review.

The Board conducted 15 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:

Director	Board	AC	RC	NRC	SC	BTPC	DTC ⁵
Independent Non-Executive Directors							
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. ¹	14/15	6/6	9/9	9/9	4/4	2/2	
Tan Sri Dato' Wira Aziah Ali	15/15	6/6	9/9	9/9	4/4	2/2	
(Dr.) Salihin Abang	15/15	6/6	4/4				3/3
Dato' Haji Ismail Haji Lasim ²	15/15			9/9			
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid ²	13/15			6/7	1/4		
Dato' Dr. Haji Din Adam ²	5/5						
Datuk Haji Abdul Ghani Abdul Rashid ²	15/15	5/5			4/4		3/3
Mohd Azahar Ibrahim ²	7/7						
Datuk Mustapa Kamal Mohd Yusoff ⁴	7/7		3/3				2/2
Non-Independent Non-Executive Directors							
Izaddeen Daud	14/15						
Ahmad Shahredzuan Mohd Shariff ³	15/15						
Datuk Haji Shah Headan Ayoob Hussain Shah ⁴	5/7		5/5		2/2	2/2	1/2
Non-Independent Executive Director							
Fahmy Ismail	15/15						

● Board/Board Committee Chairman ● Member

Note:

¹ Redesignated to Non-Independent Non-Executive Director with effect from (w.e.f.) 11 April 2023.

² Resigned w.e.f. 31 January 2023.

³ Resigned w.e.f. 9 December 2022.

⁴ Retired w.e.f. 14 June 2022.

⁵ Dissolution of Digital Transformation Committee (DTC) w.e.f. 10 February 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT



► Board and Management at Board Retreat 2022

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 AC, RC and SC are set out on pages 116 to 127 and 136 to 163 of this Integrated Report.

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 six members, two 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 expressed its gratitude and sincere appreciation to the former Chairman, Dato' Haji Ismail Haji Lasim for his leadership.

The Board also bid farewell to Ahmad Shahredzuan Mohd Shariff, Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid, Datuk Haji Abdul Ghani Abdul Rashid, Mohd Azahar Ibrahim and Dato' Dr. Haji Din Adam.

The year 2022 also saw Datuk Haji Shah Headan Ayoob Hussain Shah and Datuk Mustapa Kamal Mohd Yusoff retire from the Board.

The Board expressed its sincere gratitude to the former Chairman and Directors for their contributions to the Board and wishes them well.

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. The NRC, upon its evaluation has recommended for the re-election of the relevant Directors at the forthcoming AGM. The Directors have given their consent for the re-election.

Article 117

- Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.
- Izaddeen Daud

Article 123

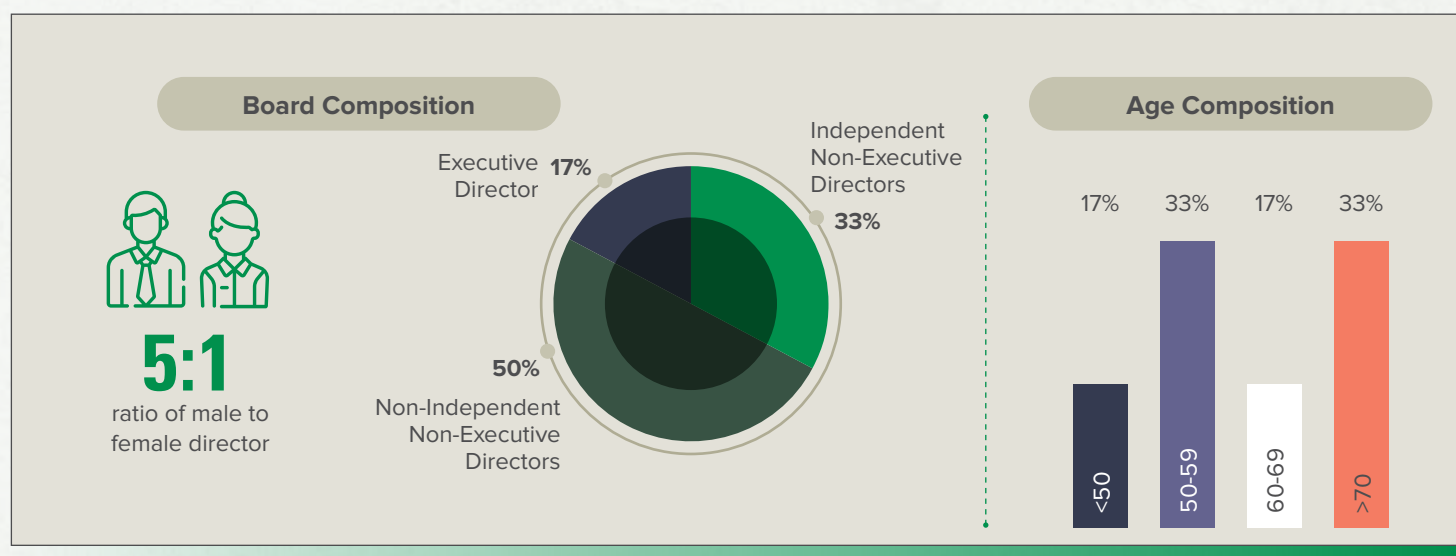
- Lieutenant General Datuk Azizan Md Delin (R)

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

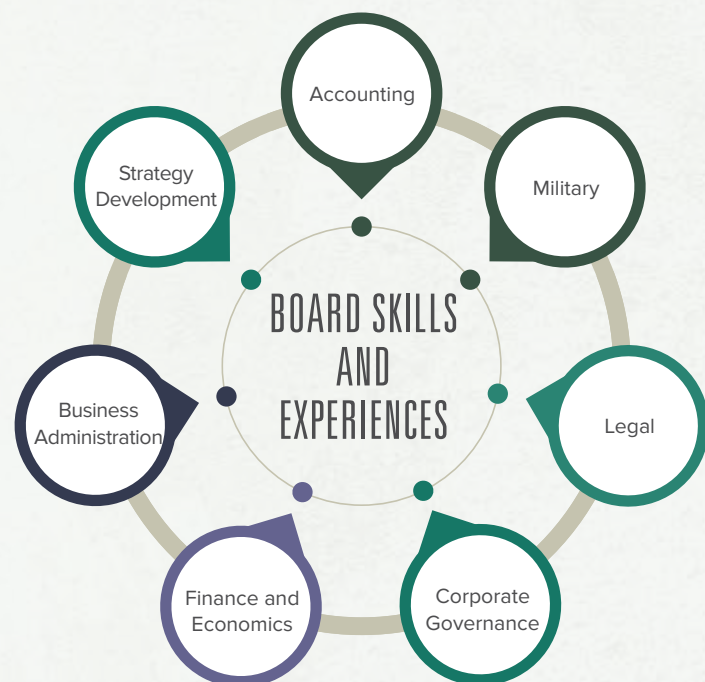
BOARD CONDUCT

The Board commits itself and its Directors to ethical business and lawful conduct, including proper use 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.



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:

- 1 approval of strategic directions, plans and key policies;
- 2 approval of annual budgets, including major capital commitments and capital expenditure budgets;
- 3 approval of new major ventures;
- 4 approval of material acquisitions and disposition of assets not in the ordinary course of business;
- 5 key changes to management and control structure within the Company;
- 6 appointment of CEO, Board members, Board Committee members and Company Secretary; and
- 7 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 MCCG, 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.

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 incorporate 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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 2022 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 2022 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.	119	119	46
Tan Sri Dato' Wira Aziah Ali	120	120	53
(Dr.) Salihin Abang	124	124	32
Izaddeen Daud #	90	90	18
Fahmy Ismail #	90	90	17
Dato' Haji Ismail Haji Lasim ¹	115	115	104
Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid ¹	95	95	21
Datuk Haji Abdul Ghani Abdul Rashid ¹	100	100	29
Mohd Azahar Ibrahim ¹	37	37	9
Dato' Dr. Haji Din Adam ¹	27	27	6
Ahmad Shahredzuan Mohd Shariff # ²	84	84	17
Datuk Haji Shah Headan Ayoob Hussain Shah ³	47	47	15
Datuk Mustapa Kamal Mohd Yusoff ³	35	35	12
	1,083	1,083	379

Note:

¹ Resigned w.e.f. 31 January 2023.

² Resigned w.e.f. 9 December 2022.

³ Retired w.e.f. 14 June 2022.

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 investment and business proposal 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 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



► Board of Directors, Management and secretariat members participate at BPlant's 109th Annual General Meeting at Royale Chulan Damansara, Selangor

CONDUCT OF ANNUAL GENERAL MEETING

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.

Given the on-going pandemic, BPlant accelerated its initiative to implement remote shareholder participation and online remote voting at the 109th AGM by leveraging on technology in accordance with Section 327(1) and (2) of the CA 2016.

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.

The 110th AGM
of the Company will be held on
12 June 2023

CORPORATE GOVERNANCE FOCUS AND INITIATIVES

The Board is committed towards the continuous enhancement of governance practices throughout the Group. In 2022, the Group undertook the following activities:

1 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.

2 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.

3 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.

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		
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.*	<ul style="list-style-type: none"> • Webinar on the Corporate Governance (CG) Overview Statement – CG Report, Audit Committee Report and Statement on Risk Management and Internal Control (SORMIC) (Malaysian Institute of Corporate Governance (MICG)) • Malaysian Institute of Accountants (MIA) International Accountants Conference 2022 - CG Report, Audit Committee (MIA) • Webinar on Governance, Ethics and Code of Conduct (MICG) • Webinar on the Audit Committee – Unpacking the Roles of the Committee and Honing it's Effectiveness in Discharging its Responsibilities Holistically (MICG) • The Nominating and Remuneration Committees (MICG) • Boustead Plantations Berhad (BPlant) Board Retreat 2022 (Management of BPlant) • Webinar on the Updated Malaysian Code on Corporate Governance 2021 – Implications to Listed Corporations, Directors and Management (MICG) • Labour and Mechanisation in Plantation Seminar (Malaysian Palm Oil Board) 	<ul style="list-style-type: none"> 28 March 2022 8 and 9 June 2022 16 June 2022 27 June 2022 14 July 2022 28 to 30 September 2022 10 August 2022 1 and 2 November 2022
Tan Sri Dato' Wira Aziah Ali	<ul style="list-style-type: none"> • Webinar on the CG Overview Statement – CG Report, Audit Committee Report and SORMIC (MICG) • Audit Oversight Board (AOB)'s Conversation with Audit Committees (Securities Commission Malaysia (SC)) • The CG Overview Statement , CG Report, Audit Committee Report and SORMIC (MICG) • Drafting Sustainability Statement or Report – Identifying and scoping the contents for meaningful disclosure and monitoring (MIA) • MIA International Accountants Conference 2022 (MIA) • Webinar on Governance, Ethics and Code of Conduct (MICG) • Webinar on the Audit Committee – Unpacking the Roles of the Committee and Honing it's Effectiveness in Discharging its Responsibilities Holistically (MICG) 	<ul style="list-style-type: none"> 28 March 2022 7 April 2022 8 April 2022 22 April 2022 8 and 9 June 2022 16 June 2022 27 June 2022

* Redesignated to Non-Independent Non-Executive Director on 11 April 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name	Programme Title and Organiser	Date(s)
Tan Sri Dato' Wira Aziah Ali (cont'd.)	<ul style="list-style-type: none"> • The Nominating and Remuneration Committees (MICG) • BPlant Board Retreat 2022 (Management of BPlant) • Webinar on the Updated Malaysian Code on Corporate Governance 2021 – Implications to Listed Corporations, Directors and Management (MICG) • Boustead Holdings Berhad (BHB) Integrity Day (Management of BHB) • AOB's Conversation with Audit Committees (SC) 	<p>14 July 2022</p> <p>28 to 30 September 2022</p> <p>10 August 2022</p> <p>24 November 2022</p> <p>6 December 2022</p>
(Dr.) Salihin Abang	<ul style="list-style-type: none"> • Mandatory Anti-Bribery and Corruption Training – Anti-Bribery and Corruption: What You Need To Know (Shook Lin and Bok) • Reimagine Risk Management: Post-Pandemic (MIA) • Talk on Corporate Liability Under Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act (MACC) • Task Force on Climate-Related Financial Disclosures (TCFD): Getting Started with Climate-Related Financial Reporting (Bursa Malaysia Securities Berhad (Bursa Malaysia)) • Sharing on Digitalisation Grant (MIA) • TCFD Climate Disclosure Training Programme (Bursa Malaysia) • Corporate Tax Planning (Malaysian Institute of Certified Public Accountants (MICPA)) • Entering The 5G Era (MIA) • Environmental, Social and Governance (ESG) Oversight for Boards (MIA) • Technology Adoption Strategy for Small and Medium Practices (SMPs) and Small Medium Entities (SMEs) (MIA) • Webinar on the CG Overview Statement – CG Report, Audit Committee Report and SORMIC (MICG) • HASiL-MEF Tax Webinar 2022 – Buidling Sustainable Future (Lembaga Hasil Dalam Negeri (LHDN)) • AOB's Conversation with Audit Committees (SC) 	<p>23 February 2022</p> <p>25 February 2022</p> <p>25 February 2022</p> <p>2 March 2022</p> <p>9 March 2022</p> <p>9 March 2022</p> <p>15 March 2022</p> <p>17 March 2022</p> <p>18 March 2022</p> <p>23 March 2022</p> <p>28 March 2022</p> <p>30 March 2022</p> <p>7 April 2022</p>

Name	Programme Title and Organiser	Date(s)
(Dr.) Salihin Abang (cont'd.)	<ul style="list-style-type: none"> CG Overview Statement - CG Report, Audit Committee Report and SORMIC (MICG) 	8 April 2022
	<ul style="list-style-type: none"> Basics of Climate Change and Organisational Greenhouse Gas Accounting: Master Climate Reporting Effectively (MIA) 	25 and 26 April 2022
	<ul style="list-style-type: none"> Executive Masterclass – Developing Malaysia’s Roadmap to Net Zero (MICPA and KPMG) 	27 April 2022
	<ul style="list-style-type: none"> MIA Mental Health Webinar Session – Turning Stress into Positive Energy (MIA) 	20 May 2022
	<ul style="list-style-type: none"> MIA Virtual Conference Series: Corporate Board Leadership Symposium 2022 – Mastering Governance in the Era of ESG (MIA) 	30 and 31 May 2022
	<ul style="list-style-type: none"> MIA Conference 2022 – Leading ESG, Charing Sustainability (MIA) 	8 and 9 June 2022
	<ul style="list-style-type: none"> MIA Webinar: Sustainability Management and Reporting – What This Entails and How the Board and Management Go About Managing and Reporting Sustainability Practices (MIA) 	22 June 2022
	<ul style="list-style-type: none"> Sustainable and Responsible Investment Virtual Conference 2022 – Preserving the Climate Through Sustainability Business and Living (Securities Industry Development Corporation (SIDC)) 	23 June 2022
	<ul style="list-style-type: none"> Global Network of Directors Institute (GNDI) 24 Hours Global reference (Malaysian Alliance of Corporate Directors and GNDI) 	14 July 2022
	<ul style="list-style-type: none"> National Tax Conference 2022 – The Role of Taxation in Post Pandemic Recovery (LHDN and Chartered Tax Institute of Malaysia (CTiM)) 	2 and 3 August 2022
	<ul style="list-style-type: none"> MIA Webinar: Living with COVID-19 - Adapting to Changes for Well-being at Work and Home (MIA) 	4 August 2022
	<ul style="list-style-type: none"> Universiti Tenaga Malaysia (UNITEN) Lecture by Industry: Operating Segment (Panelist) (UNITEN) 	7 September 2022
	<ul style="list-style-type: none"> COVID-19 Related Issues in Financial Reporting – Going Concern, Impairment and Financial Instrument (MICPA) 	22 September 2022
	<ul style="list-style-type: none"> International Directors Summit 2022 (Institute of Corporate Directors Malaysia) 	26 to 28 September 2022
<ul style="list-style-type: none"> BPlant Board Retreat 2022 (Management of BPlant) 	28 to 30 September 2022	

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Name	Programme Title and Organiser	Date(s)
(Dr.) Salihin Abang (cont'd)	<ul style="list-style-type: none"> • Seminar Kewangan dan Pengauditan Sektor Awam: Menggerak Transformasi Digital Sektor Awam – Kepentingan dan Cabaran (Panelist) (Tunku Puteri Intan Safinaz School of Accountancy, Universiti Utara Malaysia) • MIA Webinar: Digital Transformation in Small and Medium Practices (MIA) • International Standard on Quality Management Guide and Illustrative Manual Workshop (MICPA and AOB) • Global Institute of Enterprise Risk Practitioners (IERP) Conference 2022 (IERP) • Latest Tax Developments (CTiM) 	<p>4 October 2022</p> <p>20 October 2022</p> <p>25 October 2022</p> <p>26 and 27 October 2022</p> <p>3 November 2022</p>
Non-Independent Non-Executive Director		
Izaddeen Daud	<ul style="list-style-type: none"> • Sustainable and Responsible Investment 2022 – Preserving the Climate Through Sustainable Business and Living (SIDC) • Boustead Properties Berhad (BProp) Board Retreat 2022 (Management of BProp) • Boustead Technology Sdn Bhd (BousTech) Board Retreat 2022 (Management of BousTech) • BHB Board Retreat 2022 (Management of BHB) • BHB Integrity Day (Management of BHB) 	<p>22 and 23 June 2022</p> <p>11 October 2022</p> <p>12 October 2022</p> <p>18 to 20 October 2022</p> <p>24 November 2022</p>
Executive Director		
Fahmy Ismail	<ul style="list-style-type: none"> • MIA Conference 2022 (MIA) • BPlant Board Retreat 2022 (Management of BPlant) • BProp Board Retreat 2022 (Management of BProp) • BHB Board Retreat 2022 (Management of BHB) • BHB Integrity Day (Management of BHB) • Effective Strategic Planning Implementation and Management (MIA) 	<p>8 and 9 June 2022</p> <p>28 to 30 September 2022</p> <p>11 October 2022</p> <p>18 to 20 October 2022</p> <p>24 November 2022</p> <p>21 and 22 December 2022</p>



▶ Board of Directors and Management posed for a group photo at BPlant's Board Retreat 2022 at Royale Chulan Cherating, Pahang

CORPORATE GOVERNANCE PRIORITIES (2023 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:

YEAR 2023 - 2024



Board Diversity

In fostering gender diversity, the Board has established and formalised a diversity policy. The Board endeavors to set targets, measures and annually assess both the targets and the progress in achieving them.

The Board endeavours to appoint additional female Director and to meet the 30% target by 2024. Any appointment shall always be in the best interest of the Company.

LONG TERM PLAN



Sustainability Reporting

BPlant aims to leverage its existing qualitative sustainability indices and adopt a more mature form of sustainability reporting. The Board will set the direction for the Management to establish necessary systems and controls with the presence of quality non-financial data that will support the development of such forms of reporting. BPlant will also actively engage stakeholders to formalise a better understanding of what is expected and desired from its sustainability reporting.

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).

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	–	9/9
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	Independent Non-Executive Director	15 August 2019	–	9/9
(Dr.) Salihin Abang	Independent Non-Executive Director	5 August 2022	–	4/4
Datuk Haji Shah Headan Ayoob Hussain Shah	Non-Independent Non-Executive Director	20 August 2021	Retired w.e.f. 14 June 2022	5/5
Datuk Mustapa Kamal Mohd Yusoff	Independent Non-Executive Director	3 March 2022	Retired w.e.f. 14 June 2022	3/3
Mohd Azahar Ibrahim	Independent Non-Executive Director	9 December 2022	Resigned w.e.f. 31 January 2023	0/0

Note: ¹The RC Chairman's profile can be viewed on page 83 of this Integrated Report.

A total of nine meetings were held in 2022 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.

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 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 for viewing on 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 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

Pursuant to Paragraph 15.26 (b) of the Main Market Listing Requirements (MMLR) of Bursa Malaysia Securities Berhad, the Board is pleased to provide the Statement on Risk Management and Internal Control for financial year ended 31 December 2022 which was prepared in accordance with Practice 10.1 and 10.2 of the Malaysian Code on Corporate Governance (MCCG) and the “Statement on Risk Management and Internal Control – Guidelines for Directors of Listed Issuers”.

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 significant risks faced by the Group are reported to 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 the attention and deliberated at the AC meeting on a quarterly basis.

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 specific circumstances of the Group and guided by Boustead Holdings Berhad’s (BHB) (the immediate holding company of BPlant) Risk Management Policy and Framework 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.

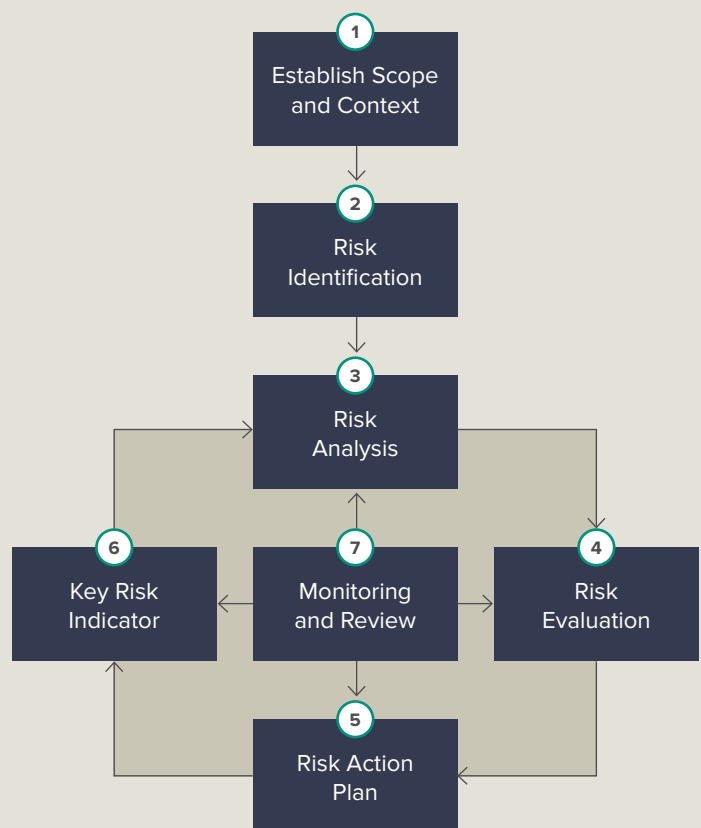
The ERM Policy and Framework encompasses the following key elements:

- 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 Process is highlighted in the illustration below:








STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

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 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 update to the Group Risk Management Department of BHB 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 59 to 62 of this Integrated Report.

CORRUPTION RISK MANAGEMENT

The Group has initiated Corruption Risk Management (CRM) as part of the overall risk management activities of the Group taking into cognizance of Section 17A of the Malaysian Anti-Corruption Commission Act 2009 (Amendment 2018) (MACC Act) which comes into force in June 2020.

The Group has performed the CRM assessments across the Group's operations specifically on bribery, corruption, abuse of power, and malpractices. As a result, the Group has taken the necessary actions in strengthening the controls to further mitigate risks of bribery and corruption.

The outcome of the CRM is reported to both MRC and RC for notification and deliberation purposes on a quarterly basis.

INTEGRITY AND ANTI-CORRUPTION

As part of the Group's commitment to conduct its business professionally, ethically and with the highest standards of integrity, the Group adopted and implemented an Anti-Corruption Policy which articulates the Group's zero-tolerance approach against all forms of bribery and corruption and the Group's commitment to uphold all applicable laws in relation to anti-bribery and corruption.

Amongst others, the Group has also established the Code of Ethics and Conducts, Whistleblowing Policy, Gift, Entertainment, Hospitality and Other Similar Benefit Policy and Integrity Pact to further formalise the Group's commitment to upholding and strengthening the Group's corporate governance and ensuring the Group commitment to ethical conduct, integrity and accountability in all business activities and operations of the Group. These policies outline key guiding principles and mitigating controls in place with regards to anti-bribery and corruption. It is guided by the Guidelines on Adequate Procedures issued in accordance with Section 17A of the MACC Act.

The Board of Directors has approved the revision of the whistleblowing policy, which is adopted and applied to all employees and directors of all companies within the Group, as well as members of the public. The revision of our whistleblowing policy, which came into effect on 27 September 2022, is in line with the organisation's values and commensurate with the relevant requirements under Section 17A of the MACC Act 2009 (Amendment Act 2018) and ISO 37001:2016 Anti-Bribery Management System (ABMS). This policy is intended to encourage and provide an avenue for employees and members of the public to lodge reports of any improper conduct that would endanger the safety and health of the employees, business integrity, environmental management, human rights and workplace environment.

On 30 August 2022, the Board of Directors signed the Integrity Pledge to show their level of commitment as stated under Section 17A subsection 5 of the of Ministerial Guideline on the five key principles of T.R.U.S.T namely Top Level Commitment, Risk Assessment, Undertake Control Measure, Systematic Review, Monitoring and Enforcement, and Training and Communications.

The Integrity Enhancement Programme was introduced to instil and inculcate an integrity culture among staff. By inviting the MACC officer as the guest speaker, the programme was successfully attended by all staff.

Moreover, the Group has engaged with SIRIM to obtain the ISO 37001:2016 ABMS certification as part of its commitment to anti-bribery and corruption. As of January 2023, the Group has successfully closed all non-conformity reports based on the first and second stage audits by SIRIM auditors. On 8 February 2023, the Group was granted approval of ABMS ISO 37001 and successfully awarded ABMS certification by SIRIM QAS International Sdn Bhd.

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. Establishment of 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. Establishment 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. 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.
6. Code of Ethics for the Board and all employees to ensure high standards of conduct and ethical values in all business practices.
7. Establishment of Gift, Entertainment, Hospitality and Other Similar Benefits Policy and Integrity Pact to promote transparency in all aspects of business dealing.
8. 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.

Control Activities

1. Strategic planning, target setting and detailed budgeting process for each operating unit which are approved both at the Business Unit level and by the Board.
2. Establishment of Procurement system to centralize key purchasing at headquarter level. Review and award of major purchases are deliberated through respective committee (based on value) to ensure on-going transparency in procurement process.
3. Implementation of Company's Strategy Framework and Framework of Internal Control.
4. Establishment of a dedicated Training and Development Unit 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.

Information and Communication

1. Whistle-blowing 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. Consolidated monthly management accounts and quarterly forecast performance which allows management to focus on areas of concern.
3. Confirmation obtained from the Chief Executive Officer, Chief Financial Officer and/or Risk Officer on the effectiveness of the system of internal control, highlighting any weaknesses and changes in risk profile.
4. Enhancement of the Information Technology facilities and infrastructures to ensure all information and communication are well managed and not disrupted.
5. Cybersecurity awareness online training to reduce the possibility being caught in the risk of malware, ransomware, unauthorised access, corruption and/or loss of its information assets.

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 Management Executive Committee, Management Risk Committee and Management Sustainability Committee.
3. Collaboration between the Group and BHB risk teams in reviewing the risk register and mitigation controls reported.
4. Monthly monitoring of results against budget, with major variances being followed up and management action taken, where necessary.
5. Regular visits to the operating units by members of Senior Management, 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.
6. 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.
7. Management Audit Committee reviews the internal audit reports and follow-up 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.

CONCLUSION

The monitoring, review and reporting arrangements provide reasonable assurance that the structure of controls and its operations are appropriate to 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

As required by Paragraph 15.23 of Bursa Malaysia's MMLR, 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 11 April 2023.

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 Paragraphs 15.09 and 15.10 of the MMLR and Practices 9.1, 9.2 and Step-up 9.4 of the MCCG. Practices 9.1, 9.2 and Step-up 9.4 of the MCCG state that:

- all members of the AC are to be Non-Executive Directors and Independent Directors;
- no alternate director is appointed as a member; and
- the AC has a policy that requires a former partner of the Company's external auditor 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 AC members were 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)	2 years
Tan Sri Dato' Wira Aziah Ali	Independent Non-Executive Director	4 years
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	Independent Non-Executive Director	2 years
Datuk Haji Abdul Ghani Abdul Rashid (Appointed w.e.f. 3 March 2022) (Resigned w.e.f. 31 January 2023)	Independent Non-Executive Director	Less than 1 year

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 PROGRAMMES

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 114 of this Integrated Report.

ATTENDANCE AT MEETINGS

The AC convened six 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	6/6
Tan Sri Dato' Wira Aziah Ali	6/6
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	6/6
Datuk Haji Abdul Ghani Abdul Rashid	5/5

The AC meetings were also attended by the 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 2022 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 2022

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 2022.



► BPlant's Board Members attending BPlant Open Day 2022 at Kuala Muda Estate, Kedah

External Audit

1. Reviewed the year 2022 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 2022.
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 2022.

The external auditor's service fees including the statutory audit fees are available on page 202 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 14 June 2022.
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.

Integrity and Governance

1. Oversaw the practice of good governance, ethics and integrity within the Group.
2. Reviewed and monitored the implementation of Adequate Procedures (T.R.U.S.T) Principle.
3. Reviewed and monitored the anti-bribery and corruption training and awareness sessions conducted by the Integrity Department for employees of the Group.

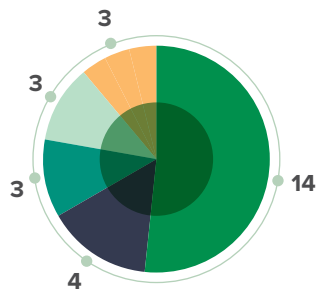
GROUP INTERNAL AUDIT DEPARTMENT

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 18 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.

AUDIT COMMITTEE REPORT

The qualification and audit related years of experience of the GIA team as of 31 December 2022 are shown below:

Qualifications



- Accounting/ Finance
- Science, Plantation Technology/ Management
- Economic
- Engineering (Chemical, Mechanical, Marine)
- Business Administration, Information Technology and Others

Years of Audit Related Experience



- More than 20 Years
- 16 - 20 Years
- 11 - 15 Years
- 6 - 10 Years
- 0 - 5 Years

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 27 internal auditors as at 31 December 2022, 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 2022 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 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:

- 1 Prepared the annual audit plan for approval by the AC.
- 2 Performed risk-based audits based on the annual audit plan, including follow-up of matters from previous internal audit reports.
- 3 Conducted root-cause analysis as part of the internal audit work to enable relevant recommendations to address any weaknesses noted.
- 4 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.
- 5 Undertook ad-hoc reviews on matters arising from the audits and/or requested by the Management and/or AC and issued the reports accordingly.
- 6 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.
- 7 Reported on a quarterly basis to the AC the achievement of the audit plan and annually on status of resources of GIA.
- 8 Conducted regular follow-ups and monitoring on the implementation of recommendations made to ensure that appropriate corrective actions are taken on a timely basis.
- 9 Liaised with the external auditors to maximise the use of resources and for effective coverage of audit risks.
- 10 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.
- 11 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.



► BPlant Board Members Tan Sri Dato' Wira Aziah Ali and (Dr.) Salihin Abang participate in the Anti-Bribery Management Systems Stage 2 audit process with SIRIM QAS

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 2022 amounted to RM0.8 million (2021: RM1.6 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 11 April 2023.

ADDITIONAL COMPLIANCE INFORMATION

1. UTILISATION OF PROCEEDS FROM CORPORATE PROPOSALS

There were no proceeds raised from any corporate proposals during the financial year.

2. AUDIT AND NON-AUDIT FEES

Paid/payable	Group RM'000	Company RM'000
Fees to the auditors of the Group and Company for the financial year ended 31 December 2022		
– Audit	935	346
– Non-audit	264	264

The provision of non-audit services by the external auditors to the Group is both cost effective and efficient due to their knowledge and understanding of the operations of the Group and did not compromise their independence and objectivity. It is also the Group's policy to use the auditors in cases where their knowledge of the Group means it is neither efficient nor cost effective to employ another firm of accountants.

3. MATERIAL CONTRACTS

There were no material contracts which had been entered into by the Group involving the interests of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2022 or entered into since the end of the previous financial year.

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 2022.

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 11 April 2023.

STATEMENT OF DIRECTORS' AND CEO'S INTERESTS

IN THE COMPANY AND RELATED CORPORATIONS AS AT 31 MARCH 2023

Name of Director and CEO	No. of Ordinary Shares	Direct %
BOUSTEAD PLANTATIONS BERHAD		
Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	53,000	—
Fahmy Ismail	1,000	—
PHARMANIAGA BERHAD		
Fahmy Ismail	500	—

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 2022

JAN 2022

14

BPlant held its first town hall session for the year 2022, opening an avenue for management to connect with their employees and synergise efforts.



19

More than 50 representatives from various government agencies and private entities participated in the Tawai Business Unit External Stakeholders Engagement in Sabah, to strengthen understanding and cooperation among all involved parties.



20

Batik Thursdays, an initiative where employees were encouraged to wear Batik, was launched to celebrate Malaysia's traditional heritage.



FEB 2022

12

Segaria Estate and Palm Oil Mill in Semporna, Sabah, supported the call to improve the national vaccination rate for COVID-19 by organising a mass vaccination programme involving more than 600 staff and family members, as well as residents from the nearby community.



21

BPlant announced a record-high revenue of RM1.1 billion for its financial year ended 31 December 2021, for the first time since relisting on Bursa Malaysia in 2014.



MAR 2022

12

BPlant mobilised its relief team to assist in post-flood cleanup efforts for the residents of Kampung Teladas in Air Putih, Terengganu, who were severely affected by floods.



MAR 2022	28	Loagan Bunut Estate in Sarawak conducted its corporate social responsibility initiative through the rehabilitation and beautification of Masjid Long Lama, a local mosque frequented by the Muslim community in the area.	
	29	BPlant stepped up its commitment towards environmental, social and governance principles with the signing of a Document of Understanding with Cargill Palm Products Sdn Bhd for the long-term supply of high-quality and sustainable crude palm oil.	
APR 2022	10	BPlant distributed zakat wakalah contribution to a group of asnaf in Negeri Sembilan, kickstarting the Jelajah Kasih Ramadan initiative that was held throughout the month of Ramadan in various parts of Malaysia. Jelajah Kasih Ramadan was a community outreach initiative aimed at providing support to disadvantaged groups.	
	23	Contributions of unused clothing items from BPlant staff were distributed to people in need in Setapak, Kuala Lumpur, as part of the 'Bank Pakaian BPlant', a community care initiative.	
MAY 2022	23	Employees had an eventful night at the BPlant Hari Raya Aidilfitri celebration at Royale Chulan Kuala Lumpur. This was the first major gathering held by the company since the onset of the COVID-19 pandemic in 2020.	
JUN 2022	7	BPlant entered into an RM45 million green financing agreement with China Construction Bank (Malaysia) Berhad to facilitate the replanting programme.	
	14	Following COVID-19 guidelines, BPlant's 109th Annual General Meeting was conducted entirely through live streaming from Royale Chulan Damansara.	

CALENDAR OF SIGNIFICANT EVENTS 2022

JUL 2022

1

Employees enjoyed a good yet competitive bonding time at the BPlant Bowling Tournament 2022, which saw 15 teams competing for the podium.



4

BPlant presented a business zakat of RM296,623 to Sultan of Perak Sultan Nazrin Muizzuddin Shah.



25

A Health Awareness Campaign was launched to promote and nurture healthy living among employees. Various sports and health-oriented activities were organised for employees to participate in throughout the six-month campaign period.



30

BPlant, in cooperation with Persatuan Veteran Angkatan Tentera Malaysia, celebrated the sacrifices of army veterans to the country by presenting a zakat wakalah contribution to the group.



AUG 2022

13

Employees participated in the Company's hiking activity at Denai Tiga Puteri in Petaling Jaya, Selangor, held to inculcate the spirit of teamwork and cooperation.



19

E-Procurement, an online sourcing platform, was launched in a bid to further digitalise BPlant's internal process.



30

BPlant Board of Directors expressed their commitment towards conducting business with the highest standards of integrity with the signing of an Integrity Pledge.



SEPT 2022 15

The Jalur Gemilang flew high and proud at Menara Boustead as BPlant employees joined in the celebration of Hari Kebangsaan and Hari Malaysia 2022.



28

BPlant Board Retreat 2022 was held at Royale Chulan Cherating in Pahang with participation of Board of Directors and senior management to chart strategies and plans to further improve the company's growth.



OCT 2022 12

Employees took part in mini games and sports activities at the BPlant Sports Day held in conjunction with the national-level celebration of Hari Sukan Negara 2022.



28-30

BPlant joined other subsidiaries under the Lembaga Tabung Angkatan Tentera's (LTAT) umbrella to participate in a three-day Jelajah Aspirasi Keluarga Malaysia roadshow in Kuantan, Pahang.



NOV 2022 26

Hundreds of visitors filled the field of our Kuala Muda Estate in Sungai Petani, Kedah, to participate in various activities and games at the BPlant Open Day 2022.



DEC 2022 8-10

The LTAT 50th Anniversary Celebration, a series of roadshows held since August 2022, concluded with its final exhibition at Kem Syed Sirajuddin in Gemas, Negeri Sembilan. BPlant, together with other LTAT subsidiaries, had participated in the roadshows held in various army camps around the country.



19

BPlant Board of Directors and senior management made an official visit to Segaria Complex in Semporna, Sabah, to engage with staff and workers on the ground.



SUSTAINABILITY STATEMENT

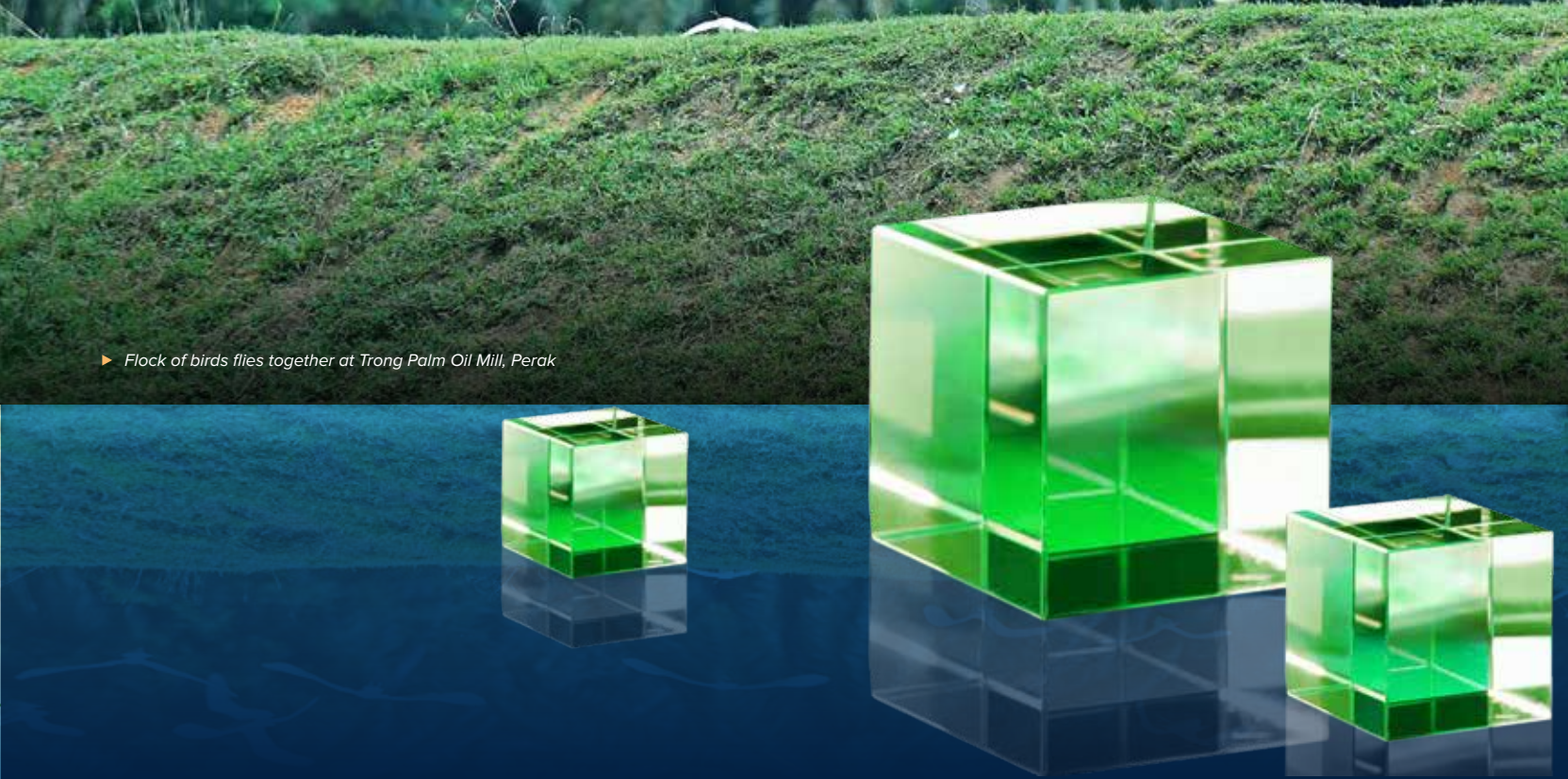
Sustainability Statement	136
• Achieving Sustainable Growth	142
• Safeguarding the Environment	146
• Caring for Our People	156

SECTION

07



► Flock of birds flies together at Trong Palm Oil Mill, Perak



SUSTAINABILITY STATEMENT

2004

- Founding member of RSPO

2006

- Publication of first sustainability handbook

2010

- First Social Impact Assessment (SIA) and High Conservation Value (HCV) Assessment conducted

2011

- Sungai Jernih became the first business unit to be RSPO certified

2014

- Relisting of Boustead Plantations Berhad on the Main Market of Bursa Malaysia



► Effluent ponds at Trong POM, Perak

2022

- Boustead Tawai POM was certified with ISO9001:2015
- Listed on FTSE4Good Bursa Malaysia Index and FTSE4Good Bursa Malaysia Shariah Index for demonstrating strong ESG practices

2021

- Trong POM is awarded with Sustainable Palm Oil Mill for the Best Scheduled Waste Management category from Perak Department of Environment

2020

- Telok Sengat Business Unit gained RSPO and MSPO certification, leading to 100% of our business units having MSPO certification

2019

- All RSPO-certified business units were also MSPO certified
- Second sustainability handbook was published
- SIA and HCV Assessment completed

2018

- Segaria Business Unit obtained both RSPO and MSPO certification

2015

- Installation of biogas plant at Telok Sengat Palm Oil Mill (POM)
- Nak Business Unit gained RSPO certification
- Sungai Jernih POM and Estate were selected as a pilot project and certified for MSPO certification



2017

- Trong Business Unit gained RSPO certification

2015

- Sungai Jernih POM won the clean air award from the Pahang Department of Environment



OUR APPROACH TO SUSTAINABILITY

Boustead Plantations Berhad (BPlant or the Company and its subsidiaries collectively referred to as the Group) is a well-established oil palm plantation company with over a century of experience in the industry. Given our long-standing history in the cultivation and management of oil palm plantations, we are cognisant of the impact of our business and operations, as well as our responsibility in addressing sustainability challenges with utmost integrity and transparency.

At BPlant, we aim to play an active role in ensuring that our business operations meet industry frameworks and standards for sustainability. Demonstrating our commitment to sustainability, we were one of the first companies to become a member of Roundtable on Sustainable Palm Oil (RSPO) in 2004 and our business units have progressively attained RSPO certification since 2011 with 60% of our business units RSPO certified as of 2022. Meanwhile, all of our business units have obtained the Malaysian Sustainable Palm Oil (MSPO) certification since 2019. These certifications underscore our unwavering commitment to creating environmental, social, and governance (ESG) value through our operations.

Beyond industry-specific standards such as MSPO and RSPO, we are also guided by broader sustainability frameworks such as the United Nations' Sustainable Development Goals (UN SDGs). Through our operations, we strive to contribute meaningfully to SDGs relevant to our business, namely Zero Hunger (SDG2), Decent Work and Economic Growth (SDG8), and Responsible Production and Consumption (SDG12). We remain dedicated to contributing to these goals by advancing our efforts to create meaningful change in these areas.

At BPlant, we take inspiration from the philosophies of indigenous communities who have lived off the land for generations, whereby we acknowledge the importance of replenishing and protecting the natural resources that we utilise in our operations to ensure a sustainable future for all. This is reflected in our sustainability policies which guide us in shaping our operations in a manner that respects local communities and the environment.

Recognising that our employees and the communities connected to our operations are crucial to our long-term growth and success, we also make an active effort to care for their well-being. In line with this, we have in place a robust governance framework that ensures our actions are guided by ethics and integrity as well being respectful of the people we touch through our operations.

Understanding that sustainability is an ongoing journey, we will continue to strive towards becoming an environmentally sustainable and socially equitable business.

SUSTAINABILITY STATEMENT

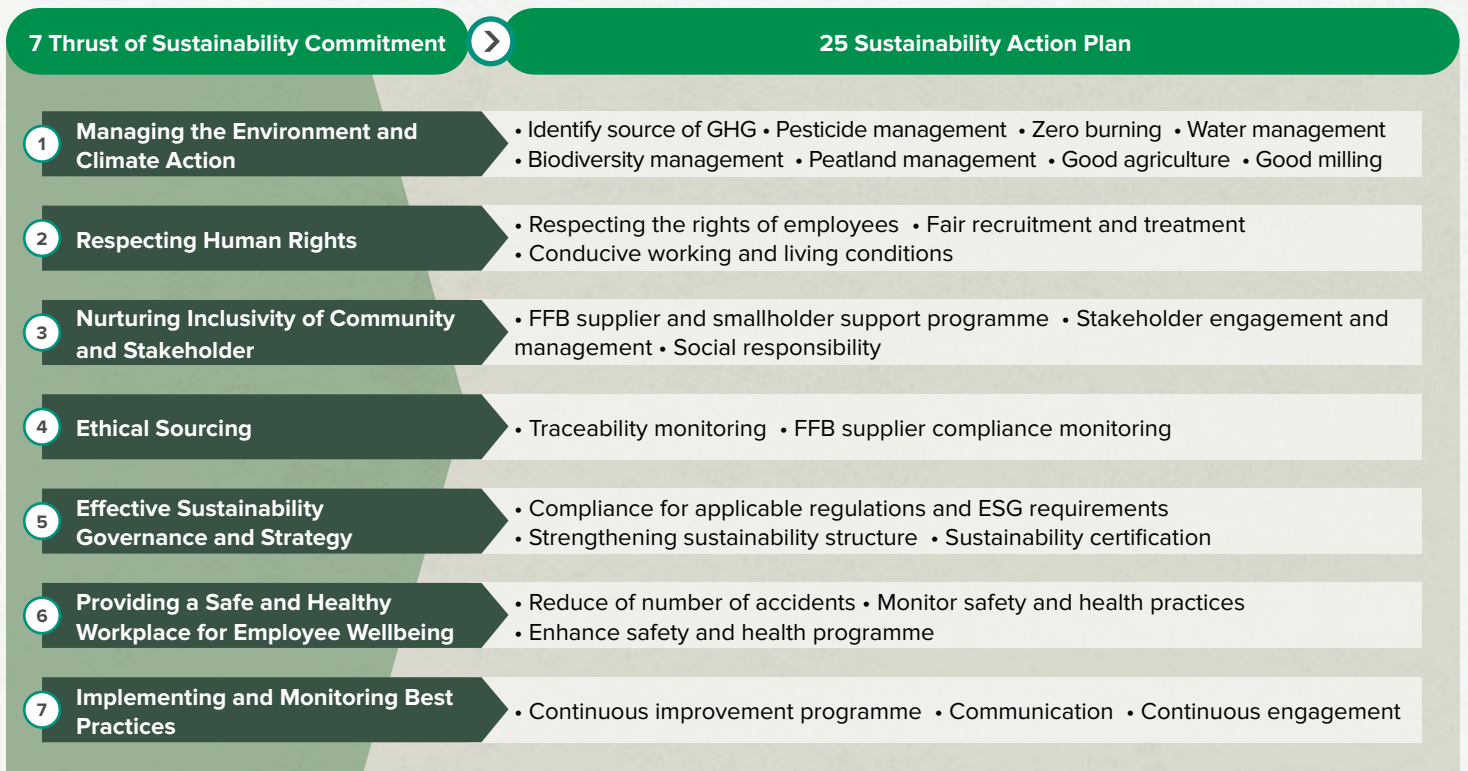
BPLANT SUSTAINABILITY FRAMEWORK

The BPlant ESG Blueprint, which was approved in May 2022, forms the foundation of BPlant’s commitment to sustainability. Our strategy framework now focuses on integrating ESG principles into our business operations to enhance our sustainability performance. Our goal is to embed these principles in every aspect of our operations and realise the benefits.



As the Company is committed to foster a sustainable future, we have outlined seven thrusts for BPlant’s sustainability-focused commitment as a foundation for our sustainability efforts which is aligned with current ESG Blueprint.

Each thrust comprises a range of action plans that demonstrate strong ESG practices, in keeping with our aspiration to become a sustainable plantation company while staying abreast of industry market trends.



BPlant's sustainability certification progress



38,640 ha

(to achieve 100% by 2024)



97,152 ha

(100%)*



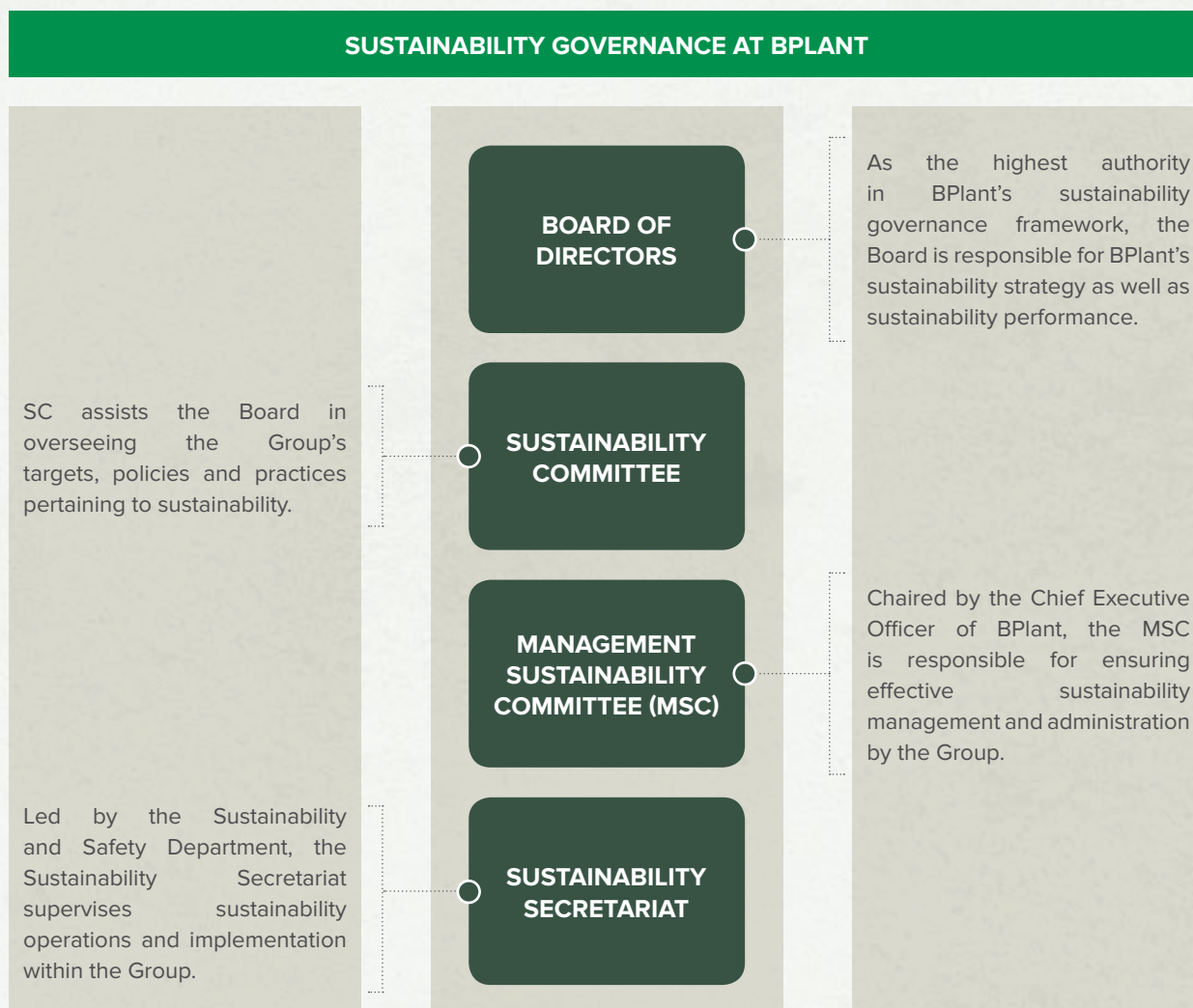
ISO 9001:2015 QUALITY MANAGEMENT SYSTEM

10 MILLS CERTIFIED

* Except for Balau Estate in Semenyih, Selangor which no longer operates as an oil palm estate, but being reserved for future development.

SUSTAINABILITY GOVERNANCE

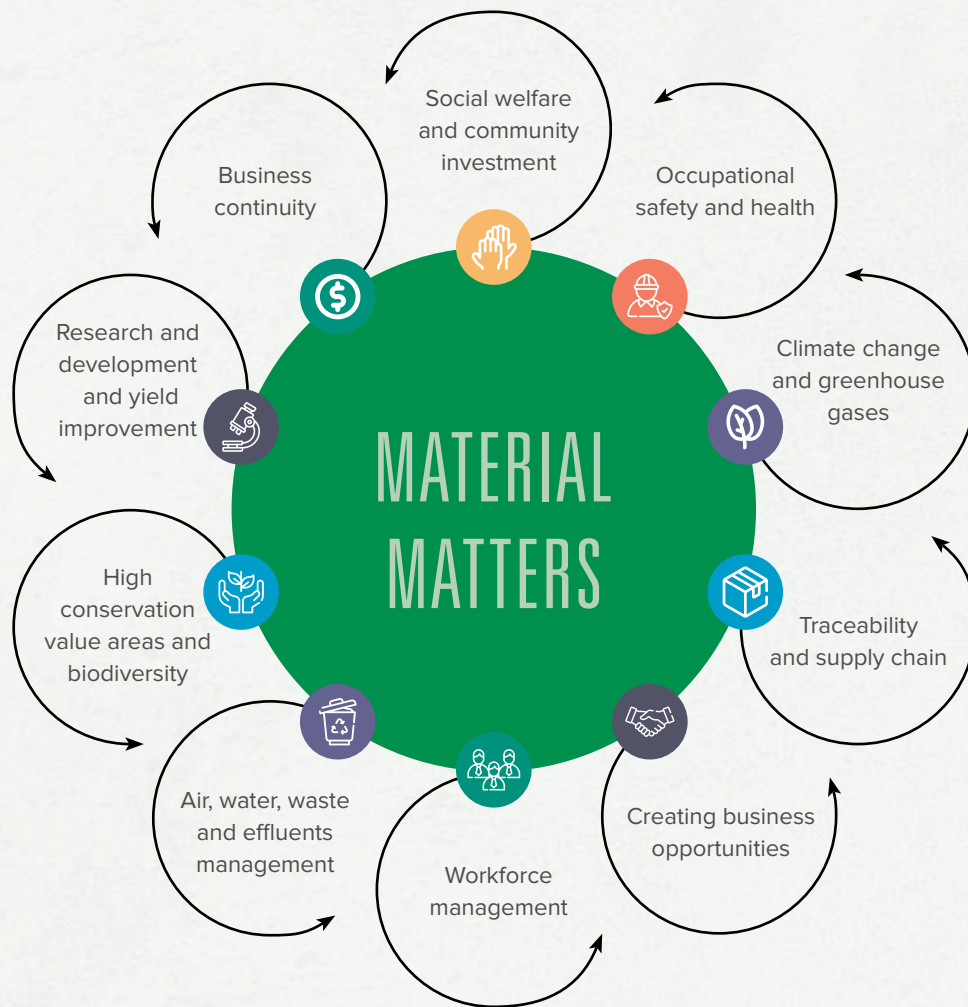
Sustainability at BPlant is led by our Board of Directors, who are responsible for overseeing the Group's sustainability strategy and performance. During the year under review, the Board is guided by four directors who form the Sustainability Committee (SC), which oversees the Group's sustainability goals, policies and practices. The committees and entities that make up our sustainability governance framework are shown in the diagram below.



SUSTAINABILITY STATEMENT

OUR MATERIAL MATTERS




To deliver on our sustainability agenda, we consider matters that are of greatest concern both to our stakeholders and the accomplishment of our business objectives. These material matters are evaluated through a comprehensive assessment periodically and reviewed on an annual basis. Following our review in 2021, we determined that the previously identified material matters remain relevant as follows:



(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 53 to 58 of this report.)

HOW WE ALIGN WITH THE UN SDGS

Our sustainability initiatives are guided by the UN SDGs. In particular, we strive to actively contribute towards three identified SDGs that are most relevant to our operations. The table below provides an overview of these SDGs and the value we create through various sustainability-linked initiatives.

SDG	How We Contribute	Related SDG Targets	Value Created
<p>1</p>  <p>Zero Hunger: End hunger, achieve food security and improved nutrition and promote sustainable agriculture</p>	<ul style="list-style-type: none"> Improve Malaysia's sustainable food production, increase productivity and enhance land and soil quality Devote resources to research and development to increase agricultural production capacity 	<ul style="list-style-type: none"> 2.4 2.a 	<ul style="list-style-type: none"> 126,723 MT of RSPO Certified Sustainable Palm Oil produced 21,301 MT of RSPO Certified Sustainable Palm Kernel produced 38,640 ha RSPO certified area
<p>2</p>  <p>Decent Work and Economic Growth: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> Foster the development of local small and medium-sized suppliers Enforce policies to eliminate forced and child labor Ensure a safe and secure working environment for everyone 	<ul style="list-style-type: none"> 8.2 8.8 	<ul style="list-style-type: none"> More than 700 registered local vendors Lost Time Injury Frequency Rate of 6.73
<p>3</p>  <p>Responsible Consumption and Production: Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> Efficient and effective management of effluents and wastes as guided by applicable national laws and regulations Committed to mitigating the release of chemicals and wastes into the environment Include sustainability-related information in our Sustainability Report and implement sustainable practices 	<ul style="list-style-type: none"> 12.4 12.5 12.6 12.a 	<ul style="list-style-type: none"> Waste products are repurposed in line with our Zero Waste Strategy A total of 1,407,217 m³ biogas was captured A total of 430,525 MT solid biomass was produced A total of 920,271 MT liquid biomass was treated A total of 209,358 MT empty fruit bunches (EFB) was utilised

ACHIEVING SUSTAINABLE GROWTH



► Aerial view of Sungai Jernih POM, Pahang

We are driven to maintaining profitability in order to sustain our operations and thereby continue to deliver value to our various stakeholders. At the same time, we recognise that through our operations, we can also contribute to the economic development of local communities.

Our objective is to ensure that our operations remain profitable, enabling us to sustain our business and create value for our diverse range of stakeholders. We also leverage our operations as an opportunity to contribute to the economic development of local communities.

BUSINESS CONTINUITY

In line with the Reinventing Boustead Strategy, BPlant remains committed to driving sustainable growth. Chief among our efforts to reach this goal is our 25-Year Replanting Programme (RP25) which aims to tackle risks emerging from the aging oil palm age profile of our plantations. Our RP25 Blueprint targets to replant approximately 7% of total cultivated area every year until 2045. This will be achieved via a three-year mechanisation plan focused on harvesting operations, in-field crop evacuation and external crop transportation. The escalation of our mechanisation efforts is vital not only for boosting productivity and increasing yield, but also for coping with the prolonged labour shortage in the industry.



In addition, we continue to make progress under the Plantation Performance Improvement Programme (PPIP) launched in 2021 to increase productivity and enhance cost optimisation. With PPIP 2.0, we are now focusing on maximising yield per hectare, optimising oil extraction rate (OER) and rebalancing our asset portfolio.

CREATING BUSINESS OPPORTUNITIES

As a well-established business in Malaysia, we are cognisant of our responsibility to help stimulate economic and social development for the nation. In accordance with this, we are committed to advancing our business sustainably while propelling the economic growth of the communities touched by our operations.

Among our efforts to promote local development include supporting smallholders by purchasing approximately 3% of our external FFB from 66 different external suppliers, which includes smallholders located in Peninsular Malaysia, Sabah and Sarawak.



▶ Worker of Orang Asli descent at Bebar Estate, Pahang

Complementing these efforts, we also create job opportunities for retired Armed Forces personnel and members of the *Orang Asli* communities who reside near our estates. Additionally, we collaborate with over 700 suppliers and vendors across the Group, predominantly made up of local businesses.

RESEARCH AND DEVELOPMENT (R&D) AND YIELD IMPROVEMENT

In our business, R&D are integral components in our endeavour to improve our planting material and soil quality, as well as establish more effective and eco-friendly systems and processes to optimise our operations. Through this approach, we can increase productivity and yields, which are paramount to our success. We are committed to developing sustainable methods that enhance efficiency while minimising our ecological impact. Our aim to achieve more with less drives us in seeking new and innovative solutions.

We have access to two R&D centres, namely Applied Agricultural Resources Sdn Bhd (AARSB), an associate company of BPlant as well as Boustead Life Sciences Research Sdn Bhd, which is fully owned by BPlant. In 2022, we spent over RM16 million on R&D for continuing to find new ideas and innovations that can be adapted and deployed for use in the plantation industry.

SUSTAINABILITY STATEMENT



► Research worker preparing nutrient media in a production laboratory at Boustead Life Sciences Research in Semenyih, Selangor

In line with our creating more with less approach, we continued researching planting materials that allow for higher planting densities, which in turn produces higher yield per unit area of land. Up to 2022, more than 26,000 ha of high oil-yielding clonal material was cultivated in our estates, representing about 36% of our total cultivated area.

Our Sungai Jernih POM and Segaria POM were among the mills that received the highest amount of clonal material. As a result, we recorded higher average OER compared to state averages as follows:

Mill	Sungai Jernih	Segaria
BPlant	22.0	22.8
State	19.6	20.5
Variance	2.4	2.3
%	12%	11%

TRACEABILITY AND SUPPLY CHAIN

We value the traceability of our supply chain, as we operate in a highly regulated industry guided by strict laws and regulations governing the production and sale of palm oil. By implementing traceability systems, we are able to ensure that we comply with these regulations as well as demonstrate our compliance to regulators and other relevant stakeholders. Importantly, upholding traceability also helps us to ensure our suppliers are operating in an environmentally ethical and socially responsible manner.

As of 2022, we have identified 66 FFB suppliers registered in our supply chain, including smallholders, small estates and out-growers. As part of our efforts to enhance traceability within our supply chain, we held a number of engagements with our various suppliers at the estate level.

Through our mills, we continue to keep relevant data on our FFB suppliers such as the location of FFB suppliers, Malaysian Palm Oil Board licenses and their volume of FFB production. To date, 67% of our identified FFB suppliers have signed our Sustainability Pledge, while 42% of our identified suppliers have submitted their supplier information and data for us to monitor their compliance

with our Sustainability Policy. We are currently developing plans for data verification. All our registered vendors and suppliers have also signed and agreed to comply with the Vendor Code of Conduct through our upgraded procurement system.

We believe that sustainability certifications such as RSPO will enable smallholders to both mitigate the impact of their operations on the environment and enhance their livelihoods as well as their surrounding communities. To encourage them to obtain this certification, we aim to support them in navigating the certification process to ensure they are able to reap the benefits of sustainable agriculture practices. Reflecting this, in 2022, we conducted three engagements to educate our FFB suppliers, especially smallholders, at the Telok Sengat POM about the significance of RSPO certification. Moving forward, we intend to continuously engage with our suppliers at other business units in order to obtain a better understanding of their processes and practices, which will allow us to identify potential risks and opportunities to improve our traceability standard.

Following a review of our progress in achieving traceability, we have revised our timebound plan to achieve 100% Traceability to Plantation by 2027.



► Truck carrying fresh fruit bunches measuring its load at weighbridge at Trong POM, Perak

SAFEGUARDING THE ENVIRONMENT



► Aerial view of BPlant's operation

Acknowledging the considerable influence that plantation operations have on the environment, we pledge to operate with utmost responsibility as a pioneering member of the RSPO. In line with this, we strive to minimise any adverse impact from our operations while actively contributing to the preservation of our natural ecosystems.

HIGH CONSERVATION VALUE (HCV) AREAS AND BIODIVERSITY

↻ Zero Deforestation

Recognising that areas with HCV and biodiversity are vital habitats for endangered flora and fauna, as well as integral to the well-being of local communities, we place a high priority on safeguarding these areas through sound environmental management. This includes committing to no deforestation, preserving biodiversity and enhancing HCV management, as outlined in our sustainability policy.



Further to this, our policies and practices are aligned with relevant national laws, alongside the requirements set forth by RSPO and MSPO for the cultivation of sustainable palm oil. We ensure that our operations comply with these guidelines, including the identification, monitoring and enhancing of identified HCV areas.



► A view of Sungai Bilong, a river that runs through G&G Estate, Sabah.

We are proud to report that we have recorded zero non-compliant deforestation in 2022 and BPlant has refrained from developing any new plantations in Malaysia as a result of our focus on expanding our landbank through brownfield opportunities. Nonetheless, any development of new plantations will adhere to the RSPO New Planting Procedure.

➔ Conserving HCV Areas

In upholding our commitment and ensuring compliance with regulations, we have conducted HCV assessments since 2010 to identify areas that are important for conservation and biodiversity, and to better understand the potential environmental impacts of our operations. As a result, to date, we have demarcated 576 ha of our estates as HCV areas, which comprises jungle patches, wetlands and riparian buffer zones. We protect these areas through comprehensive environmental management plans, including restoration of riparian buffer zones, as well as patrolling and monitoring systems to track the status of respective biodiversity management at the operational level.

Complementing this are our efforts to maintain areas that are rich in biodiversity. For example, we have restored a total of 9 ha of land along Sungai Bilong that runs through our G&G Estate in Lahad Datu, Sabah, as a river buffer zone. Additionally, we have planted more than 180 Mahogany trees surrounding the hot springs located in our Segaria Estate in Semporna, Sabah.

➔ Conservation Status Flora and Fauna

Based on our HCV assessment, 13 endangered and six critically endangered fauna species have been identified under the International Union for Conservation of Nature (IUCN) Red List scattered across our estates. As part of our ongoing efforts to maintain responsible and sustainable practices, we are continually reviewing our HCV data to ensure the effective management of these crucial areas.

Understanding that protecting HCV areas and biodiversity requires collective effort, we engage with various stakeholders, including the Department of Wildlife and National Parks Malaysia (PERHILITAN), Sabah Wildlife Department, State and District Forestry Departments and local communities to understand their concerns and encourage their participation in our conservation efforts. These engagements help us to build a network of support for conservation initiatives and ensure that BPlant's sustainability actions are aligned with the priorities of our stakeholders.

SUSTAINABILITY STATEMENT

➔ Integrated Pest Management (IPM)

As part of our efforts to reduce our environmental impact, we have continued to use our IPM system, which enables us to employ biological control to manage pests in our operations.

To manage rat infestation and damages to our crop, biological control measures such as the use of barn owls are widely utilised in our operations. To promote barn owl population in our estates, artificial nest boxes are provided at a density of one box per 10 to 20 ha. The design of nest boxes and materials used are well-researched to ensure high owl occupancy and natural breeding. This is supplemented by conventional baiting campaigns to reduce the rat population when necessary based on economic thresholds. As a result, this has also enable us to reduce the use of rat bait in our operations.

We adhere to our Oil Palm Circular and our commitment towards RSPO, aimed at avoiding surface and ground water contamination. These include not applying pesticides or chemicals at and around riparian areas and instead, either plant wetiver grass in those areas to reduce soil erosion or leave the areas to grow natural vegetation.

➔ Chemical Management

In order to achieve maximum productivity and at the same time, safeguard our crops from pests and diseases, our operations only use government authorities' approved chemicals. We place a high priority on minimising our use of chemicals. We follow appropriate standard operating procedures (SOPs) to ensure the safety of our employees, communities, and the environment from exposure to hazardous chemicals. Furthermore, we have implemented SOPs that include mechanical, biological, and chemical pest management techniques.

We prohibit the use of Class 1A and 1B chemicals registered under World Health Organisation (WHO) and Stockholm or Rotterdam Conventions in our operations and those of our suppliers, except for specific circumstances. The use of paraquat is strictly prohibited at our operations and suppliers unless approved by local authorities for exceptional conditions.

CLIMATE CHANGE AND GREENHOUSE GAS (GHG) EMISSIONS

We recognise our vital role in mitigating climate change, and we believe we can contribute most meaningfully to this endeavour by focusing on minimising the environmental impact of our operations. Accordingly, BPlant's Risk Management regularly assesses ESG related risks, allowing us to glean a deeper understanding of the risks associated with our operations and consequently, develop effective mitigation strategies to tackle climate change.

Reflecting this, in 2022, the Board approved the establishment of the Group's Sustainability Focused Commitment, which includes our climate action plan. In line with this, we are committed to minimising GHG emissions from our operations with the development of an action plan to reduce emissions across all of our operations currently underway.

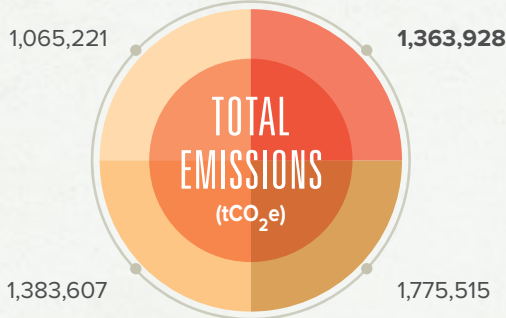
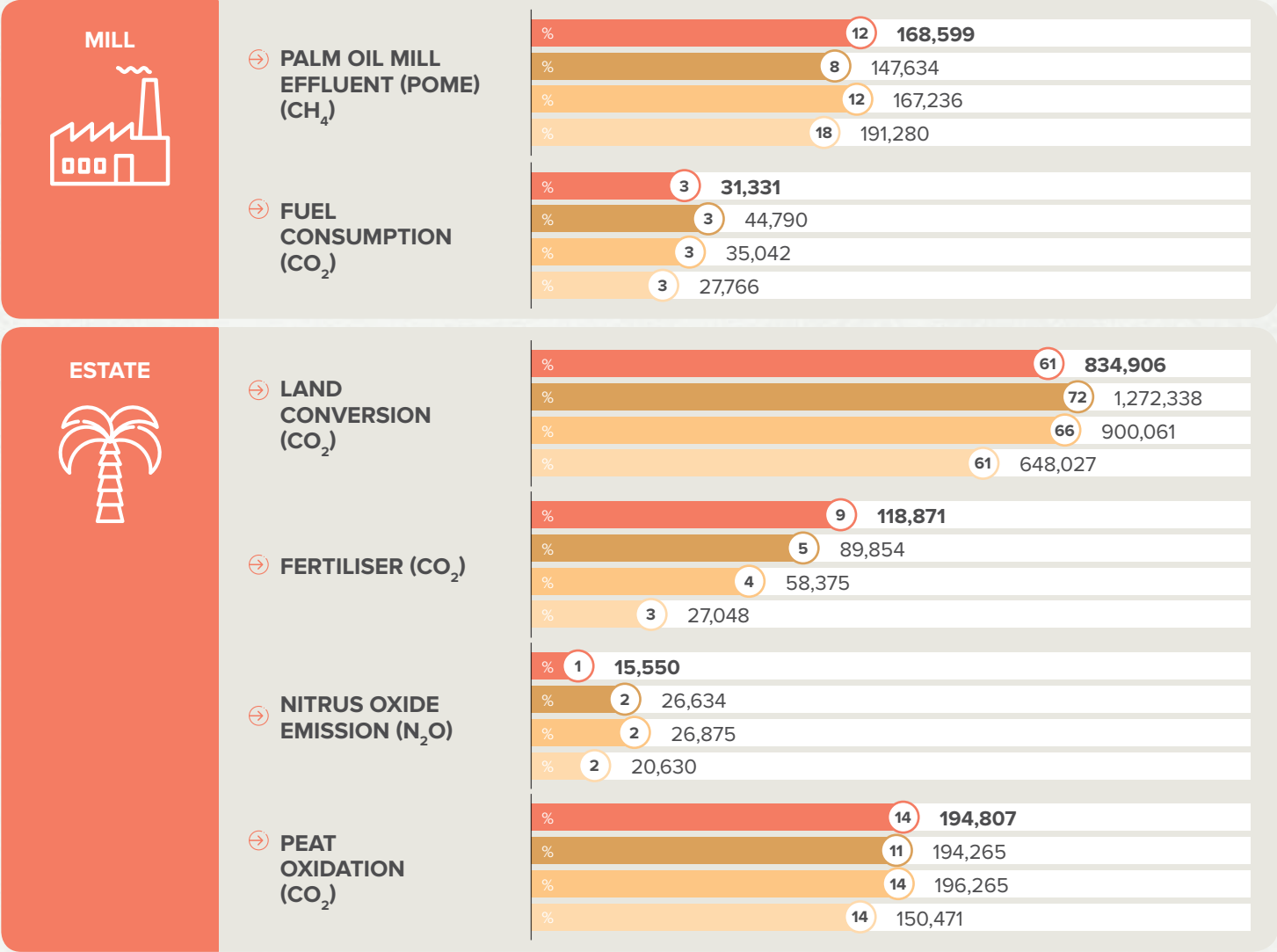
Since 2019, we have been progressively monitoring our emissions from all our business units utilising the RSPO PalmGHG calculator. To ensure we fully understand the impact of our operations and to develop effective mitigation strategies, we strive to continuously enhance the accuracy, reliability as well as completeness of our GHG emissions data.



► Effluent pond at Rimba Nilai POM, Sabah

GHG Emmissions

GHG Assessment (tCO₂e)

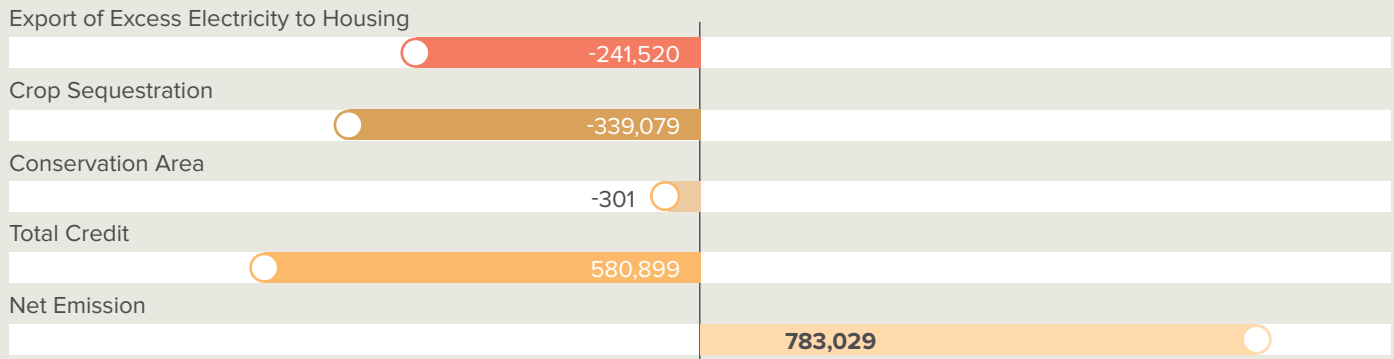


2022 2021 2020 2019

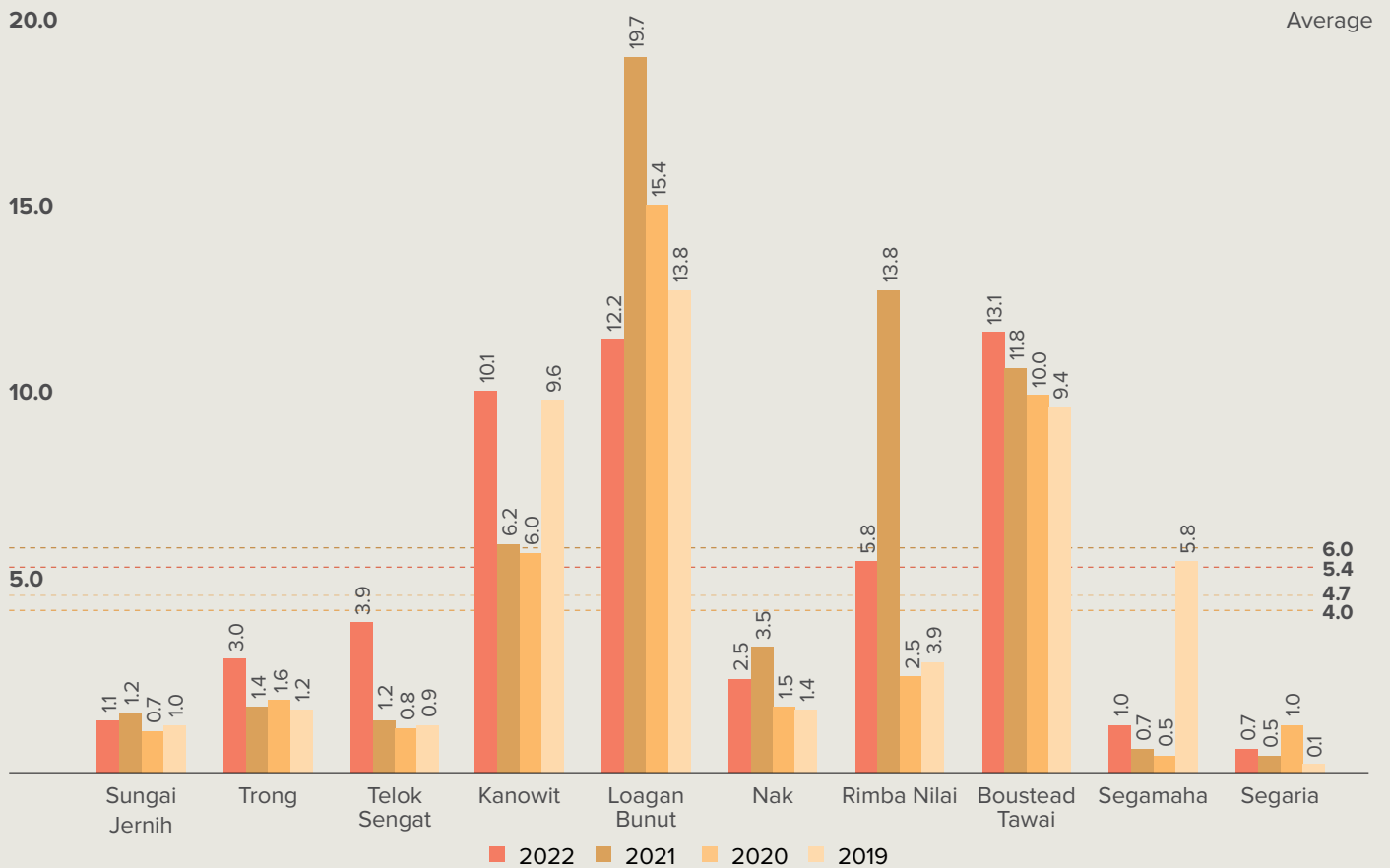
SUSTAINABILITY STATEMENT

We have identified and collected the information based on the GHG emission scope 1, 2 and 3 within our operation by using RSPO GHG Calculator. Moving forward, we intend to enhance data reporting by mapping the scope of emissions throughout the supply chain in line with the GHG Protocol methodology.

GHG Credit (tCO₂e)



GHG Emission Intensity Per Product by Certification Unit (tCO₂e / Product)



Our assessment of our GHG emissions in 2022 indicated that land conversion remains the primary contributor to our overall GHG emissions at 61%, followed by peat oxidation at 14%, production of methane (CH₄) from POME at 12% and carbon dioxide (CO₂) emissions from fertilisers at 9%. Meanwhile, fuel consumption and production of nitrous oxide (N₂O) were found to generate the lowest emissions at 2% and 3% respectively.

Based on our assessment, we have recorded a total of 1,363,928 tCO₂e GHG emissions, which we successfully reduced by 23% as compared to 2021. This is excluding the credit for crop sequestration and the export of excess electricity generated by renewable energy facilities such as steam turbine and biogas. Taking into consideration our operational GHG emissions and crop sequestration, we recorded net GHG emissions of 783,029 tCO₂e. To further improve the accuracy of our assessments, we are currently undertaking a review of our HCV data to enhance our data collection for crop sequestration.

This reduction was mainly attributed to the treatment of POME in our operations, less replanting area, reduced fertiliser application, as well as the use of renewable energy facilities to generate power. The implementation of best practices across our operations also enabled us to reduce GHG emissions during the year.



► Biogas collection pump house at Telok Sengat POM, Johor.

➔ Power Generation from Biomass and By-Products

Biogas

Untreated POME is a significant contributor to GHG through the production of methane. To address this issue, we have established a biogas facility at our Telok Sengat POM, which began its operations in 2015. Through this facility, biogas is captured from POME through a biodigester covered lagoon system, following which it is converted into electricity, thus allowing for reduced dependence on fossil fuels for electricity to run our mill.

In 2022, we captured 1,407,217 m³ of biogas from 69,620 m³ of our Telok Sengat POM's liquid biomass, representing a 14% increase compared to the 1,237,852 m³ of biogas captured from 47,542 m³ of liquid biomass in 2021. The captured biogas was converted into a total of 1,160 MWh of electricity which was used to fulfil our milling and domestic needs. In comparison, we produced 819 MWh of electricity from biogas in 2021.

Steam Turbine

We firmly believe that utilising steam turbines to generate electricity in our palm oil mills is an environmentally sustainable approach as it efficiently harnesses the biomass generated during the palm oil extraction process, offering a renewable energy source for our mill and the surrounding community.

The steam generated by our palm oil mill's boiler can be utilised to drive a steam turbine that generates electricity. The high steam pressure and temperature is directed into the steam turbine, which converts its thermal energy into mechanical energy. An electrical generator connected to the turbine then converts the mechanical energy into electrical energy. While the amount of electricity generated depends on various factors such as the turbine's size, capacity, steam pressure, temperature, and overall system efficiency, our steam turbines can typically produce around 800 to 1,00 kWh of electricity per hour of operation.

In 2022, we generated approximately 21,717 MWh of electricity, which was utilised to power machinery in our palm oil mill and exported to our housing complex.

In line with our implementation of renewable energy alternatives, we have also amplified our efforts to monitor our renewable energy data to ensure our efforts are contributing to meaningful impact in this area.

SUSTAINABILITY STATEMENT

AIR, WATER, WASTE AND EFFLUENTS MANAGEMENT

In order to address the significant amount of waste generated in the palm oil value chain, we have undertaken various initiatives to shape a circular ecosystem that maximises the reuse of bio-waste generated in the production of palm oil. In tandem, we strive to manage our effluents and air emissions responsibly in accordance with best practices to ensure the protection of our environment.

↻ Air Pollution Control

We utilise wet scrubbers as well as electrostatic precipitators (ESP), which are more energy efficient, as a means to reduce the amount of pollutants released by our mills into the environment.

To ensure continued compliance with the Department of Environment's Environmental Quality (Clean Air) Regulations 2014, we have installed one wet scrubber and eight ESP at nine of our mills as at 2022. Another installation of ESP is in progress with completion expected in 2023.

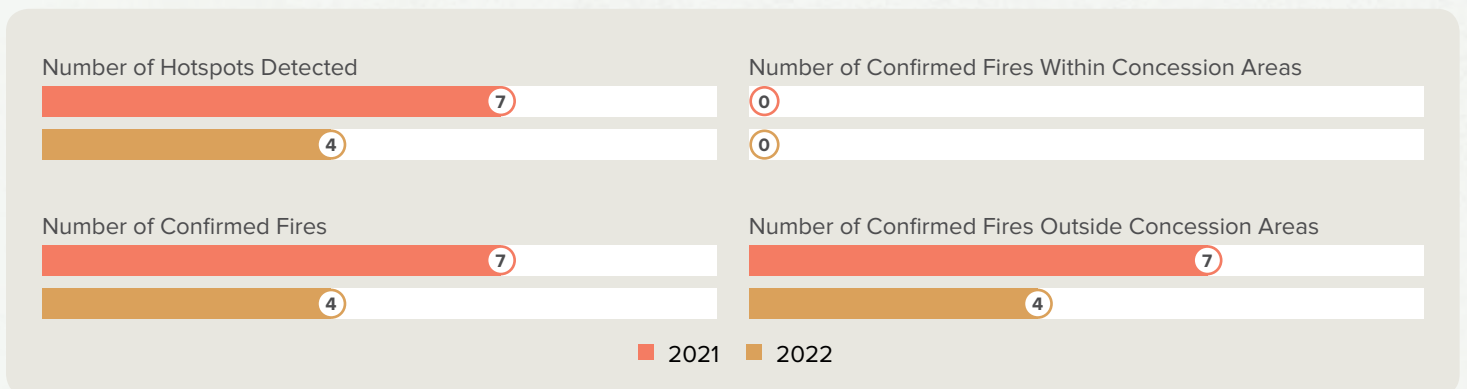
Using the online Continuous Emission Monitoring System, we monitor the emissions of our mills. To date, our overall average particulate matter content in stack emissions remains below 150 mg/m³ as per the requirement by Department of Environment.

Fire Prevention Initiatives

As part of our commitment to sustainability and the protection of our environment, we have a zero-burning policy in place for all our estates, particularly for oil palm replanting. Taking a firm stand against illegal burning for land preparation in our supply chain, we also extend this policy to our FFB suppliers.

We utilise the RSPO Hotspot Hub, which is an online platform that uses advanced satellite technology to provide near real-time information, to detect hotspots and potential fires in oil palm plantations within our supply chain. Upon detection of a hotspot within or near our concession, the RSPO GIS Team will alert BPlant, following which our Sustainability Secretariat will take action to respond to the incident. We have also established Emergency Response Teams, who are trained in fire evacuation, at each of our operating units, while our neighbouring stakeholders are also involved in the development of our fire prevention plan and control measures.

In our bid to uphold transparency, we make our record of hotspot alerts available to the public via our website. The following is a summary of the record:



➔ Water Management

As a responsible organisation, BPlant recognises that water is a precious resource, and we understand that our mill processing activities account for the majority of our overall water consumption. Supporting our commitment to sustainability, we are dedicated to using water efficiently by leveraging surface water that has been processed to meet the quality standards required for production. In addition, we continue to improve our water efficiency by recycling and reusing where applicable.

Complementing these efforts, we have monitored our water intensity since 2021, with the goal of using an average of three years of data as our baseline target for water efficiency measures and reduction initiatives. This will pave the way for us to establish a framework to improve water use intensity in our operations. We also recognise the importance of enhancing our data collection on domestic water consumption, and are continuously exploring the best methods for water management.

In 2022, we consumed a total of 3,545,380 m³ of water across all of our operations, representing an increase of 1,000,00 m³ compared to 2021. This increase in water consumption is attributed to improvements in our data collection method, which now takes into account government water supply and water consumption at water treatment plants. As we continue to pursue our commitment to sustainability, we remain focused on implementing innovative solutions to conserve water resources and improve our water use efficiency.



► Water treatment plant at Kanowit POM, Sarawak

Mill Water Consumption

Region	Palm Oil Mill	Water Consumption (m ³)		Water Intensity / FFB Process (m ³ /MT)	
		2022	2021	2022	2021
Sabah	Segaria	40,858	58,031	0.6	0.8
	Nak	91,201	115,698	1.3	1.5
	Rimba Nilai	141,991	144,367	1.5	1.5
	Segamaha	358,712	356,088	1.8	1.9
	Boustead Tawai	176,038	241,166	1.5	1.5
Sarawak	Longan Bunut	102,277	43,180	1.4	2.0
	Kanowit	86,594	87,170	1.5	1.3
Peninsular	Sungai Jernih	93,330	86,582	0.8	0.8
	Telok Sengat	182,729	151,598	1.2	1.2
	Trong	135,091	139,489	1.2	1.2
Total		1,408,821	1,423,369	1.3	1.4

SUSTAINABILITY STATEMENT

Water Consumption Record (Water Treatment Plant)

Region	Certification Unit	Total (m ³)
Sabah	Segaria	186,456
	Nak	260,081
	Rimba Nilai	500,439
	Segamaha	547,173
	Boustead Tawai	225,270
Sarawak	Loagan Bunut	158,369
	Kanowit	192,858
Peninsular	Sungai Jernih	93,330
	Telok Sengat	229,065
	Trong	143,877
Total		2,536,918

Water Consumption Record (Government Water Supply)

Region	Certification Unit	Total (m ³)
Sabah	Segaria	-
	Nak	-
	Rimba Nilai	-
	Segamaha	-
	Boustead Tawai	-
Sarawak	Loagan Bunut	-
	Kanowit	25,592
Peninsular	Sungai Jernih	476,156
	Telok Sengat	201,224
	Trong	305,491
Total		1,008,463

🔄 Waste and Effluent Management

The processing of FFB generates several by-products, including empty fruit bunches (EFB), fibre, shells, and POME. At BPlant, we observe the best practices in handling effluents and waste generation in adherence to standards set in our sustainability policy.

Biomass

Our biomass management encompasses a zero-waste strategy involving the reusing, recovering, and recycling of various by-products as to minimise waste and enhance resource efficiency.

Across our 10 palm oil mills, we processed 1,050,823 MT of FFB, generating 430,525 MT of solid biomass and 920,271 MT of liquid biomass in 2022. Our solid biomass, consisting of mesocarp fibres and palm kernel shells, is repurposed as fuel for our biomass boilers. A total of 209,358 MT EFB was utilised for organic fertilisers that supply required nutrients and moisture for optimal soil conditions.

Liquid biomass comprising POME is treated at treatment ponds to reduce contaminants and treated effluents are applied in field as land irrigation. At our Telok Sengat POM methane released from effluents is captured and converted into energy.



▶ A machine loading empty fruit bunches to be applied in-field as organic fertilisers at Taiping Rubber Plantation Estate, Perak.

CARING FOR OUR PEOPLE



► Staff assisting a senior citizen during Jelajah Kasih Ramadan, a corporate social responsibility initiative at Pulau Pinang

We are driven to maintaining profitability in order to sustain our operations and thereby continue to deliver value to our various stakeholders. At the same time, we recognise that through our operations, we can also contribute to the economic development of local communities.

With an aim of making a positive difference in the lives of our employees and the local communities where we operate, we remain steadfast in our commitment to bolstering safety and health measures, while offering safe and comfortable living quarters as well as enhancing the quality of life of our surrounding communities.

OCCUPATIONAL SAFETY AND HEALTH

Occupational safety and health (OSH) are essential in any workplace, as it guarantees that employees can carry out their duties without risking their safety or health. This is especially crucial in industries like ours, where workers face various hazards on a daily basis.

Understanding the significance of OSH, we have put in place several practices and procedures to ensure that our employees are able to work in a safe and protected atmosphere. Our safety and health protocols adhere to relevant policies and are compliant with local laws and regulations, including the Occupational Safety and Health Act (OSHA).



To maintain a high standard of safety in our operations, we have established safety and health committees for every estate and mill. These committees comprise both workers and management representatives, who play a critical role in promoting a culture of safety in our operations by overseeing and managing all safety and health-related issues within their respective areas. The committees convene on a quarterly basis to discuss safety matters and explore ways to improve safety performance.

The following are among the key topics that are within the purview of the safety and health committees and are discussed during quarterly meetings:

1

Incident review and analysis

The Safety and Health Committee conducts a thorough review of any incidents or near-misses that have occurred since the last meeting. The purpose of this review is to identify the root causes of these incidents and to determine the corrective actions that need to be taken to prevent similar incidents from recurring.

2

Hazard identification, risk assessment and risk control

The committee carefully evaluates any recent hazard identification and risk assessment activities and discusses any newly identified risks. They assess the efficacy of current precautionary measures and identify potential improvements, such as engaging employees, enhancing the hierarchy of controls and improving personal protective equipment and on job safety training.

3

Workplace inspections

The committee reviews the results of workplace inspections and ensures that any identified hazards or deficiencies are being addressed. They also discuss ways to improve the effectiveness of workplace inspections.

4

Compliance with regulations and standards

The committee reviews their compliance with safety and health regulations and standards to ensure that there are no violations.

SUSTAINABILITY STATEMENT

Annual Safety Programme

Our annual safety and health programme is centred upon a proactive approach that involves identifying potential hazards and risks in our operations and developing strategies to eliminate or mitigate them. To accomplish this, we have implemented a range of measures, including safety training programmes, hazard identification and risk assessments, safety audits, safety committees, as well as incident reporting and investigation systems.

In 2022, we organised various safety-related training programmes that were designed to equip our workers with the knowledge and skills they require to identify and avoid potential hazards in the workplace. These programmes covered a variety of safety and health related topics as follows:

LIST OF SAFETY TRAININGS AND CAMPAIGNS CONDUCTED IN FY2022



First aid training



Accident investigation prevention and reports



Emergency response plan and fire evacuation



Safe handling of chemicals



Safe work procedures



Authorised entrant and standby person



Authorised gas tester

Additionally, we conduct regular sustainability audits that incorporate OSH elements to inspect our facilities and identify any potential safety hazards or deficiencies in our safety procedures. Our incident reporting system enables prompt reporting and investigation of all incidents to determine the root cause and ensures any necessary corrective action is undertaken.



▶ Worker in full personal protective equipment spraying pesticide at a nursery at Taiping Rubber Plantation Estate, Perak



▶ Medical officer inspecting staff at an estate clinic at Taiping Rubber Plantation Estate, Perak

Safety Incident Reports

As a result of our continuous efforts to protect the health and safety of our employees, we recorded zero fatalities in our operations in 2022. This achievement stands testament to our unwavering commitment to protecting our workers and providing them with a safe and healthy workplace.

LOST TIME INJURY FREQUENCY RATE (LTIFR)

	2022	2021	2020
Fatality Rate	0	1	0
Incident Rate	16.8	15.1	18.2
Frequency Rate	6.7	6.0	7.4
Severity Rate	81.4	328.2	52.3

FATALITY RATE Zero fatality accidents in 2022.

0%

INCIDENT RATE Our incident rate increased by 11% following a rise in total incident cases from **122 in 2021** to **129 in 2022**.

11%

FREQUENCY RATE The rise in **total incident cases** against total man-hours worked contributed to an increase of **13%** in frequency rate

13%

SEVERITY RATE Our **severity rate decreased** by **75%** as we recorded **zero fatalities in 2022** despite the increase in total incident cases

75%

Promoting Health and Well-being of Employee

Alongside occupational safety, we firmly believe that a healthy workforce is a productive workforce. Towards this end, we prioritise the health and well-being of our employees and surrounding communities as reflected in the various initiatives that we have implemented throughout the year to promote good health and wellbeing.

To ensure that our employees have access to the resources they need to maintain good health, we have established 35 estate clinics, where we employ qualified medical personnel to provide basic healthcare services. In addition, we provide 24-hour transportation access to the nearest hospital for any cases that require special medical attention.

We also conducted a health awareness campaign that includes health talks and health screening sessions. Through this campaign, we educate our employees and their dependents on the importance of maintaining good health, covering topics such as nutrition and proper exercise. The health screening sessions allow us to help them identify any potential health issues and provide advice.

As part of our continued support of the Government’s National COVID-19 Immunisation Programme, we have taken active measures to increase vaccination uptake among our employees and nearby communities. In April 2022, BPlant’s Tawai Business Unit conducted a mass vaccination programme in collaboration with Klinik Kesihatan Telupid, drawing the participation of over 500 people. As a result of the programme, 535 of our employees from nearby estates received booster shots, while 60 children received their first vaccination dose.

Recognising that the health and wellbeing of our employees and surrounding communities are crucial to our long-term success, we will continue to invest in initiatives that support good health.



▶ Board Member Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. handing out assistance to staff at Segaria Estate, Sabah.

SUSTAINABILITY STATEMENT

WORKFORCE MANAGEMENT

BPlant is driven by a diverse workforce of 5,154 employees comprising skilled and unskilled workers of varied backgrounds. While the majority of our employees are involved in plantation operations, we also employ professionals in various fields such as finance, marketing, sustainability and human resources who collectively support the growth and success of our Group.

At BPlant, we place a strong emphasis on promoting diversity and inclusion in our recruitment practices, as well as providing equal opportunities to all employees regardless of their race, gender, religion or age. Reflecting this, we have established a robust recruitment process that ensures all employees are selected fairly based on their qualifications and experience.



🔄 Employment and Labour Practices

As part of our efforts to provide a safe and healthy working environment for all employees, we adhere to all relevant labour laws and regulations in Malaysia, including Malaysia's Employment Act 1955, Sabah and Sarawak Labour Ordinance, the Industrial Relations Act and the Occupational Safety and Health Act (OSHA). To further protect our people, BPlant also has policies in place to prevent discrimination and harassment in the workplace.

With an aim to continuously improve our employment and labour practices, we revised and updated our recruitment guidelines in 2022 to prevent and eradicate any possible instances of forced labour practices. In line with our Sustainability Policy, we developed a set of ethical recruitment guidelines that prohibit any type of forced, bonded or trafficked labour as well as charging of recruitment fees in our operations and supply chain. We ensure that our fresh hires are not charged any fees by working directly with a reputable recruitment agency that respects and upholds our ethical principles.

Respecting the rights of our workers, we also ensure they are not denied access to their identification documents and every worker is provided a safe place in their living quarters to store their valuables. Additionally, as we firmly believe that open and honest communication between employers and employees is crucial for mutual understanding of everyone's roles and responsibilities in the workplace, we provide all our employees with written contract agreements in a language they are able to understand and have appointed a translator among the employees to cater to language and literacy issue.

Over the past few years, we have conducted regular internal audits on our operating units to assess human and labour rights practices, in line with RSPO and MSPO certification standards.

🔄 Diversity and Inclusion, Non-Discrimination And Equal Opportunity

BPlant is committed to advocating for gender equality at all levels of employment through the implementation of strict anti-discrimination practices. This ensures that we provide fair and equal employment opportunities regardless of race, nationality, religion or gender. In tandem, we also provide training and development opportunities based on business needs, job requirements and individual qualifications to ensure that all our employees are able to unlock their full potential.

In 2022, our Gender Policy was revised and incorporated into our Sustainability Policy to further strengthen diversity and inclusion, non-discrimination as well as equal opportunity at BPlant. Our operating units also continued to strengthen the establishment of their Women's Associations, which aim to raise awareness and address gender-related issues. With the support of these associations, we also revised our Anti-Sexual Harassment Policy in 2022, thus enabling a safer working environment for our employees.

🔄 Grievance Mechanisms

All workers across our operations are given access to enquiry channels and grievance mechanisms to raise their concerns. To complement this, we have launched a dedicated online channel, E-Adu, for our employees to report workplace-related issues and grievances while ensuring their confidentiality. This channel was launched as part of BPlant's continuous efforts to increase transparency in governance and protect the right of our workers. In accordance with our pledge to uphold environmental, social and governance (ESG) principles, we are fully committed to providing the necessary platforms and space for our employees to have their voices heard.

➤ Continuous Training and Education

With a firm belief that continuous training and education is necessary to enhance the skills and competencies of our people, our Human Resources Department has been tasked with identifying the pertinent skills required to fulfil BPlant's corporate goals. They are also responsible for determining if there are any gaps in the competencies of our people and organising targeted trainings to fill any identified gaps. In addition, guided by BPlant's ESG Blueprint, we also focus on enhancing our employee's ESG understanding and capabilities to ensure they are able to keep abreast with the evolving ESG requirements.

Demonstrating our focus on the continued enhancement of our people, our training investment increased by 355% in 2022 compared to the previous year with an average of RM100 invested per employee. The total average hours of training per employee also increased to 5.7 hours/year/employee from 3.0 hours/year/employee.

We aim to train and educate our employees at every stage of their career in BPlant. As such, new cadet planters and engineers are required to undergo a two-week job familiarisation session, followed by a two-month Internal Apprenticeship Course before they are sent to the field for a nine-month on-the-job training. Our new cadet training module is designed to nurture and groom future leaders that will not only contribute to our growth but also benefit the plantation industry. In August 2022, we welcomed 27 new cadet planters and engineers to be part of our operational team throughout the country.



▶ Cadet planters and engineers displaying their official documents to attend the Internal Apprenticeship Course

➤ Employee Engagement Initiatives

We understand the importance of having a highly engaged workforce as engaged employees are more committed to the organisation, which translates into higher levels of happiness and productivity. As such, we make it a priority to maintain regular and meaningful engagements with our people.

Our senior management engages with employees at all levels of the company. For instance, weekly sessions were held with young executives, as well as fortnightly 'Bicara Santai Bersama CEO' sessions with senior executives. These sessions provide an opportunity for open dialogue and exchange of ideas between the leadership and our employees. Alongside these sessions, we also conduct townhall meetings throughout the year to create an inclusive, transparent environment where employees feel valued, informed and engaged.

In line with our commitment to promoting a healthy work-life balance, we organise and host various activities and events to commemorate significant international and national occasions. These include National Independence Day, National Sports Day (BPlant Sports Day) and World Health Day (BPlant Health Day). Furthermore, to encourage a culture of healthy sportsmanship among our employees, we also organise sporting events such as badminton and bowling tournaments.

Our efforts to engage and invest in our workforce stand testament to our commitment to cultivating a positive workplace culture. We believe that an engaged workforce is essential to achieving our long-term business goals and contributing to the success of the Group.



▶ Staff and workers celebrate Segaria Complex's Sports Carnival in Sabah

SUSTAINABILITY STATEMENT

SOCIAL WELFARE AND COMMUNITY INVESTMENT

At BPlant, we care for the well-being of all workers and their families in our operations, as well as our local communities. Guided by our labour policies, we protect their welfare by providing a comfortable and conducive living environment for all plantation workers. This includes offering accommodations that meet the requirements of applicable local laws alongside an array of facilities such as clinics, recreational amenities, places of worship, retail stores, creches as well as free school transportation.

Additionally, we also ensure that:



➔ Access to Education

Understanding that every child has the right to education, we have taken a proactive approach to support the education of children in our plantations with the establishment of a series of Humana schools and Community Learning Centres (CLCs).

The Humana schools, which are located in Sabah and Sarawak, have been developed in collaboration with the Borneo Child Aid Society. These schools are specifically designed to cater to the needs of workers' children, regardless of their country of origin. On the other hand, our CLCs have been constructed in partnership with the Indonesian Consulate and with the approval of Malaysia's Ministry of Education.

We are proud to report that as of 2022, a total of 90 children have benefitted from the Humana schools, while 663 children have received education through the CLCs located in our estates. Moving forward, we remain committed to providing educational opportunities for all children in our plantations.

➔ Number of Children Benefitted with Humana and CLC

ESTATE	HUMANA		CLC	
	2022	2021	2022	2021
Bukit Segamaha	-	-	87	72
Segaria	-	-	256	229
Nak	-	-	69	72
G&G	37	32	-	-
Ladang Tabung Tentera	53	74	-	-
Resort	-	-	67	75
Sutera	-	-	63	65
Boustead Sapa Payau	-	-	36	46
Sungai Segamaha	-	-	85	101
TOTAL	90	106	663	660

➔ Social Responsibility

Furthering our commitment to support local communities, we strive to improve the living conditions of our surrounding communities by building rural infrastructure and amenities. For instance, one of our Corporate Social Responsibilities programme saw a team from our Logan Bunut Estate restoring a dilapidated wooden bridge leading to a long house in Kampung Long Teru in Miri, Sarawak. As part of the Boustead Road Maintenance Programme, we have continued to aid over 15 villages surrounding our Segamaha and Rimba Nilai business units by maintaining the main roads.

Additionally, we continued to regularly contribute to the local communities in the vicinity of our plantations via our Corporate Shared Value-related projects. Throughout 2022, we contributed over RM3 million including *wakalah* presented and distributed to the *asnaf* and army veterans.



► CLC at Resort Estate, Sabah

FINANCIAL STATEMENTS

Directors' Report	165
Statement by Directors	170
Statutory Declaration	170
Independent Auditors' Report	171
Income Statements	175
Statements of Comprehensive Income	176
Statements of Financial Position	177
Statements of Changes in Equity	179
Statements of Cash Flows	181
Accounting Policies	182
Notes to the Financial Statements	198



SECTION

08

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 2022.

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 39 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	595,311	394,399
Non-controlling interests	(6,515)	–
	588,796	394,399

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 4.00 sen per share totalling RM89,600,000 in respect of the financial year ended 31 December 2021 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 2022.

	Dividend		Date declared	Date of payment
	Sen per share	RM'000		
First interim dividend	7.30	163,520	23 May 2022	24 June 2022
Second interim dividend	2.75	61,600	23 August 2022	27 September 2022
Third interim dividend	1.10	24,640	22 November 2022	22 December 2022
Fourth interim dividend	3.30	73,920	21 February 2023	22 March 2023
Total	14.45	323,680		

Subsequent to the end of the current financial year, the Directors declared a fourth interim dividend of 3.30 sen per share amounting to RM73,920,000 in respect of the financial year ended 31 December 2022. The dividend, which had been paid on 22 March 2023, will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 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:

Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	(Redesignated to Non-Independent Non-Executive Director on 11 April 2023)
Tan Sri Dato' Wira Aziah Ali Izaddeen Daud Fahmy Ismail	(Redesignated to Non-Independent Executive Director and appointed as Acting Chief Executive Officer on 8 November 2022)
(Dr.) Salihin Abang Datuk Haji Shah Headan Ayoob Hussain Shah Datuk Mustapa Kamal Mohd Yusoff	(Retired on 14 June 2022) (Appointed on 1 February 2022 and retired on 14 June 2022) (Resigned on 9 December 2022)
Ahmad Shahredzuan Mohd Shariff Dato' Haji Ismail Haji Lasim (Chairman) Dato' Indera Haji Mustaffar Kamal Haji Ab Hamid Datuk Haji Abdul Ghani Abdul Rashid	(Resigned on 31 January 2023) (Resigned on 31 January 2023) (Appointed on 1 February 2022 and resigned on 31 January 2023)
Mohd Azahar Ibrahim	(Appointed on 5 August 2022 and resigned on 31 January 2023)
Dato' Dr. Haji Din Adam	(Appointed on 12 September 2022 and resigned on 31 January 2023)

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 Mustaffa Datu Monaliza Zaidel Sebastian Anak Baya Shafie Muhd Zain Zainal Abidin Shariff Idris Ibrahim	(Resigned on 21 April 2022) (Resigned on 8 November 2022) (Resigned on 1 March 2023)
--	--

DIRECTORS' REPORT

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	Company
	RM'000	RM'000
Salaries	1,481	–
Fees	1,083	1,083
Defined contribution plans	352	–
Allowances	1,177	393
	4,093	1,476

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 RM32,000.

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			31.12.2022
	1.1.2022	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
Pharmaniaga Berhad				
Fahmy Ismail	500	–	–	500

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.

DIRECTORS' REPORT

HOLDING COMPANIES

The Immediate Holding Company is Boustead Holdings Berhad (BHB), a public limited liability company. BHB is incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Ultimate Holding Corporation is Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established by the Tabung Angkatan Tentera Act, 1973.

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.
- (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.

DIRECTORS' REPORT

SIGNIFICANT AND SUBSEQUENT EVENTS

In addition to the significant events disclosed elsewhere in this report, other significant and subsequent events are disclosed in Note 35 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 RM935,000 and RM346,000 respectively, as disclosed in Note 5 to the financial statements.

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

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

(DR.) SALIHIN ABANG

Kuala Lumpur
11 April 2023

STATEMENT BY DIRECTORS

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

We, Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. 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 175 to 252 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2022 and of their financial performance and cash flows for the year then ended.

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

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

(DR.) SALIHIN ABANG

Kuala Lumpur
11 April 2023

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 175 to 252 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 11 April 2023.

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 2022 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 a summary of significant accounting policies, as set out on pages 175 to 252.

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

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

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

Key audit matters

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

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

INDEPENDENT AUDITORS' REPORT

To the Members of Boustead Plantations Berhad (Incorporated In Malaysia)

Key audit matters (cont'd.)

Impairment assessment of property, plant and equipment and right-of-use assets

As at 31 December 2022, the carrying amount of property, plant and equipment and right-of-use assets of the Group were RM1,861.9 million and RM1,868.8 million respectively and the carrying amount of property, plant and equipment and right-of-use assets of the Company were RM1,225.3 million and RM184.4 million respectively. These are disclosed in Notes 13 and 14 to the financial statements respectively.

The Group and the Company are required to perform an impairment test of the cash generating unit ("CGU") or group of CGUs when there is an indication that a CGU or group of CGUs may be impaired by comparing the carrying amount with its recoverable amount.

During the financial year, management had identified external and internal indicators of impairment in respect of the property, plant and equipment and right-of-use assets. Certain CGUs of the Group were incurring losses during the year. Management had then undertaken an assessment of the recoverable amount using fair value less costs of disposal.

We have identified this as an important area of our audit given the significance of property, plant and equipment and right-of-use assets to the Group and the Company and the judgements and estimates involved in the assessment of the recoverable amount.

Our procedures in reviewing the assessment of the recoverable amount of the CGUs by independent professional valuers, include inter alia the following:

- We have considered the competency, capabilities and objectivity of the professional valuers.
- We had discussions with the independent professional valuers, and we obtained an understanding of the methodology adopted by the independent professional valuers in estimating the fair value of the CGUs and assessed whether such methodology is consistent with those used in the industry.
- We have assessed the key assumptions and methodology used by independent professional valuers. This includes forecasted crude palm oil ("CPO"), palm kernel ("PK") and fresh fruit bunches ("FFB") prices, through comparisons with long-term price forecasts by the independent market analysts, and FFB yield of the oil palm estates. In addition, this includes comparisons with recent transactions involving other similar vacant agricultural land in the vicinity, size, tenure of title and the related valuation adjustments made by the independent professional valuers.
- We have assessed the appropriateness of the discount rate used to determine the present value of the cash flows and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset.

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 integrated 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.

INDEPENDENT AUDITORS' REPORT

To the Members of Boustead Plantations Berhad (Incorporated In Malaysia)

Responsibilities of the directors for the financial statements

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

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the 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.

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.

INDEPENDENT AUDITORS' REPORT

To the Members of Boustead Plantations Berhad (Incorporated In Malaysia)

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

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

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

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

Other matters

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

ERNST & YOUNG PLT

202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
11 April 2023

HOH YOON HOONG

No. 02990/08/2024 J
Chartered Accountant

INCOME STATEMENTS

for the year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue	4	1,176,948	1,049,984	413,850	394,225
Operating costs	5	(882,318)	(659,424)	(230,781)	(183,413)
Results from operations		294,630	390,560	183,069	210,812
Gain on disposal of plantation assets	6	458,743	–	458,743	–
Allowance for expected credit losses	7	–	–	(196,189)	–
Interest income	8	5,060	935	94,600	93,168
Finance costs	9	(34,275)	(48,084)	(40,198)	(51,044)
Share of results of associates		4,849	1,388	–	–
Profit before taxation and zakat		729,007	344,799	500,025	252,936
Taxation	10	(137,582)	(99,127)	(102,997)	(48,326)
Zakat		(2,629)	(3,217)	(2,629)	(2,463)
Profit for the year		588,796	242,455	394,399	202,147
Attributable to:					
Shareholders of the Company		595,311	241,293	394,399	202,147
Non-controlling interests		(6,515)	1,162	–	–
Profit for the year		588,796	242,455	394,399	202,147
Earnings per share					
Basic (sen)	11	26.6	10.8		

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the year	588,796	242,455	394,399	202,147
Other comprehensive income/(loss):				
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods (net of tax):				
Share of other comprehensive income/(loss) of associates	12	(90)	–	–
Total other comprehensive income/(loss) for the year, net of tax	12	(90)	–	–
Total comprehensive income for the year, net of tax	588,808	242,365	394,399	202,147
Attributable to:				
Shareholders of the Company	595,323	241,203	394,399	202,147
Non-controlling interests	(6,515)	1,162	–	–
Total comprehensive income for the year, net of tax	588,808	242,365	394,399	202,147

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

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	1,861,858	1,890,128	1,225,329	1,247,792
Right-of-use assets	14	1,868,776	1,893,941	184,350	183,751
Investment in subsidiaries	15	–	–	210,659	210,409
Investment in associates	16	30,535	25,674	3,330	3,330
Goodwill on consolidation	17	2,281	2,281	–	–
Deferred tax assets	18	2,765	–	–	–
Receivables	19	–	–	1,424,832	1,635,719
		3,766,215	3,812,024	3,048,500	3,281,001
Current assets					
Inventories	20	136,488	62,409	35,897	14,476
Biological assets	21	31,835	47,046	11,107	14,918
Receivables	19	133,333	54,917	190,263	80,766
Tax recoverable		2,243	266	–	–
Cash and bank balances	22	165,618	82,202	164,532	81,375
		469,517	246,840	401,799	191,535
Assets held for sale	23	–	65,480	–	65,480
		469,517	312,320	401,799	257,015
Total assets		4,235,732	4,124,344	3,450,299	3,538,016

STATEMENTS OF FINANCIAL POSITION

as at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	24	1,422,344	1,422,344	1,422,344	1,422,344
Non-distributable reserves	25	(273)	(285)	–	–
Retained profits	26	1,550,547	1,294,596	854,346	799,307
Equity attributable to equity holders of the parent					
		2,972,618	2,716,655	2,276,690	2,221,651
Non-controlling interests		(114,331)	(107,816)	–	–
Total equity		2,858,287	2,608,839	2,276,690	2,221,651
Non-current liabilities					
Borrowings	27	394,757	476,192	394,757	476,192
Deferred tax liabilities	18	299,327	302,095	84,275	85,837
Lease liabilities	28	7,233	1,095	1,383	–
Payables	29	6,774	6,605	4,983	4,856
		708,091	785,987	485,398	566,885
Current liabilities					
Borrowings	27	462,096	537,748	462,096	537,748
Lease liabilities	28	2,309	317	369	–
Payables	29	181,211	158,141	213,324	200,035
Taxation		23,738	31,699	12,422	10,084
		669,354	727,905	688,211	747,867
Liabilities directly associated with the assets held for sale	23	–	1,613	–	1,613
		669,354	729,518	688,211	749,480
Total liabilities		1,377,445	1,515,505	1,173,609	1,316,365
Total equity and liabilities		4,235,732	4,124,344	3,450,299	3,538,016

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 2022

	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 2021	1,422,344	(195)	1,161,943	2,584,092	(108,978)	2,475,114
Profit for the year	–	–	241,293	241,293	1,162	242,455
Other comprehensive loss	–	(90)	–	(90)	–	(90)
Total comprehensive (loss)/income for the year	–	(90)	241,293	241,203	1,162	242,365
Transaction with owners:						
Dividends (Note 12)	–	–	(108,640)	(108,640)	–	(108,640)
At 31 December 2021	1,422,344	(285)	1,294,596	2,716,655	(107,816)	2,608,839
At 1 January 2022	1,422,344	(285)	1,294,596	2,716,655	(107,816)	2,608,839
Profit/(loss) for the year	–	–	595,311	595,311	(6,515)	588,796
Other comprehensive income	–	12	–	12	–	12
Total comprehensive income/(loss) 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

STATEMENTS OF CHANGES IN EQUITY

for the year ended 31 December 2022

	Share capital RM'000	Distributable retained profits RM'000	Total equity RM'000
Company			
At 1 January 2021	1,422,344	705,800	2,128,144
Profit for the year, representing total comprehensive income	–	202,147	202,147
Transaction with owners:			
Dividends (Note 12)	–	(108,640)	(108,640)
At 31 December 2021	1,422,344	799,307	2,221,651
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

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating activities				
Cash receipts from customers	1,183,475	1,029,166	366,141	325,159
Cash paid to suppliers and employees	(746,798)	(519,272)	(192,071)	(128,022)
Cash generated from operations	436,677	509,894	174,070	197,137
Defined benefit obligations paid	(616)	(530)	(402)	(392)
Tax refund	48	–	–	–
Taxation and zakat paid	(115,855)	(70,498)	(64,975)	(41,966)
Net cash generated from operating activities	320,254	438,866	108,693	154,779
Cash flows from investing activities				
Purchase of property, plant and equipment	(71,698)	(49,061)	(14,075)	(15,607)
Purchase of right-of-use assets	(540)	(212)	(193)	–
Deposits received on disposal of land	–	42,882	–	42,882
Net proceeds from disposal of property, plant and equipment and compulsory land acquisition	399,610	479	399,608	473
Real property gains tax paid	(39,477)	–	(39,477)	–
Dividends received	6,000	2,000	6,000	74,170
Interest received	5,056	890	93,654	93,237
Acquisition of subsidiary	–	–	(250)	–
Net cash generated from/(used in) investing activities	298,951	(3,022)	445,267	195,155
Cash flows from financing activities				
Dividends paid	(339,360)	(108,640)	(339,360)	(108,640)
Net repayment of revolving credits	(94,100)	(158,250)	(94,100)	(158,250)
Repayment of term loans	(99,000)	(81,500)	(99,000)	(81,500)
Drawdown of term loan	35,500	–	35,500	–
Movement in subsidiaries balances, net	–	–	85,457	80,204
Payment of principal portion of lease liabilities	(2,092)	(190)	(17)	–
Interest paid	(36,453)	(49,116)	(58,999)	(42,943)
Transaction costs on borrowings	(270)	–	(270)	–
Net cash used in financing activities	(535,775)	(397,696)	(470,789)	(311,129)
Net increase in cash and cash equivalents	83,430	38,148	83,171	38,805
Cash and cash equivalents at beginning of year	82,175	44,027	81,348	42,543
Cash and cash equivalents at end of year	165,605	82,175	164,519	81,348
Cash and cash equivalents at end of year				
Cash and bank balances (Note 22)	165,618	82,202	164,532	81,375
Bank overdrafts (Note 27)	(13)	(27)	(13)	(27)
	165,605	82,175	164,519	81,348

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 is 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.

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).

ACCOUNTING POLICIES

(B) BASIS OF CONSOLIDATION (CONT'D.)

Business combinations (cont'd.)

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.

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.

ACCOUNTING POLICIES

(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.

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.

ACCOUNTING POLICIES

(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.

(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	5 – 30 years
Plant and machinery	5 – 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.

ACCOUNTING POLICIES

(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) Product 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.

(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.

ACCOUNTING POLICIES

(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.

(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.

ACCOUNTING POLICIES

(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.

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.

ACCOUNTING POLICIES

(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.

(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.

ACCOUNTING POLICIES

(P) TAXATION (CONT'D.)

Deferred tax (cont'd.)

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.

(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.

ACCOUNTING POLICIES

(Q) EMPLOYEE BENEFITS (CONT'D.)

(iii) Defined benefit plans (cont'd.)

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.

(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.

ACCOUNTING POLICIES

(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).

(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.

ACCOUNTING POLICIES

(S) LEASES (CONT'D.)

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.

(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.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(i) Financial assets (cont'd.)

Initial recognition and measurement (cont'd.)

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), loans to Group companies, and cash and bank balances.

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.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(i) Financial assets (cont'd.)

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.

(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.

ACCOUNTING POLICIES

(U) FINANCIAL INSTRUMENTS (CONT'D.)

(ii) Financial liabilities (cont'd.)

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.

(V) SEGMENT REPORTING

The principal activities of the Group are the cultivation of oil palms, production and sale of FFB, CPO and PK in Malaysia. The Group's plantation business are segregated into three geographical segments. The performance of each segment is monitored by the respective segment's management team. Additional disclosures on the segment reporting is disclosed in Note 32, including the factors used to identify the reportable segments and the measurement basis of segment information.

(W) 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.

ACCOUNTING POLICIES

(X) 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 39.

The Company is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 28th Floor, Menara Boustead, 69 Jalan Raja Chulan, 50200 Kuala Lumpur. On 16 August 2022, the registered address of the Company was changed to Level 23, The Bousteador, No. 10, Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor.

The Immediate Holding Company is Boustead Holdings Berhad (BHB), a public limited liability company. BHB is incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The Ultimate Holding Corporation is Lembaga Tabung Angkatan Tentera (LTAT), a local statutory body established by the Tabung Angkatan Tentera Act, 1973. 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 11 April 2023.

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 2022:

2.1 Adoption of new standards effective 1 January 2022

Description	Effective for annual periods beginning on or after
Annual improvements to MFRS standards 2018 - 2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022

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
MFRS 17: Insurance Contracts (including amendments on Initial Application of MFRS 17 and MFRS 9 – Comparative Information)	1 January 2023
Amendments to MFRS 101 and MFRS Practice 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 a Single Transaction	1 January 2023
Amendments to MFRS 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associates 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 2022 was RM2,281,000 (2021: 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 RM437,443,000 (2021: RM428,241,000) 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 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 RM3,184,000 (2021: RM4,705,000) and RM1,111,000 (2021: RM1,492,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

4. REVENUE

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Revenue from contracts with customers					
– Sale of plantation produce	4(a)	1,176,206	1,049,539	359,291	329,856
– Plantation agency services	4(a)	742	445	–	–
Revenue from other sources	4(b)	–	–	54,559	64,369
		1,176,948	1,049,984	413,850	394,225

(a) Disaggregated revenue from contracts with customers

Geographical markets

Peninsular Malaysia	462,413	401,386	323,447	294,334
Sabah	592,831	570,089	35,844	35,522
Sarawak	121,704	78,509	–	–
	1,176,948	1,049,984	359,291	329,856

Timing of revenue recognition

Goods transferred at a point in time	1,176,206	1,049,539	359,291	329,856
Services rendered over time	742	445	–	–
	1,176,948	1,049,984	359,291	329,856

(b) Revenue from other sources

Gross dividends received/ receivable from				
– Subsidiaries	–	–	54,415	58,225
– Associate	–	–	–	6,000
Sundry income	–	–	144	144
	–	–	54,559	64,369

(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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Changes in inventories of produce stocks	(15,086)	(16,622)	(5,746)	(1,241)
Changes in fair value net of transfers to produce stocks (Note 21)	15,211	(22,020)	3,811	(6,461)
Raw materials, consumables and other direct costs	371,956	266,447	80,522	58,828
Staff costs	288,656	229,423	73,261	62,049
Defined contribution plan	11,993	10,137	2,781	2,544
Unfunded defined benefit plan (Note 30)	785	799	529	520
Depreciation of property, plant and equipment (Note 13)	89,980	96,310	27,787	28,113
Depreciation of right-of-use assets (Note 14)	35,927	33,987	1,363	1,346
Other operating costs	82,896	60,963	46,473	37,715
	882,318	659,424	230,781	183,413

Other operating costs include:

Auditors' remuneration				
– Current year	935	744	346	275
– Prior year	(3)	–	–	–
Other services				
– Current year	264	186	264	168
Directors' remuneration				
– Fees	1,083	978	1,083	978
– Allowance	379	298	379	298
Research and development	16,472	14,864	16,472	14,864
Provision for obsolete stock (Note 20)	476	–	–	–
Reversal of allowance for expected credit losses on other receivables (Note 19 (ii))	(32)	(81)	(30)	(79)
Gain on disposal of property, plant and equipment and right-of-use assets	–	(274)	–	(274)
Property, plant and equipment written off (Note 13)	4,964	613	1,215	226
Expenses relating to short-term leases (Note 14)	–	1,933	–	–
Windfall levy	44,689	33,333	17,697	16,315

The directors' benefits as follows:

Salaries	1,481	2,201	–	–
Fees	1,083	978	1,083	978
Defined contribution plans	352	146	–	–
Allowances	1,177	412	393	298
	4,093	3,737	1,476	1,276

NOTES TO THE FINANCIAL STATEMENTS

6. GAIN ON DISPOSAL OF PLANTATION ASSETS

During the year, the Group and the Company have disposed the following assets:

- (i) Kulai Young land to SIPP Power Sdn Bhd for a cash consideration of RM428.8 million (Note 35 (2)). The net gain on disposal is recognised at RM364.1 million.
- (ii) partial of Bukit Mertajam land to Nur Solar Sdn Bhd for a cash consideration of RM98.0 million (Note 35 (3)). The gain on disposal is 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 is recognised at RM3.7 million.

7. ALLOWANCE FOR EXPECTED CREDIT LOSSES

	Company	
	2022	2021
	RM'000	RM'000
Loans to non-wholly owned subsidiaries (Note 19)	196,189	–

During the financial year, the management had identified and recognised an allowance for expected credit losses of 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest income				
– Subsidiaries	–	–	89,542	92,254
– Financial institutions	4,536	617	4,534	596
– Others	524	318	524	318
	5,060	935	94,600	93,168

NOTES TO THE FINANCIAL STATEMENTS

9. FINANCE COSTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Interest expense on				
– Financial institutions	36,178	48,263	36,178	48,263
– Subsidiaries	–	–	3,573	2,471
– Joint operation partner	599	466	599	466
– Lease liabilities (Note 28)	166	39	5	–
	36,943	48,768	40,355	51,200
Add: Amortisation of transaction costs on borrowings	797	779	797	779
Less: Interest capitalised (Note 13(c))	(3,465)	(1,463)	(954)	(935)
	34,275	48,084	40,198	51,044

10. TAXATION

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Income tax				
– Charge for the year	94,523	89,122	55,882	44,297
– (Over)/under provision in prior year	(528)	503	(443)	388
	93,995	89,625	55,439	44,685
Deferred tax (Note 18)				
– Origination and reversal of temporary differences	(3,960)	9,568	(1,104)	3,680
– Over provision in prior year	(1,175)	(66)	(60)	(39)
	(5,135)	9,502	(1,164)	3,641
Real property gains tax	48,722	–	48,722	–
	137,582	99,127	102,997	48,326

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% (2021: 24%) to the tax expense of the Group and the Company are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit before taxation and zakat	729,007	344,799	500,025	252,936
Taxation at statutory tax rate of 24% (2021: 24%)	174,962	82,752	120,006	60,705
Effect of Cukai Makmur at the tax rate of 33% (2021: Nil)	8,695	–	8,695	–
Effects of share of results of associates	(1,164)	(333)	–	–
Effects of income subject to different tax rates	(109,204)	–	(109,204)	–
Income not subject to tax	(912)	(198)	(13,971)	(15,504)
Non-deductible expenses	20,563	23,465	53,837	6,934
Tax incentives	(4,585)	(4,339)	(4,585)	(4,158)
Deferred tax assets not recognised	2,208	1,704	–	–
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances and agricultural allowances	–	(4,361)	–	–
(Over)/under provision of taxation in prior year	(528)	503	(443)	388
Over provision of deferred tax in prior year	(1,175)	(66)	(60)	(39)
Real property gains tax	48,722	–	48,722	–
Taxation for the year	137,582	99,127	102,997	48,326

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 RM595,311,000 (2021: RM241,293,000) by the weighted average number of ordinary shares in issue during the year of 2,239,999,895 (2021: 2,239,999,895). The Group does not have any potential dilutive ordinary shares for financial years ended 31 December 2022 and 31 December 2021.

NOTES TO THE FINANCIAL STATEMENTS

12. DIVIDENDS

	Amount		Dividend per ordinary share	
	2022 RM'000	2021 RM'000	2022 Sen	2021 Sen
Dividends on ordinary shares in respect of the current financial year				
– 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	–
– First interim declared on 25 May 2021 and paid on 30 June 2021	–	6,720	–	0.30
– Second interim declared on 25 August 2021 and paid on 30 September 2021	–	51,520	–	2.30
– Third interim declared on 23 November 2021 and paid on 30 December 2021	–	39,200	–	1.75
	249,760	97,440	11.15	4.35
Dividends on ordinary shares in respect of the previous financial year				
– Fourth interim declared on 21 February 2022 and paid on 22 March 2022	89,600	–	4.00	–
– Second interim declared on 24 March 2021 and paid on 28 April 2021	–	11,200	–	0.50
	89,600	11,200	4.00	0.50
	339,360	108,640	15.15	4.85

Subsequent to the end of the current financial year, the Directors declared a fourth interim dividend of 3.30 sen per share amounting to RM73,920,000 in respect of the financial year ended 31 December 2022. The dividend, which had been paid on 22 March 2023, will be accounted for in equity as an appropriation of retained earnings for the financial year ending 31 December 2023.

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	Others 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

During the current and previous financial years, the Group acquired property, plant and equipment by cash.

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	Others RM'000	Total RM'000
Group – 2021							
Cost							
At 1 January	1,152,773	974,886	344,730	301,632	72,394	125,350	2,971,765
Additions	–	28,339	4,981	11,533	1,188	4,483	50,524
Disposals	–	(60)	(11)	–	(228)	(18)	(317)
Transfers to group companies	–	–	–	–	(158)	(12)	(170)
Reclassification	–	–	2,797	9,815	–	(12,612)	–
Transfer to assets held for sale	(62,100)	(1,308)	(2,995)	(515)	–	(5)	(66,923)
Write off	–	(7,964)	(256)	(798)	(2,842)	(117)	(11,977)
At 31 December	1,090,673	993,893	349,246	321,667	70,354	117,069	2,942,902
Accumulated depreciation							
At 1 January	–	350,895	145,819	180,558	59,582	60,260	797,114
Charge for the year (Note 5)	–	52,643	14,302	18,046	4,490	6,829	96,310
Disposals	–	(22)	(11)	–	(225)	(12)	(270)
Transfers to group companies	–	–	–	–	(155)	(12)	(167)
Transfer to assets held for sale	–	(486)	(863)	(94)	–	–	(1,443)
Write off	–	(6,590)	(230)	(772)	(2,842)	(111)	(10,545)
At 31 December	–	396,440	159,017	197,738	60,850	66,954	880,999
Accumulated impairment losses							
At 1 January	–	136,514	9,216	59	160	26,645	172,594
Write off	–	(819)	–	–	–	–	(819)
At 31 December	–	135,695	9,216	59	160	26,645	171,775
Net carrying amount							
At 31 December	1,090,673	461,758	181,013	123,870	9,344	23,470	1,890,128

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	Others 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

During the current and previous financial year, the Company acquired property, plant and equipment by cash.

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	Others RM'000	Total RM'000
Company – 2021							
Cost							
At 1 January	1,022,028	326,805	103,531	50,232	22,431	4,509	1,529,536
Additions	–	13,230	147	1,653	627	885	16,542
Disposals	–	(60)	–	–	–	(14)	(74)
Transfer to assets held for sale	(62,100)	(1,308)	(2,995)	(515)	–	(5)	(66,923)
Reclassification	–	–	–	311	–	(311)	–
Write off	–	(2,731)	–	(282)	(1,718)	(37)	(4,768)
At 31 December	959,928	335,936	100,683	51,399	21,340	5,027	1,474,313
Accumulated depreciation							
At 1 January	–	102,818	36,585	22,996	19,420	3,048	184,867
Charge for the year (Note 5)	–	18,764	5,013	3,045	1,129	162	28,113
Disposals	–	(22)	–	–	–	(11)	(33)
Transfer to assets held for sale	–	(486)	(863)	(94)	–	–	(1,443)
Write off	–	(2,576)	–	(211)	(1,718)	(37)	(4,542)
At 31 December	–	118,498	40,735	25,736	18,831	3,162	206,962
Accumulated impairment losses							
At 1 January/31 December	–	19,559	–	–	–	–	19,559
Net carrying amount							
At 31 December	959,928	197,879	59,948	25,663	2,509	1,865	1,247,792

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 RM11,888,000 (2021: RM11,974,000) and RM1,427,000 (2021: RM1,400,000) for the Group and the Company respectively.
- (b) The freehold land of the Company with carrying amount of RM646,870,000 (2021: RM654,733,000) 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 – 2022			
Cost			
At 1 January	925,724	68,169	993,893
Additions	–	40,705	40,705
Disposals	(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
Group – 2021			
Cost			
At 1 January	892,242	82,644	974,886
Additions	–	28,339	28,339
Disposals	(60)	–	(60)
Reclassification	42,814	(42,814)	–
Transfer to assets held for sale	(1,308)	–	(1,308)
Write off	(7,964)	–	(7,964)
At 31 December	925,724	68,169	993,893
Accumulated depreciation			
At 1 January	350,895	–	350,895
Charge for the year	52,643	–	52,643
Disposals	(22)	–	(22)
Transfer to assets held for sale	(486)	–	(486)
Write off	(6,590)	–	(6,590)
At 31 December	396,440	–	396,440
Accumulated impairment losses			
At 1 January	135,955	559	136,514
Reclassification	293	(293)	–
Write off	(819)	–	(819)
At 31 December	135,429	266	135,695
Net carrying amount			
At 31 December	393,855	67,903	461,758

Included in the additions of the bearer plants of the Group is the borrowing costs of RM1,463,000 (Note 9) capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.10%.

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
Write off	(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

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(c) Movement of bearer plants (cont'd.)

	Mature RM'000	Immature RM'000	Total RM'000
Company – 2021			
Cost			
At 1 January	297,787	29,018	326,805
Additions	–	13,230	13,230
Disposals	(60)	–	(60)
Reclassification	14,223	(14,223)	–
Transfer to assets held for sale	(1,308)	–	(1,308)
Write off	(2,731)	–	(2,731)
At 31 December	307,911	28,025	335,936
Accumulated depreciation			
At 1 January	102,818	–	102,818
Charge for the year	18,764	–	18,764
Disposals	(22)	–	(22)
Transfer to assets held for sale	(486)	–	(486)
Write off	(2,576)	–	(2,576)
At 31 December	118,498	–	118,498
Accumulated impairment losses			
At 31 December	19,559	–	19,559
Net carrying amount			
At 31 December	169,854	28,025	197,879

Included in the additions of the bearer plants of the Company is the borrowing costs of RM935,000 (Note 9) capitalised during the year. The rate used to determine the amount of borrowing costs eligible for capitalisation is 4.10%.

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS

	Buildings RM'000	Motor vehicles RM'000	Land RM'000	Total RM'000
Group – 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
Group – 2021				
Cost				
At 1 January		991	2,069,189	2,070,180
Additions		1,046	–	1,046
Disposals		–	(159)	(159)
At 31 December		2,037	2,069,030	2,071,067
Accumulated depreciation				
At 1 January		51	127,682	127,733
Charge for the year (Note 5)		175	33,812	33,987
Disposals		–	(1)	(1)
At 31 December		226	161,493	161,719
Accumulated impairment losses				
At 1 January/31 December		–	15,407	15,407
Net carrying amount				
At 31 December		1,811	1,892,130	1,893,941

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS (CONT'D.)

	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
			Land RM'000
Company – 2021			
Cost			
At 1 January			190,911
Disposals			(159)
At 31 December			190,752
Accumulated depreciation			
At 1 January			5,656
Charge for the year (Note 5)			1,346
Disposals			(1)
At 31 December			7,001
Net carrying amount			
At 31 December			183,751

NOTES TO THE FINANCIAL STATEMENTS

14. RIGHT-OF-USE ASSETS (CONT'D.)

- (a) As at 31 December 2022, the right-of-use assets of the Group with carrying amount of RM57,570,000 (2021: RM60,052,000) are subleased from the registered owners for the subsidiaries.
- (b) As at 31 December 2022, the right-of-use assets of the Company with carrying amount of RM182,411,000 (2021: RM183,757,000) are held by CIMB Islamic Trustee Berhad acting as trustee for the Company.
- (c) As at 31 December 2022, the right-of-use assets of the Group and the Company with carrying amount of RM7,960,000 (2021: RM1,811,000) and RM1,940,000 (2021: Nil) are held under hire purchase arrangements.
- (d) The following are the amounts recognised in profit or loss:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation expenses of right-of-use assets (Note 5)	35,927	33,987	1,363	1,346
Expenses relating to short-term leases (Note 5)	–	1,933	–	–
Interest expenses on lease liabilities (Note 9)	166	39	5	–
Total amount recognised in profit or loss	36,093	35,959	1,368	1,346

The Group and the Company had total cash outflows for leases of RM2,798,000 (2021: RM2,374,000) and of RM215,000 (2021: Nil) respectively.

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares in Malaysia		
Cost		
At 1 January	306,522	306,522
Addition	250	–
31 December	306,772	306,522
Accumulated impairment losses		
At 1 January/31 December	96,113	96,113
Net carrying amount		
At 31 December	210,659	210,409

The Group's interest in subsidiaries and their principal activities are disclosed in Note 39 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	
	2022	2021	2022	2021	2022	2021
	%	%	%	%	%	%
Equity interest held by non-controlling interests	40	40	40	40	40	40

(i) Summarised statements of comprehensive income

	BPK		BPT		BPKOM	
	2022	2021	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	49,474	52,252	63,967	19,134	60,476	59,375
(Loss)/profit for the year	(10,581)	(1,536)	(3,531)	5,263	(2,177)	(822)
Attributable to:						
Shareholders of the Company	(6,349)	(922)	(2,119)	3,158	(1,306)	(493)
Non-controlling interests	(4,232)	(614)	(1,412)	2,105	(871)	(329)
	(10,581)	(1,536)	(3,531)	5,263	(2,177)	(822)

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Non-current assets	16,844	21,425	28,384	29,931	10,065	11,342
Current assets	19,124	10,881	8,662	3,004	41,188	29,592
Total assets	35,968	32,306	37,046	32,935	51,253	40,934
Current liabilities, representing total liabilities	260,931	246,688	33,775	26,133	18,650	6,154
Net (liabilities)/assets	(224,963)	(214,382)	3,271	6,802	32,603	34,780
Attributable to:						
Shareholders of the Company	(127,722)	(121,373)	33,401	35,520	19,563	20,869
Non-controlling interests	(97,241)	(93,009)	(30,130)	(28,718)	13,040	13,911
	(224,963)	(214,382)	3,271	6,802	32,603	34,780

(iii) Summarised statements of cash flows

	BPK		BPT		BPKOM	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Net cash generated from/ (used in):						
Operating activities	1,376	15,110	(346)	1,622	10,289	700
Investing activities	–	–	(241)	(23)	809	107
Financing activities	(1,383)	(15,096)	581	(1,745)	(11,088)	(810)
Net (decrease)/increase in cash and cash equivalents	(7)	14	(6)	(146)	10	(3)

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unquoted shares, at cost	3,330	3,330	3,330	3,330
Share of post acquisition reserves	27,205	22,344	–	–
	30,535	25,674	3,330	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:

	2022 RM'000	2021 RM'000
Revenue	59,152	49,230
Profit for the year	9,698	2,776
Other comprehensive income/(loss)	24	(180)
Total comprehensive income	9,722	2,596
Dividend declared and payable during the year	–	12,000

Subsequent to the end of the current financial year, the Directors of the associates declared an interim dividend of 28.0 sen per share amounting to RM14,000,000 in respect of financial year ended 31 December 2022. The dividend, which will be paid on 14 April 2023, will be accounted for in equity of the associates as an appropriation of retained earnings for the financial year ending 31 December 2023.

(b) Summarised statements of financial position:

	2022 RM'000	2021 RM'000
Non-current assets	28,443	31,544
Current assets	90,831	44,605
Non-current liabilities	(3,329)	(4,513)
Current liabilities	(54,875)	(20,288)
Net assets	61,070	51,348

NOTES TO THE FINANCIAL STATEMENTS

16. INVESTMENT IN ASSOCIATES (CONT'D.)

(c) Reconciliation of summarised financial information to the net assets of associates:

	2022	2021
	RM'000	RM'000
Net assets at 1 January	51,348	60,752
Profit for the year	9,698	2,776
Other comprehensive income/(loss)	24	(180)
Dividend payable	–	(12,000)
Net assets at 31 December	61,070	51,348
Carrying value of Group's investment in associates	30,535	25,674

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% (2021: 8%) 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.

18. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	(302,095)	(294,206)	(85,837)	(83,809)
Recognised in profit or loss (Note 10)	5,135	(9,502)	1,164	(3,641)
Disposal of plantation assets	398	–	398	–
Reclassified to liabilities directly associated to the assets held for sale (Note 23)	–	1,613	–	1,613
At 31 December	(296,562)	(302,095)	(84,275)	(85,837)
Presented after appropriate offsetting as follows:				
Deferred tax assets	2,765	–	–	–
Deferred tax liabilities	(299,327)	(302,095)	(84,275)	(85,837)
	(296,562)	(302,095)	(84,275)	(85,837)

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)**Deferred tax liabilities – Group**

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2022	(156,332)	(149,148)	(11,290)	(316,770)
Recognised in profit or loss	2,808	(5,255)	3,650	1,203
Disposal of plantation assets	–	398	–	398
At 31 December 2022	(153,524)	(154,005)	(7,640)	(315,169)
At 1 January 2021	(159,186)	(145,820)	(6,005)	(311,011)
Recognised in profit or loss	2,854	(4,941)	(5,285)	(7,372)
Reclassified to liabilities directly associated to the assets held for sale (Note 23)	–	1,613	–	1,613
At 31 December 2021	(156,332)	(149,148)	(11,290)	(316,770)

Deferred tax assets – Group

	Unused tax losses RM'000	Unabsorbed capital and agricultural allowances RM'000	Others RM'000	Total RM'000
At 1 January 2022	149	11,913	2,613	14,675
Recognised in profit or loss	(104)	(2,427)	6,463	3,932
At 31 December 2022	45	9,486	9,076	18,607
At 1 January 2021	3,277	11,941	1,587	16,805
Recognised in profit or loss	(3,128)	(28)	1,026	(2,130)
At 31 December 2021	149	11,913	2,613	14,675

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax liabilities – Company

	Right-of-use assets RM'000	Property, plant and equipment RM'000	Others RM'000	Total RM'000
At 1 January 2022	(13,209)	(70,543)	(3,580)	(87,332)
Recognised in profit or loss	59	(1,504)	915	(530)
Disposal of plantation assets	–	398	–	398
At 31 December 2022	(13,150)	(71,649)	(2,665)	(87,464)
At 1 January 2021	(13,299)	(69,616)	(2,029)	(84,944)
Recognised in profit or loss	90	(2,540)	(1,551)	(4,001)
Reclassified to liabilities directly associated to the assets held for sale (Note 23)	–	1,613	–	1,613
At 31 December 2021	(13,209)	(70,543)	(3,580)	(87,332)

Deferred tax assets – Company

	Others RM'000
At 1 January 2022	1,495
Recognised in profit or loss	1,694
At 31 December 2022	3,189
At 1 January 2021	1,135
Recognised in profit or loss	360
At 31 December 2021	1,495

NOTES TO THE FINANCIAL STATEMENTS

18. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised for the following items:

	Group	
	2022	2021
	RM'000	RM'000
Unabsorbed capital and agricultural allowances	71,229	66,823
Unused tax losses	366,214	361,418
	437,443	428,241

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Trade				
Trade receivables	33,446	39,973	3,397	8,315
Other				
Estate receivables	4,302	4,212	1,041	1,182
Wholly owned subsidiaries				
– Loan	–	–	34,788	37,473
– Current account	–	–	7,574	6,708
Non-wholly owned subsidiaries				
– Loan	–	–	–	18,259
– Current account	–	–	–	1,391
Other related companies	184	375	2	2
Associates	4,269	2,948	277	234
Amount due from joint operation partner				
– Current account	215	136	215	136
Prepayments and deposits	838	145	37	19
Workers' housing scheme	347	377	347	377
Dividend receivables	–	6,000	54,415	6,000
Sundry receivables	1,928	1,188	308	1,047
Balance from disposal of land (Note 35 (3))	88,209	–	88,209	–
	100,292	15,381	187,213	72,828
Less: Allowance for expected credit losses	(405)	(437)	(347)	(377)
	99,887	14,944	186,866	72,451
	133,333	54,917	190,263	80,766
Non-current				
Other				
Loans to wholly owned subsidiaries	–	–	1,424,832	1,474,762
Loans to non-wholly owned subsidiaries	–	–	271,189	235,957
Less: Allowance for expected credit losses	–	–	(271,189)	(75,000)
	–	–	1,424,832	1,635,719
Total receivables (current and non-current)	133,333	54,917	1,615,095	1,716,485

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total receivables (current and non-current)	133,333	54,917	1,615,095	1,716,485
Add: Cash and bank balances (Note 22)	165,618	82,202	164,532	81,375
Less: Prepayments	(225)	(78)	(2)	–
Total financial assets carried at amortised cost (debt instruments)	298,726	137,041	1,779,625	1,797,860

Trade receivables

Trade receivables are non-interest bearing and are on 30-day (2021: 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Neither past due nor impaired	32,377	39,744	3,393	8,308
Past due				
– 1 to 30 days	430	4	–	–
– 31 to 60 days	161	220	–	–
– 61 to 90 days	157	–	4	–
– > 90 days	321	5	–	7
	1,069	229	4	7
	33,446	39,973	3,397	8,315

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% (2021: 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.

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

Other receivables – current and non-current

- (i) Maturity analysis of non-current receivables

	Company	
	2022	2021
	RM'000	RM'000
Due between 2 to 5 years:		
Loans to wholly owned subsidiaries	1,424,832	1,474,762
Loans to non-wholly owned subsidiaries	271,189	235,957
	1,696,021	1,710,719

- (ii) Allowance for expected credit losses of other receivables

The allowance for expected credit losses of other receivables for the Group of RM405,000 (2021: RM437,000) and for the Company of RM347,000 (2021: RM377,000) is analysed as follows:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
Workers' housing scheme	347	377	347	377
Other receivable				
– Cost of construction of pond	58	60	–	–
	405	437	347	377

Movement in allowance for expected credit losses of other receivables:

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Current				
At 1 January	437	518	377	456
Reversal during the year (Note 5)	(32)	(81)	(30)	(79)
At 31 December	405	437	347	377

NOTES TO THE FINANCIAL STATEMENTS

19. RECEIVABLES (CONT'D.)

Other receivables – current and non-current (cont'd.)

(iii) Loans to subsidiaries that is impaired

Movement in allowance for expected credit losses of loans to non-wholly owned subsidiaries:

	Company	
	2022	2021
	RM'000	RM'000
At 1 January	75,000	75,000
Allowance for expected credit losses (Note 7)	196,189	–
At 31 December	271,189	75,000

20. INVENTORIES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Produce stocks	41,305	26,219	8,118	2,372
Consumables	64,367	22,526	21,670	7,745
Nursery stocks	31,292	13,664	6,109	4,359
	136,964	62,409	35,897	14,476
Provision for obsolete stock (Note 5)	(476)	–	–	–
	136,488	62,409	35,897	14,476

The cost of inventories recognised as an expense for the financial year amounted to RM729,881,000 (2021: RM565,982,000) and RM184,849,000 (2021: RM153,585,000) for the Group and for the Company respectively.

NOTES TO THE FINANCIAL STATEMENTS

21. BIOLOGICAL ASSETS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
At 1 January	47,046	25,026	14,918	8,457
Changes in fair value net of transfers to produce stocks (Note 5)	(15,211)	22,020	(3,811)	6,461
At 31 December	31,835	47,046	11,107	14,918

The biological assets of the Group and of the Company represent fresh fruit bunches (FFB) of 3 weeks prior to harvesting. The quantity of the unharvested FFB included in the valuation for the Group and the Company are 49,177 (2021: 46,635) metric tonnes and 17,232 (2021: 14,349) 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.

22. CASH AND BANK BALANCES

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	53,425	60,255	52,339	59,428
Short-term deposits with licensed banks	112,193	21,947	112,193	21,947
	165,618	82,202	164,532	81,375

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	
	2022	2021
	RM'000	RM'000
Weighted average interest rate (%)	3.16	1.86
Average remaining maturity period (days)	27	38

Included in cash and bank balances of the Group and the Company is overnight placement with a licensed bank of RM39,721,000 (2021: RM59,242,000). The overnight deposits earned interest of 1.25% (2021: 1.25%) per annum.

NOTES TO THE FINANCIAL STATEMENTS

23. ASSETS AND LIABILITIES HELD FOR SALE

On 28 September 2021, CIMB Islamic Trustee Berhad, acting as trustee for the Company, entered into a sale and purchase agreement with SIPP Power Sdn Bhd for the sale of freehold land measuring 663.98 hectares in the district of Kulai, Johor as disclosed in Note 35 (2).

The assets that are held for sale are as follows:

	Group and Company
	2021
	RM'000
Proposed Disposal of 663.98 hectares:	
Property, plant and equipment (Note 13):	
– Freehold land	62,100
– Bearer plants	822
– Buildings	2,132
– Plant and machinery	421
– Other assets	5
Total assets held for sale	65,480

LIABILITIES DIRECTLY ASSOCIATED TO THE ASSETS HELD FOR SALE

The liabilities directly associated to the assets held for sale are as follows:

	Group and Company
	2021
	RM'000
Proposed Disposal of 663.98 hectares:	
Deferred taxation (Note 18):	
– Freehold land	1,497
– Bearer plants	116
Total liabilities directly associated to the assets held for sale	1,613

NOTES TO THE FINANCIAL STATEMENTS

24. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2022	2021	2022	2021
	'000	'000	RM'000	RM'000
Issued and fully paid:				
At 1 January/31 December	2,239,999	2,239,999	1,422,344	1,422,344

25. NON-DISTRIBUTABLE RESERVES

	Non-distributable reserve RM'000
At 1 January 2021	(195)
Exchange differences on translation of associates	(90)
At 31 December 2021 and 1 January 2022	(285)
Exchange differences on translation of associates	12
At 31 December 2022	(273)

26. RETAINED PROFITS

The Company's retained profits are distributable by way of single tier dividends.

NOTES TO THE FINANCIAL STATEMENTS

27. BORROWINGS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Short-term borrowings				
Unsecured:				
Bank overdrafts	13	27	13	27
Revolving credits	345,400	439,500	345,400	439,500
Term loans	117,500	99,000	117,500	99,000
Transaction costs on borrowings	(817)	(779)	(817)	(779)
	462,096	537,748	462,096	537,748
Long-term borrowings				
Unsecured:				
Term loans	396,500	478,500	396,500	478,500
Transaction costs on borrowings	(1,743)	(2,308)	(1,743)	(2,308)
	394,757	476,192	394,757	476,192
Total borrowings				
Bank overdrafts	13	27	13	27
Revolving credits	345,400	439,500	345,400	439,500
Term loans	514,000	577,500	514,000	577,500
Transaction costs on borrowings	(2,560)	(3,087)	(2,560)	(3,087)
	856,853	1,013,940	856,853	1,013,940
Analysis by maturity:				
– within 1 year	462,096	537,748	462,096	537,748
– from 2 to 5 years	374,316	469,269	374,316	469,269
– over 5 years	20,441	6,923	20,441	6,923
	856,853	1,013,940	856,853	1,013,940

- (a) The Group's and the Company's bank overdrafts bear interest at 7.32% (2021: 6.32%) per annum.
- (b) The Group's and the Company's revolving credits bear interest at a weighted average rate of 3.73% (2021: 4.27%) per annum.
- (c) Include in term loans of the Group and of the Company of RM514,000,000 (2021: RM577,500,000) is an Islamic term loan of the Group and of the Company of RM189,000,000 (2021: RM245,000,000) which bears an average profit rate of 4.69% (2021: 4.20%) per annum. The remaining term loans of the Group and of the Company of RM325,000,000 (2021: RM332,500,000) bears interest rates which range from 3.42% to 5.15% (2021: 3.73% to 4.40%) per annum.
- (d) All borrowings are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

27. BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities

	At 1 January 2022 RM'000	Cash flows RM'000	Re- classification 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. BORROWINGS (CONT'D.)

Changes in liabilities arising from financing activities (cont'd.)

	At 1 January 2021 RM'000	Cash flows RM'000	Re- classification RM'000	Charged to profit or loss RM'000	At 31 December 2021 RM'000
Group					
Short-term borrowings:					
Revolving credits	597,750	(158,250)	–	–	439,500
Term loans	81,500	(81,500)	99,000	–	99,000
Transaction costs on borrowings	(779)	–	(779)	779	(779)
	678,471	(239,750)	98,221	779	537,721
Long-term borrowings:					
Term loans	577,500	–	(99,000)	–	478,500
Transaction costs on borrowings	(3,087)	–	779	–	(2,308)
	1,252,884	(239,750)	–	779	1,013,913
Company					
Short-term borrowings:					
Revolving credits	597,750	(158,250)	–	–	439,500
Term loans	81,500	(81,500)	99,000	–	99,000
Transaction costs on borrowings	(779)	–	(779)	779	(779)
	678,471	(239,750)	98,221	779	537,721
Long-term borrowings:					
Term loans	577,500	–	(99,000)	–	478,500
Transaction costs on borrowings	(3,087)	–	779	–	(2,308)
	1,252,884	(239,750)	–	779	1,013,913

NOTES TO THE FINANCIAL STATEMENTS

28. LEASE LIABILITIES

	Buildings RM'000	Motor Vehicles RM'000	Total RM'000
Group			
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
2021			
Non-current			
Lease liabilities	–	1,095	1,095
Current			
Lease liabilities	–	317	317
Total lease liabilities	–	1,412	1,412

Set out below are the movements during the year:

	Buildings RM'000	Motor Vehicles RM'000	Total RM'000
Group			
2022			
At 1 January	–	1,412	1,412
Addition	4,244	5,978	10,222
Accretion of interest (Note 9)	104	62	166
Payment	(1,854)	(404)	(2,258)
Total lease liabilities	2,494	7,048	9,542
2021			
At 1 January	–	768	768
Addition	–	834	834
Accretion of interest (Note 9)	–	39	39
Payment	–	(229)	(229)
Total lease liabilities	–	1,412	1,412

NOTES TO THE FINANCIAL STATEMENTS

28. LEASE LIABILITIES (CONT'D.)

Set out below are the movements during the year: (cont'd.)

	Buildings RM'000	Motor Vehicles RM'000	Total RM'000
Group			
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

2021

Maturity of lease liabilities:

Not later than 1 year	–	317	317
Later than 1 year and not later than 2 years	–	333	333
Later than 2 years and not later than 5 years	–	762	762
	–	1,412	1,412

The average interest rates (per annum) as at the reporting date for lease liabilities is as follow:

	2022 %	2021 %
Lease liabilities	2.70	2.22

Change in liabilities arising from financing activities:

	Non-current RM'000	Current RM'000	Total RM'000
Group			
At 1 January 2022	1,095	317	1,412
Addition	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
At 1 January 2021	613	155	768
Addition	645	189	834
Reclassification	(163)	163	–
Accretion of interest (Note 9)	–	39	39
Cash flows	–	(229)	(229)
At 31 December 2021	1,095	317	1,412

NOTES TO THE FINANCIAL STATEMENTS

28. LEASE LIABILITIES (CONT'D.)

	Motor Vehicles RM'000
Company	
2022	
Non-current	
Lease liabilities	1,383
Current	
Lease liabilities	369
Total lease liabilities	1,752

Set out below are the movements during the year:

	Motor Vehicles RM'000
Company	
2022	
Addition	1,769
Accretion of interest (Note 9)	5
Payment	(22)
Total lease liabilities	1,752

	Motor Vehicle RM'000
Company	
2022	
Maturity of lease liabilities:	
Not later than 1 year	369
Later than 1 year and not later than 2 years	357
Later than 2 years and not later than 5 years	1,026
	1,752

NOTES TO THE FINANCIAL STATEMENTS

28. LEASE LIABILITIES (CONT'D.)

The average interest rates (per annum) as at the reporting date for lease liabilities is as follow:

	2022 %
Lease liabilities	2.94

Change in liabilities arising from financing activities:

	Non-current RM'000	Current RM'000	Total RM'000
Company			
Addition	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

29. PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current				
Trade				
Trade payables	74,631	41,365	23,472	7,510
Other				
Estate payables	28,826	20,250	4,745	3,828
Amount due to joint operation partner				
– Loan	19,787	17,272	19,287	16,793
Other related companies	61	51	–	–
Associates	5,125	5,590	4,501	4,308
Immediate Holding Company	891	452	500	103
Wholly owned subsidiaries				
– Loan	–	–	84,769	46,011
– Current account	–	–	24,123	43,288
Non-wholly owned subsidiaries				
– Loan	–	–	35,399	24,342
– Current account	–	–	101	70
Interest payable	4,270	3,780	4,270	3,780
Accrued expenses	32,351	7,929	8,832	2,390
Other taxes payable	6,694	9,796	749	1,728
Other payables	8,575	8,774	2,576	3,002
Deposit for disposal of land Note 35(2))	–	42,882	–	42,882
	106,580	116,776	189,852	192,525
	181,211	158,141	213,324	200,035
Non-current				
Other payable				
Defined benefit obligations (Note 30)	6,774	6,605	4,983	4,856
Total payables (current and non-current)	187,985	164,746	218,307	204,891
Total payables (current)	181,211	158,141	213,324	200,035
Add: Borrowings (Note 27)	856,853	1,013,940	856,853	1,013,940
Add: Lease liabilities (Note 28)	9,542	1,412	1,752	–
Less: Other taxes payable	(6,694)	(9,796)	(749)	(1,728)
Total financial liabilities carried at amortised cost	1,040,912	1,163,697	1,071,180	1,212,247

Trade and other payables

Trade and estate payables are on 30 to 60 days (2021: 30 to 60 days) payment terms and are non-interest bearing. Other payables are normally settled on an average of 30 days (2021: 30 days) terms and are non-interest bearing.

NOTES TO THE FINANCIAL STATEMENTS

29. PAYABLES (CONT'D.)

Related party balances

Amount due to joint operation partner is unsecured, repayable on demand and bears interest at 3.5% (2021: 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% (2021: 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.

30. DEFINED BENEFIT OBLIGATIONS

(a) The amount recognised in the statements of financial position is determined as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Present value of unfunded defined benefit obligations, representing net liability (Note 29)	6,774	6,605	4,983	4,856

(b) The movement in the net liability in the current year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	6,605	6,336	4,856	4,728
Recognised in profit or loss (Note 5)	785	799	529	520
Defined benefits paid	(616)	(530)	(402)	(392)
At 31 December	6,774	6,605	4,983	4,856

(c) The amount recognised in profit or loss is analysed as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Current service cost	502	529	321	320
Interest cost	283	270	208	200
Recognised in profit or loss	785	799	529	520

NOTES TO THE FINANCIAL STATEMENTS

30. DEFINED BENEFIT OBLIGATIONS (CONT'D.)

- (d) The principal assumptions used to determine the defined benefit obligations are shown below:

	Group and Company	
	2022	2021
	RM'000	RM'000
Discount rate (% per annum)	4.4	4.4
Salary increment rate (% per annum)	5.5	5.5

- (e) 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	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
1% increase in discount rate	(491)	(490)	(349)	(349)
1% decrease in discount rate	563	563	399	400
1% increase in salary increment rate	773	698	557	504
1% decrease in salary increment rate	(674)	(612)	(488)	(444)

- (f) The duration of the Group's and Company's defined benefit obligations at the end of the reporting period is 4 years (2021: 5 years).

31. CAPITAL COMMITMENTS

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Capital expenditure:				
– authorised but not contracted for	193,673	290,436	36,120	107,290

The Group's and the Company's interest in the capital commitment of the joint operation plantation is disclosed in Note 34.

NOTES TO THE FINANCIAL STATEMENTS

32. 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

32. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is set out in the following table:

	Plantations				Elimination	Total
	PM*	Sabah	Sarawak	Others		
	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	172,003	122,982	(3,868)	3,513	–	294,630
Gain on disposal of plantation assets						458,743
Interest income						5,060
Finance costs						(34,275)
Share of results of associates						4,849
Profit before taxation and zakat						729,007
Taxation						(137,582)
Zakat						(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. SEGMENT INFORMATION (CONT'D.)

The performance of each segment is set out in the following table: (cont'd.)

	Plantations				Elimination	Total
	PM*	Sabah	Sarawak	Others		
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
2021						
Revenue						
External customers	400,941	570,089	78,509	445	–	1,049,984
Inter-segment	–	–	–	22,267	(22,267)	–
Total revenue	400,941	570,089	78,509	22,712	(22,267)	1,049,984
Segment result	181,728	188,696	16,598	3,538	–	390,560
Interest income						935
Finance costs						(48,084)
Share of results of associates						1,388
Profit before taxation and zakat						344,799
Taxation						(99,127)
Zakat						(3,217)
Profit for the year						242,455
Other information:						
Depreciation of property, plant and equipment	35,014	53,192	7,584	520	–	96,310
Depreciation of right-of-use assets	4,109	29,265	472	141	–	33,987

* Denotes Peninsular Malaysia.

33. 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.

NOTES TO THE FINANCIAL STATEMENTS

33. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONT'D.)

Identification of related parties (cont'd.)

Related parties of the Group include:

- (i) Direct and indirect subsidiaries;
- (ii) Immediate Holding Company, Boustead Holdings Berhad (BHB), its subsidiaries and associates;
- (iii) Ultimate Holding Corporation, Lembaga Tabung Angkatan Tentera (LTAT), its subsidiaries and direct and indirect associates;
- (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.

Significant related party transactions other than those disclosed elsewhere in the financial statements are as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Subsidiaries				
Sale of fresh fruit bunches	–	–	210,297	196,931
Plantation management fees	–	–	8,239	5,645
Interest income	–	–	89,542	92,254
Finance costs	–	–	3,573	2,471
Dividend	–	–	54,415	58,225
Subsidiaries of Immediate Holding Company				
Purchase of non-regulated petroleum products	201	858	14	724
Travel agency services	449	114	12	22
Office rental	1,718	2,018	–	–
Financial assistance in respect of hire purchase	30	–	23	–
Immediate Holding Company				
General management fees	994	1,678	584	537
Tax consultancy fees	87	77	12	11
Associates				
Advisory fees	1,500	887	380	228
Research and development	16,472	14,864	16,472	14,864
Dividend	–	6,000	–	6,000
Associates of BHB				
Insurance premium	3,921	3,646	725	702
Interest income	3,593	487	3,593	487
Finance costs	11,736	13,458	11,736	13,458
Purchase of chemical products	792	758	67	70

Related party balances with the Immediate Holding Company and subsidiaries are referred to in Notes 19 and 29.

NOTES TO THE FINANCIAL STATEMENTS

33. 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Bank balances and Islamic deposits	54,027	21,752	53,350	21,168
Term loans	216,000	280,000	216,000	280,000

Key management personnel

The remuneration of key management personnel for the financial year is as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Salaries	2,044	2,926	1,746	1,394
Allowances	815	325	791	86
Defined contribution plans	446	510	393	230
	3,305	3,761	2,930	1,710

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.

34. 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 (2021: 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	
	2022 RM'000	2021 RM'000
Statement of Financial Position		
Non-current assets	26,808	27,058
Current assets	20,966	17,967
Current liabilities	(3,801)	(4,136)
Non-current liabilities	(141)	(125)
Net assets	43,832	40,764

NOTES TO THE FINANCIAL STATEMENTS

34. INTEREST IN JOINT OPERATION PLANTATION (CONT'D.)

	Group and Company	
	2022	2021
	RM'000	RM'000
Inome Statement		
Revenue	10,713	9,613
Operating costs	(5,317)	(4,077)
Operating profit	5,396	5,536
Capital commitments	1,032	821

35. SIGNIFICANT AND SUBSEQUENT EVENTS

- (1) On 10 September 2021, Boustead Plantations Berhad (BPlant) entered into a Conditional Land Lease Agreement (CLLA) with CIMB Islamic Trustee Berhad and Next Generation Oil Sdn Bhd (NGOSB) for NGOSB to lease between 1,040 to 1,286 acres of land in Telok Sengat Estate. BPlant had received a deposit of 15% of the total consideration of RM8.0 million, amounting to RM1.2 million upon signing of the agreement. The CLLA is subject to the fulfilment of condition precedents within a period of eighteen (18) months from the date of agreement.

On 17 August 2022, BPlant received a Notice of Termination of the CLLA from NGOSB. BPlant had refunded the deposit of RM1.2 million on 29 August 2022 to NGOSB.

- (2) 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.

- (3) 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 had received 10% amounting to RM9.8 million upon signing of 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

36. 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 (PBT) would have been:

	Group Increase/(Decrease)		Company (Decrease)/Increase	
	2022 Effect on PBT RM'000	2021 Effect on PBT RM'000	2022 Effect on PBT RM'000	2021 Effect on PBT RM'000
50 basis points decrease in interest rate	3,822	5,046	(4,233)	(3,437)
50 basis points increase in interest rate	(3,822)	(5,046)	4,233	3,437

The assumed movement in the basis points for interest rate for sensitivity analysis is based on a prudent estimate of the current market environment.

(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.

NOTES TO THE FINANCIAL STATEMENTS

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Liquidity risk (cont'd.)

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 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
At 31 December 2021				
Financial liabilities:				
Trade and other payables	148,345	–	–	148,345
Lease liabilities	369	1,174	–	1,543
Borrowings	579,006	509,563	7,067	1,095,636
Total undiscounted financial liabilities	727,720	510,737	7,067	1,245,524
Company				
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
At 31 December 2021				
Financial liabilities:				
Trade and other payables	198,307	–	–	198,307
Borrowings	579,006	509,563	7,067	1,095,636
Total undiscounted financial liabilities	777,313	509,563	7,067	1,293,943

NOTES TO THE FINANCIAL STATEMENTS

36. 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 (2021: 2) subsidiary representing 86% (2021: 90%) of the Company's trade and other receivables.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 19.

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

37. 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	29
Loans to/from subsidiaries	19,29
Amount due from/to associates	19,29
Amount due from/to joint operation partner	19,29
Amount due from/to related companies	19,29
Trade and other payables (current)	29
Borrowings (current and non-current)	27
Lease liabilities (current and non-current)	28

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 2022, 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.

38. 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 2022 and 2021.

The Group monitors capital using gearing ratio, which is derived by dividing borrowings (Note 27) over shareholders' equity. At the reporting date, the Group's gearing ratio is 0.29 times (2021: 0.37 times). The Group's policy is to keep gearing within manageable levels.

NOTES TO THE FINANCIAL STATEMENTS

39. LIST OF SUBSIDIARIES AND ASSOCIATES

Name of Company*	Principal activities	Paid up capital	Group interest	
			2022 %	2021 %
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	–
ASSOCIATES				
Applied Agricultural Resources Sdn Bhd	Agronomic advisory services, commercial production of oil palm planting materials and investment holding	RM3,000,000	50	50
PT AAR Nusantara**	Production of oil palm seeds	IDR10,000,000,000	25	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

RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 14 June 2022 the Company obtained Shareholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note No. 12 of Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2022 pursuant to the Shareholders' Mandate are as follows:

Related party	Interested Director/ Connected party	Nature of transaction	Actual transaction RM'000
Boustead Pelita Kanowit Sdn Bhd (BPK)	Datu Monaliza Zaidel Idris Ibrahim LCDA Holdings Sdn Bhd (holds 10% interest in BPK and 40% interest in BPKOM)	Sales of Fresh Fruit Bunches to Boustead Pelita Kanowit Oil Mill Sdn Bhd (BPKOM)	49,474
Boustead Holdings Berhad	Datuk Haji Shah Headan Ayoob Hussain Shah ⁽¹⁾ Izaddeen Daud Fahmy Ismail Ahmad Shahredzuan Mohd Shariff ⁽²⁾ Lembaga Tabung Angkatan Tentera (LTAT)	General management, internal audit and tax consultancy	1,081
Boustead Petroleum Marketing Sdn Bhd	Datuk Haji Shah Headan Ayoob Hussain Shah ⁽¹⁾ Izaddeen Daud Fahmy Ismail Ahmad Shahredzuan Mohd Shariff ⁽²⁾ LTAT	Purchase of non-regulated petroleum products	201
Boustead Realty Sdn Bhd	Datuk Haji Shah Headan Ayoob Hussain Shah ⁽¹⁾ Izaddeen Daud Fahmy Ismail Ahmad Shahredzuan Mohd Shariff ⁽²⁾ LTAT	Office rental at Menara Boustead	1,718
Boustead Travel Services Sdn Bhd	Datuk Haji Shah Headan Ayoob Hussain Shah ⁽¹⁾ Izaddeen Daud Fahmy Ismail Ahmad Shahredzuan Mohd Shariff ⁽²⁾ LTAT	Provision of travel agency services	449
Drew Ameroid (M) Sdn Bhd	Datuk Haji Shah Headan Ayoob Hussain Shah ⁽¹⁾ Izaddeen Daud Fahmy Ismail Ahmad Shahredzuan Mohd Shariff ⁽²⁾ LTAT	Provision of chemical products for raw and boiler water treatment	792
Boustead Credit Sdn Bhd (BCSB)	Datuk Haji Shah Headan Ayoob Hussain Shah ⁽¹⁾ Izaddeen Daud Fahmy Ismail Ahmad Shahredzuan Mohd Shariff ⁽²⁾ LTAT	Provision of financial assistance in respect of hire purchase business carried out by BCSB	30

⁽¹⁾ Director up to 14 June 2022

⁽²⁾ Director up to 9 December 2022

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	968.7	Oil palm estate	Freehold		43.0	2016*
Kuala Muda Estate (50% interest), Sungai Petani, Kedah	759.8	Oil palm estate	Freehold		26.3	2016*
Stothard Estate, Kuala Ketil, Kedah	983.1	Oil palm estate	Freehold		43.5	2016*
Kedah Oil Palms Estate, Kulim, Kedah	243.0	Oil palm estate	Freehold		22.5	2016*
Bukit Mertajam Estate, Kulim, Kedah	2,605.7	Oil palm estate	Freehold		199.7	2016*
Taiping Rubber Plantation Estate, Trong, Perak	1,347.8	Oil palm estate & palm oil mill	Freehold	21	70.3	2016*
Malaya Estate, Selama, Perak	906.5	Oil palm estate	Freehold		41.9	2016*
Lepan Kabu Estate, Kuala Pahi, Kelantan	2,034.6	Oil palm estate	Freehold		83.0	2016*
Solandra Estate, Kemaman, Terengganu	395.9	Oil palm estate	1984-2054		4.0	2016*
Ladang Tabung Tentera Terengganu (LTT-Terengganu), Kemaman, Terengganu	1,810.7	Oil palm estate	1984-2054		41.9	2016*
Sungai Jernih Estate, Pekan, Pahang	2,695.7	Oil palm estate & palm oil mill	1981-2091	31	105.7	2016*
Bebar Estate, Muadzam Shah, Pahang	2,340.6	Oil palm estate	1984-2083		102.3	2016*
Balau Estate, Semenyih, Selangor	247.4	Oil palm estate	Freehold	15	280.0	2016*
Bekoh Estate, Tangkak, Johor	1,226.1	Oil palm estate	Freehold		70.0	2016*
Eldred Estate, Bekok, Johor	1,799.7	Oil palm estate	Freehold		91.6	2016*
Chamek Estate, Kluang, Johor	814.6	Oil palm estate	Freehold		55.1	2016*
Telok Sengat Estate, Kota Tinggi, Johor	3,672.2	Oil palm estate & palm oil mill	Freehold	36	251.1	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	17	87.1	2012, 2014, 2016
Kawananan Estate, Sugut	2,585.0	Oil palm estate	1997-2098		25.2	2012
Lembah Paitan Estate, Sugut	1,305.1	Oil palm estate	1997-2098		11.1	1997-2001
Resort Estate, Sandakan	1,106.6	Oil palm estate	1978-2071		17.6	2013
Nak Estate, Sandakan	1,348.8	Oil palm estate	1965-2075	36	73.3	2016*
Sutera Estate, Sandakan	2,197.5	Oil palm estate	1888-2887		154.3	2016*
Ladang Tabung Tentera Sabah (LTT-Sabah), Lahad Datu	2,023.0	Oil palm estate	1979-2077		113.3	2016*
Segaria Estate, Semporna	4,746.2	Oil palm estate & palm oil mill	1965-2072	42	235.2	2016*
Sungai Segamaha and Bukit Segamaha Estates, Lahad Datu	5,659.6	Oil palm estate & palm oil mill	1979-2077	26	300.0	2016*
G&G Estate, Lahad Datu	2,409.8	Oil palm estate	1979-2077		124.5	2016*
Boustead Pertama and Boustead Sapa Payau Estates, Labuk & Sugut	3,944.1	Oil palm estate	1980-2079 1981-2080 1982-2081		204.0	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		201.4	2018
Boustead Ruku Ruku Estate, Labuk & Sugut	3,196.2	Oil palm estate	1980-2079 1981-2080 1982-2081		157.9	2018
Boustead Tawai 1 Estate, Labuk & Sugut	1,793.6	Oil palm estate & palm oil mill	1978-2077 1979-2078 1980-2079 1981-2080	22	112.6	2019
Boustead Tawai 2 Estate, Labuk & Sugut	3,232.7	Oil palm estate	1934-2033 1935-2034 1979-2078 1982-2081 1992-2091		162.7	2019

PROPERTIES OF THE GROUP

Location	Hectares	Description	Tenure	Age of buildings (Years)	Book value	Year of acquisition/revaluation*
Sarawak						
Loagan Bunut Estate, Tinjar	12,522.9	Oil palm estate & palm oil mill	1991-2091	28	25.2	1994
Pedai Estate, Sibul	3,412.8	Oil palm estate	1998-2058		3.4	1998
Jih Estate, Sibul	2,891.1	Oil palm estate	1998-2058		2.4	1998
Kanowit Palm Oil Mill, Sibul	45.3	Palm oil mill	1998-2058	19	4.3	1994
Kelimum Estate, Sibul	3,444.5	Oil palm estate	1998-2058		3.0	1998
Mapai Estate, Sibul	2,426.8	Oil palm estate	1998-2058		4.3	1998
Bawan Estate, Sibul	1,781.1	Oil palm estate	1998-2058		3.0	1998
Total	97,399.1				3,557.7	

Book values are stated in RM million

GROUP AGRICULTURAL STATISTICS

	2022	2021	2020	2019	2018
Planted area in hectares (ha)					
Past prime	32,964	34,972	32,952	32,505	26,438
Prime	19,991	20,173	21,672	27,167	29,750
Young	12,639	12,824	12,223	13,183	12,480
Total mature	65,594	67,969	66,847	72,855	68,668
Immature	6,697	5,484	6,647	6,551	6,364
Total planted	72,291	73,453	73,494	79,406	75,032
FFB crop metric tonnes (MT)	871,287	923,471	1,001,557	979,972	966,134
FFB yield (MT/ha)	13.0	13.3	15.0	13.9	14.9
Oil yield (MT/ha)	2.8	2.9	3.2	3.0	3.2
Mill production (MT)					
FFB processed	1,050,823	1,041,364	1,152,763	1,070,639	1,000,367
Crude palm oil	216,047	220,773	243,080	231,298	211,847
Palm kernel	41,639	42,542	49,211	47,113	43,601
Extraction rate (%)					
Crude palm oil	20.6	21.2	21.1	21.6	21.2
Palm kernel	4.0	4.1	4.3	4.4	4.4
Average selling price (RM/MT)					
FFB	1,143	946	552	391	426
Crude palm oil	5,066	4,341	2,811	2,134	2,261
Palm kernel	3,156	2,922	1,628	1,244	1,780

PLANTATION AREA STATEMENT

	2022		2021	
	Ha	%	Ha	%
Oil palms	72,291	74.2	73,453	74.8
Building sites, roads, unplantable areas, etc.	25,108	25.8	24,756	25.2
Total	97,399	100.0	98,209	100.0

AGE PROFILE OF PALMS

2022

Region	----- Mature ----->				Total planted
	Immature <3 years	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 hectares	6,697	12,639	19,991	32,964	72,291

2021

Region	----- Mature ----->				Total planted
	Immature <3 years	Young 4-9 years	Prime 10-20 years	Past prime >20 years	
Peninsular Malaysia	2,356	5,543	10,007	6,230	24,136
Sabah	3,128	7,017	10,108	18,779	39,032
Sarawak	–	264	58	9,963	10,285
Total hectares	5,484	12,824	20,173	34,972	73,453

SHAREHOLDINGS STATISTICS

as at 31 March 2023

	No. of holders	%	No. of shares	%
LESS THAN 100	409	2.05	12,031	0.00
100 TO 1,000	2,417	12.11	1,260,569	0.06
1,001 TO 10,000	9,966	49.95	47,544,012	2.12
10,001 TO 100,000	6,165	30.90	193,884,647	8.66
100,001 TO LESS THAN 5% OF ISSUED SHARES	993	4.98	473,956,636	21.16
5% AND ABOVE OF ISSUED SHARES	2	0.01	1,523,342,000	68.00
TOTAL	19,952	100	2,239,999,895	100

30 LARGEST SHAREHOLDERS

Name of shareholders	No. of shares	%
1 BOUSTEAD HOLDINGS BERHAD ACCOUNT NON-TRADING	1,286,135,900	57.42
2 LEMBAGA TABUNG ANGKATAN TENTERA	237,206,100	10.59
3 ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHONG YIEW ON (6000006)	20,003,800	0.89
4 LEMBAGA KEMAJUAN TANAH PERSEKUTUAN	12,348,000	0.55
5 AFFIN HWANG NOMINEES (ASING) SDN BHD EXEMPT AN FOR LEI SHING HONG SECURITIES LIMITED (CLIENT A/C)	11,733,000	0.52
6 LTG DEVELOPMENT SDN BHD	7,700,000	0.34
7 UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	7,016,640	0.31
8 CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR CHE LODIN BIN WOK KAMARUDDIN (PB)	6,695,000	0.30
9 CHIN TECK PLANTATIONS BERHAD	5,600,000	0.25
10 HSBC NOMINEES (ASING) SDN BHD JPMCB NA FOR TEACHERS' RETIREMENT SYSTEM OF THE CITY OF THE NEW YORK	5,193,700	0.23
11 NEGRI SEMBILAN OIL PALMS BERHAD	4,800,000	0.21
12 YEO ANN SECK	4,000,000	0.18
13 TAN SEE TONG	3,900,000	0.17
14 CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR EMERGING MARKET CORE EQUITY PORTFOLIO DFA INVESTMENT DIMENSIONS GROUP INC	3,878,676	0.17
15 MAYBANK NOMINEES (TEMPATAN) SDN BHD THONG WEI HAO	3,700,000	0.17

SHAREHOLDINGS STATISTICS

as at 31 March 2023

30 LARGEST SHAREHOLDERS (CONT'D.)

Name of shareholders		No. of shares	%
16	CARTABAN NOMINEES (ASING) SDN BHD SSBT FUND OMUA FOR TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS	3,692,520	0.16
17	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. YAYASAN LTAT	3,594,360	0.16
18	MOHD NASRI BIN ABDUL RAHIM	3,500,000	0.16
19	ENG THYE PLANTATIONS BERHAD	3,100,000	0.14
20	CARBATAN NOMINEES (ASING) SDN BHD THE BANK OF NEW YORK MELLON FOR ACADIAN EMERGING MARKETS SMALL CAP EQUITY FUND, LLC	3,095,700	0.14
21	TAN GUAT SIM	2,966,900	0.13
22	PALMHEAD HOLDINGS SDN. BHD.	2,800,000	0.13
23	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	2,758,400	0.12
24	CHUA SOH PENG	2,738,400	0.12
25	HLB NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR CHEE SAI MUN	2,690,600	0.12
26	ALLIANCEGROUP NOMINEES (TEMPATAN) SDN BHD PLEGDED SECURITIES ACCOUNT FOR TA KIN YAN (7000778)	2,650,000	0.12
27	YEAP AH KAU @ YEAP CHAN TOOI	2,623,100	0.12
28	TIMOR OIL PALM PLANTATION BERHAD	2,600,000	0.12
29	GAN TENG SIEW RELTY SDN. BERHAD	2,555,420	0.11
30	IZZAT BIN OTHMAN	2,534,000	0.11
TOTAL		1,663,810,216	74.26

SUBSTANTIAL SHAREHOLDERS BASED ON THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Indirect Interest	
	No. of holders	%	No. of shares	%
Boustead Holdings Berhad	1,286,135,900	57.42	–	–
Lembaga Tabung Angkatan Tentera	237,206,100	10.59	–	–

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.

GRI CONTENT INDEX

Boustead Plantations Berhad (BPlant) has reported the information cited in this GRI content index for the period of 1 January 2022 to 31 December 2022 with guidance from Bursa Malaysia's Sustainability Reporting Guide and the Global Reporting Initiative (GRI) Standards.

GRI 1: Foundation 2021

GRI STANDARDS	DISCLOSURE TITLE	GRI SECTOR STANDARDS	SOURCE OF INFORMATION/ LOCATION	PAGE
GRI 2: General Disclosures 2021	2-1	Organizational details	– Overview (Who we are)	7
	2-2	Entities included in the organisation's sustainability reporting	– About this report Group Structure	2 14
	2-3	Reporting period, frequency and contact point	– About this report Back cover page	2 -
	2-4	Restatements of information	– -	-
	2-5	External assurance	– No external assurance was conducted on this report. About this report	2
	2-6	Activities, value chain and other business relationships	– Overview (What we do)	12-13
	2-7	Employees	– Sustainability statement (Workforce management) Our Value Creating Business Model (Human Capital)	160-161 40
	2-9	Governance structure and composition	– Corporate governance	98-115
	2-10	Nomination and selection of the highest governance body	– Corporate governance	98-115
	2-11	Chair of the highest governance body	– Corporate governance	98-115
	2-12	Role of the highest governance body in overseeing the management of impacts	– Corporate governance	98-115
	2-13	Delegation of responsibility for managing impacts	– Corporate governance	98-115
	2-14	Role of the highest governance body in sustainability reporting	– Sustainability governance	139
	2-15	Conflicts of interest	– Corporate governance	98-115
	2-16	Communication of critical concerns	– Strategic review	48-52
	2-17	Collective knowledge of the highest governance body	– Leadership	78-94
	2-18	Evaluation of the performance of the highest governance body	– Corporate governance	98-115
	2-19	Remuneration policies	– Corporate governance	98-115
	2-20	Process to determine remuneration	– Corporate governance	98-115
	2-22	Statement on sustainable development strategy	– Key Focus 2022 Sustainability statement	74 136-163

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE TITLE	GRI SECTOR STANDARDS	SOURCE OF INFORMATION/ LOCATION	PAGE
GRI 2: General Disclosures 2021 (cont'd.)	2-23 Policy commitments	–	Sustainability statement	136-163
	2-24 Embedding policy commitments	–	Sustainability statement	136-163
	2-25 Processes to remediate negative impacts	–	Grievance mechanism	160
	2-26 Mechanisms for seeking advice and raising concerns	–	Grievance mechanism	160
	2-28 Membership associations	–	Sustainability statement	137
	2-29 Approach to stakeholder engagement	–	Stakeholder engagement	42-45
	2-30 Collective bargaining agreements	–	Material matters	53-58
GRI 3: Material Topics 2021	3-1 Process to determine material topics	–	Material matters Sustainability statement	53-58 140
	3-2 List of material topics	–	Material matters Sustainability statement	53-58 140
	3-3 Management of material topics	–	Material matters Sustainability statement	53-58 136-163
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	–	Financial statement	165-252
OUR SUSTAINABILITY APPROACH: ACHIEVING STRATEGIC GROWTH				
BUSINESS CONTINUITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	–	Risk committee report Sustainability statement (Business continuity)	117 142-143
CREATING BUSINESS OPPORTUNITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	–	Sustainability statement (Creating business opportunity)	143
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	–	Sustainability statement (Social welfare and community investment)	162-163
RESEARCH AND DEVELOPMENT, AND YIELD IMPROVEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	–	Research and development Sustainability statement (Research and development and yield improvement)	70-71 143-144

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE TITLE	GRI SECTOR STANDARDS	SOURCE OF INFORMATION/ LOCATION	PAGE
TRACEABILITY AND SUPPLY CHAIN				
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosure 13.23.1	Sustainability statement (Traceability and supply chain)	145
	Additional Sector Disclosure (Level of traceability)	Disclosure 13.23.2	Sustainability statement (Traceability and supply chain)	145
	Additional Sector Disclosure (Percentage of sourced volume)	Disclosure 13.23.3	Sustainability statement (Traceability and supply chain)	145
	Additional Sector Disclosure (Improvement projects to get suppliers certified to internationally recognised standards)	Disclosure 13.23.4	Sustainability statement (Traceability and supply chain)	145
OUR SUSTAINABILITY APPROACH: SAFEGUARDING THE ENVIRONMENT				
HIGH CONSERVATION VALUE AREAS AND BIODIVERSITY				
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosure 13.3.1	Sustainability statement (HCV areas and biodiversity)	146-148
GRI 304: Biodiversity 2016	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Disclosure 13.3.2	Sustainability statement (HCV areas and biodiversity)	146-148
	304-3 Habitats protected or restored	Disclosure 13.3.4	Sustainability statement (HCV areas and biodiversity)	146-148
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Disclosure 13.3.5	Sustainability statement (HCV areas and biodiversity)	146-148
WATER AND EFFLUENT MANAGEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	Disclosure 13.7.1	Sustainability statement (Air, water, waste and effluent)	152-155
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Disclosure 13.7.2	Sustainability statement (Water management)	153
	303-2 Management of water discharge-related impacts	Disclosure 13.7.3	Sustainability statement (Waste and effluent management)	155
	303-5 Water consumption	Disclosure 13.7.6	Sustainability statement (Water management)	153-154

GRI CONTENT INDEX

GRI STANDARDS		DISCLOSURE TITLE	GRI SECTOR STANDARDS	SOURCE OF INFORMATION/ LOCATION	PAGE
WASTE					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure 13.8.1	Sustainability statement (Air, water, waste and effluent)	152-155
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Disclosure 13.8.2	Sustainability statement (Biomass)	155
GREENHOUSE GAS (GHG) EMISSIONS					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure 13.1.1	Sustainability statement (Climate change and GHG emissions)	148-151
	305-4	GHG emissions intensity	Disclosure 13.1.5	Sustainability statement (GHG emissions)	149-151
GRI 305: Emissions 2016	305-5	Reduction of GHG emissions	Disclosure 13.1.6	Sustainability statement (GHG emissions)	149-151
CHEMICAL MANAGEMENT					
GRI 3: Material Topics 2021	3-3	Management of material topics	–	Sustainability statement (Chemical management)	148
				Sustainability statement (Integrated pest management)	148
OUR SUSTAINABILITY APPROACH: CARING FOR OUR PEOPLE					
OCCUPATIONAL, SAFETY AND HEALTH					
GRI 3: Material Topics 2021	3-3	Management of material topics	Disclosure 13.19.1	Sustainability statement (Occupational safety and health)	156-159
GRI 403: Occupational, Safety and Health	403-1	Occupational health and safety management system	Disclosure 13.19.2	Sustainability statement (Occupational safety and health)	156-159
	403-2	Hazard identification, risk assessment, and incident investigation	Disclosure 13.19.3	Sustainability statement (Occupational safety and health)	157
	403-5	Worker training on occupational health and safety	Disclosure 13.19.6	Sustainability statement (Occupational safety and health)	158
	403-6	Promotion of worker health	Disclosure 13.19.7	Sustainability statement (Occupational safety and health)	159
	403-9	Work-related injuries	Disclosure 13.19.10	Sustainability statement (Occupational safety and health)	159

GRI CONTENT INDEX

GRI STANDARDS	DISCLOSURE TITLE	GRI SECTOR STANDARDS	SOURCE OF INFORMATION/ LOCATION	PAGE
WORKFORCE MANAGEMENT				
GRI 3: Material Topics 2021	3-3 Management of material topics	–	Sustainability statement (Workforce management)	160-161
GRI 401: Employment 2016	Employment Practices	Disclosure 13.20.1	Sustainability statement (Workforce management)	160-161
GRI 405: Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Disclosure 13.15.2	Sustainability statement (Workforce management)	160-161
GRI 406: Non-discrimination and equal opportunity	406-1 Incidents of discrimination and corrective actions taken	Disclosure 13.15.4	Sustainability statement (Workforce management)	160-161
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	–	Sustainability statement (Workforce management)	160-161
	404-2 Programs for upgrading employee skills and transition assistance programs	–	Sustainability statement (Workforce management)	160-161
SOCIAL WELFARE AND COMMUNITY INVESTMENT				
GRI 3: Material Topics 2021	Management of material topics	–	Sustainability statement (Social welfare and community investment)	162-163

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 110th Annual General Meeting (AGM) of Boustead Plantations Berhad will be conducted entirely through live streaming from the broadcast venue at Amphitheatre, Level 23, The Bousteador, No.10 Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor on Monday, 12 June 2023 at 9.30 a.m. for the purpose of transacting the following business:

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2022 together with the Reports of the Directors and Auditors.
(Please refer to Explanatory Note 1)
2. To re-elect the following Directors who retire by rotation in accordance with Article 117 of the Company's Constitution, and being eligible, offer themselves for re-election:
 - i) Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. **Resolution 1**
 - ii) Izaddeen Daud **Resolution 2**
3. To re-elect Lieutenant General Datuk Azizan Md Delin (R) who retires in accordance with Article 123 of the Company's Constitution. **Resolution 3**
4. To approve payment of Directors' fees, allowances and other benefits for Boustead Plantations Berhad from 13 June 2023 until the conclusion of the next AGM of the Company. **Resolution 4**
5. To re-appoint Messrs. Ernst & Young PLT as auditors of the Company and to hold office until the conclusion of the next AGM, at a remuneration to be determined by the Directors. **Resolution 5**

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions:

6. **ORDINARY RESOLUTION
AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF
THE COMPANIES ACT 2016** **Resolution 6**

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue shares in the capital of the Company from time to time and upon such terms and conditions and for such purposes as the Directors, may in their absolute discretion deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the issued share capital of the Company for the time being and that the Directors be and are hereby also empowered to obtain approval from Bursa Malaysia Securities Berhad for the listing and quotation of the additional shares so issued and that such authority shall continue to be in force until the conclusion of the next AGM of the Company."

7. **ORDINARY RESOLUTION**
PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS **Resolution 7**

"THAT, subject always to the Companies Act 2016 (Act), the Company's Constitution and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, approval be and is hereby given for the renewal of the mandate granted by the shareholders of the Company on 14 June 2022, authorising the Company and/or its Subsidiaries to enter into recurrent transactions of a revenue or trading nature with the Related Parties as specified in Section 2.3.1 of the Circular to Shareholders dated 28 April 2023, provided that the transactions are:

- i) necessary for the day-to-day operations;
- ii) carried out in the ordinary course of business and on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
- iii) are not to the detriment of the minority shareholders.

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

- i) the conclusion of the next AGM of the Company, at which time it will lapse, unless by a resolution passed at the said AGM, such authority is renewed;
- ii) the expiration of the period within which the next AGM of the Company is required to be held pursuant to Section 340(2) of the Act (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- iii) revoked or varied by a resolution passed by the Shareholders in a General Meeting;

whichever is the earlier.

AND FURTHER THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to this Shareholders' Mandate."

8. To transact any other business of the Company of which due notice shall have been received.

By Order of the Board

AFFENDI MOHD YOB (LS0010305) SSM PC No. 201908001314

JUNIZA AZIZAN (LS0009647) SSM PC No. 201908001876

Company Secretaries

Kuala Lumpur
28 April 2023

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

1. Audited Financial Statements

The Audited Financial Statements laid at this meeting pursuant to Section 340(1)(a) of the Companies Act 2016 are meant for discussion only. It does not require shareholders' approval, and therefore, shall not be put forward for voting.

2. Ordinary Resolution 1 to 3 – Proposed Re-election of Directors in accordance with Article 117 and Article 123 of the Company's Constitution

Article 117 of the Company's Constitution provides amongst others that at least one-third of the Directors who are subject to retirement by rotation or, if their number is not three or multiple of three, the number nearest to one-third shall retire from office provided always that all Directors shall retire from office once at least in every three years and shall be eligible for re-election.

Directors who are standing for re-election pursuant to Article 117 of the Company's Constitution are as follows:

- i) Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.
- ii) Izaddeen Daud

3. Ordinary Resolution 4 – Non-Executive Directors' Remuneration

Section 230(1) of the Companies Act 2016 provides amongst others that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting.

In this respect, the Board wishes to seek shareholders' approval for the payment of Directors' fees, allowances and other benefits payable to Non-Executive Directors of Boustead Plantations Berhad from 13 June 2023 until the conclusion of the next AGM of the Company comprising the following, with or without modifications:

		Directors' Fees (annual) (RM)	Meeting Allowance (per meeting) (RM)	Other Allowances (annual) (RM)
Board	Chairman	110,000	1,500	67,800
	Non-Executive Director	90,000	1,000	–
Audit Committee	Chairman	30,000	1,500	–
	Member	15,000	1,000	–
Other Board Committees	Chairman	5,000	1,500	–
	Member	3,000	1,000	–

The Nominating and Remuneration Committee (NRC) of the Company has assessed the criteria and contribution of Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. and Izaddeen Daud and recommended for their re-election. The Board endorsed the NRC's recommendation that Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P. and Izaddeen Daud be re-elected as Directors of the Company.

Article 123 of the Company's Constitution provides amongst others that the Directors shall have power at any time and from time to time to appoint any other person to be a Director of the Company either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Director who is standing for re-election pursuant to Article 123 of the Company's Constitution is as follows:

- i) Lieutenant General Datuk Azizan Md Delin (R)

The profiles of the Directors who are standing for re-election are set out on pages 82 to 86 of the Integrated Report 2022 and published on the Group's website, www.bousteadplantations.com.my. Details of their interests in securities are set out on page 129 of the Integrated Report 2022.

4. Ordinary Resolution 5 – Re-appointment of Auditors

The Board and Audit Committee of the Company are satisfied with the quality of service, adequacy of resources provided, communication, interaction skills and independence, objectivity and professionalism demonstrated by the External Auditors in carrying out their functions. Being satisfied with the External Auditors' performance, the Board recommends their re-appointment for shareholders' approval at the 110th AGM.

5. Explanatory Notes to Special Business

a) Ordinary Resolution 6 - Authority for Directors to Allot and Issue Shares

Ordinary Resolution 6, if passed, will give powers to the Directors to issue up to a maximum of 10% of the issued share capital of the Company for the time being for such purposes as the Directors consider would be in the interest of the Company. This authority will, unless revoked or varied by the Company at a general meeting, expire at the conclusion of the next AGM.

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

As at the date of this Notice, no new shares in the Company were issued pursuant to the authority granted to the Directors at the 109th AGM held on 14 June 2022, the mandate of which will lapse at the conclusion of the 110th AGM to be held on 12 June 2023.

b) Ordinary Resolution 7 - Recurrent Related Party Transactions

Ordinary Resolution 7, if passed, will enable the Company and/or its Subsidiaries to enter into recurrent transactions involving the interests of related parties, which are of a revenue or trading nature and necessary for the Group's day-to-day operations, subject to the transactions being carried out in the ordinary course of business and on terms not to the detriment of the minority shareholders of the Company.

Further information on the Mandate is set out in the Circular to Shareholders dated 28 April 2023.

Notes:

1. The AGM will be conducted on a **virtual basis through live streaming whilst the online remote voting** will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tjih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM via the RPV provided by Tricor via its TIH Online website at <https://tjih.online>.

2. The Broadcast venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to participate in the AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 6 June 2023. Only members registered in the Record of Depositors shall be entitled to participate in the AGM via RPV.
4. A member of the Company entitled to participate in the AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
5. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two proxies to participate at the AGM via RPV. Where a member appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a member of the Company is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.

NOTICE OF ANNUAL GENERAL MEETING

7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. A member who has appointed a proxy or attorney or authorised representative to participate, speak and vote at the AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
9. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - i. In hard copy form

In the case of an appointment made in hard copy form, the proxy form must be deposited with Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Saturday, 10 June 2023 at 9.30 a.m.
 - ii. By electronic form

The proxy form can be electronically lodged with Share Registrar of the Company via TIIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes on the procedures for electronic lodgment of proxy form via TIIH Online.
10. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.
11. For a corporate member who has appointed an authorised representative, please deposit the original certificate of appointment with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia. The certificate of appointment of should be executed in the following manner:
 - i. If the corporate member has a common seal, the certificate of appointment of authorised representative should be executed under seal in accordance with the constitution of the corporate member.
 - ii. If the corporate member does not have a common seal, the certificate of appointment of authorised representative should be affixed with the rubber stamp of the corporate member (if any) and executed by:
 - a) at least two authorised officers, of whom one shall be a director; or
 - b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
12. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the AGM of the Company shall be put to vote by way of a poll.

ADMINISTRATIVE NOTES

DATE

Monday, 12 June 2023

TIME

9.30 a.m.

MODE OF MEETING

The 110th AGM of Boustead Plantations Berhad will be conducted on a **virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV)**. Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's (Tricor) TIIH Online website at <https://tiih.online>.

The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No shareholders/proxy(ies) from the public will be physically present at the meeting venue.

Remote Participation and Voting

Shareholders are to participate (including posing questions to the Board via real time submission of typed texts) and vote remotely at the AGM using RPV provided by Tricor via its TIIH Online website at <https://tiih.online>.

Shareholders who appoint proxy(ies) to participate via RPV in the AGM must ensure that the duly executed proxy forms are deposited in a hard copy form or by electronic means to Tricor no later than Saturday, 10 June 2023 at 9.30 a.m.

Corporate representatives of corporate members must deposit their original certificate of appointment of corporate representative to Tricor no later than Saturday, 10 June 2023 at 9.30 a.m. to participate via RPV in the AGM. Attorneys appointed by power of attorney are to deposit their power of attorney with Tricor not later than Saturday, 10 June 2023 at 9.30 a.m. to participate via RPV in the AGM.

A shareholder who has appointed a proxy or attorney or authorised representative to participate at the AGM via RPV must request his/her proxy to register himself/herself for RPV at TIIH Online website at <https://tiih.online>.

As the AGM is a virtual Meeting, members who are unable to participate in the Meeting may appoint the Chairman of the Meeting as his/her proxy and indicate the voting instructions in the proxy form.

ADMINISTRATIVE NOTES

Procedures to Remote Participation and Voting via RPV Facilities

- Please read and follow the procedures below to engage in remote participation through live streaming and online remote voting at the AGM using the RPV facilities:

Procedure	Action
BEFORE THE AGM DAY	
(a) Register as a user with TIIH Online	<ul style="list-style-type: none"> Using your computer, access the website at https://tiih.online. Register as a user under the “e-Services”, select the “Sign Up” button and followed by “Create Account by Individual Holder”. Refer to the tutorial guide posted on the homepage for assistance. Registration as a user will be approved within one working day and you will be notified via e-mail. If you are already a user with TIIH Online, you are not required to register again. You will receive an e-mail to notify you that the remote participation is available for registration at TIIH Online.
(b) Submit your request to attend AGM remotely	<ul style="list-style-type: none"> Registration is open from Friday, 28 April 2023 until the day of the AGM on Monday, 12 June 2023. Shareholder(s) or proxy(ies) or corporate representative(s) or attorney(s) are required to pre-register their attendance for the AGM to ascertain their eligibility to participate the AGM using the RPV. Login with your user ID and password and select the corporate event: (Registration) Boustead Plantations Berhad 110th AGM. Read and agree to the Terms & Conditions and confirm the Declaration. Select “Register for Remote Participation and Voting” Review your registration and proceed to register. System will send an e-mail to notify that your registration for remote participation is received and will be verified. After verification of your registration against the Record of Depositors as at 6 June 2023, the system will send you an e-mail on or after 10 June 2023 to approve or reject your registration for remote participation. <p><i>(Note: Please allow sufficient time for approval of new user of TIIH Online and registration for the RPV)</i></p>
ON THE DAY OF THE AGM	
(a) Login to TIIH Online	<ul style="list-style-type: none"> Login with your user ID and password for remote participation at the 110th AGM at any time from 8.30 a.m. i.e. 1 hour before the commencement of meeting at 9.30 a.m. on Monday, 12 June 2023.
(b) Participate through Live Streaming	<ul style="list-style-type: none"> Select the corporate event: (Live Streaming Meeting) Boustead Plantations Berhad 110th AGM to engage in the proceedings of the AGM remotely. If you have any question for the Chairman/Board, you may use the query box to transmit your question. The Chairman/Board will try to respond to questions submitted by remote participants during the AGM. If there is time constraint, the responses will be e-mailed to you at the earliest possible, after the meeting.
(c) Online Remote Voting	<ul style="list-style-type: none"> Voting session commences from 9.30 a.m., Monday, 12 June 2023 until a time when the Chairman announces the completion of the voting session at the 110th AGM. Select the corporate event: (Remote Voting) Boustead Plantations Berhad 110th AGM. Read and agree to the Terms & Conditions and confirm the Declaration. Select the CDS account that represents your shareholdings. Indicate your votes for the resolutions that are tabled for voting. Confirm and submit your votes.
(d) End of remote participation	<ul style="list-style-type: none"> Upon the announcement by the Chairman on the conclusion of the AGM, the Live Streaming will end.

ADMINISTRATIVE NOTES

Note to users of the RPV facilities:

1. We will make available to you the rights to join the live streamed meeting and to vote remotely once your application to join the meeting is approved. Your login to TIIH Online on the day of meeting will indicate your presence at the virtual meeting.
2. The quality of your connection to the live broadcast is dependent on the bandwidth and stability of the internet at your location and the device you use.
3. In the event you encounter any issues with logging-in, connection to the live streamed meeting or online voting, kindly call Tricor Help Line at 011-40805616 / 011-40803168 / 011-40803169 / 011-40803170 for assistance or e-mail to tiih.online@my.tricorglobal.com for assistance.

ENTITLEMENT TO PARTICIPATE AND APPOINTMENT OF PROXY

- Only members whose names appear on the Record of Depositors as at 6 June 2023 shall be eligible to attend, speak and vote at the AGM or appoint a proxy(ies) and/or the Chairman of the Meeting to attend and vote on his/her behalf.
- In view that the AGM will be conducted on a virtual basis, a member can appoint the Chairman of the Meeting as his/her proxy and indicate the voting instruction in the Proxy Form.
- If you wish to participate in the AGM yourself, please do not submit any Proxy Form for the AGM. You will not be allowed to participate in the AGM together with a proxy appointed by you.
- Accordingly, proxy forms and/or documents relating to the appointment of proxy/corporate representative/attorney for the AGM whether in hard copy or by electronic means shall be deposited or submitted in the following manner not later than Saturday, 10 June 2023 at 9.30 a.m.:
 - i. In hard copy form:

By hand or post to the office of the Share 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia;
 - ii. By electronic form:

All shareholders can have the option to submit proxy forms electronically via TIIH Online and the steps to submit are as follows:

ADMINISTRATIVE NOTES

Procedure	Action
i. Steps for Individual Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Using your computer, please access the website at https://tiih.online. Register as a user under the “e-Services”. Please refer to the tutorial guide posted on the homepage for assistance. If you are already a user with TIIH Online, you are not required to register again.
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> After the release of the Notice of Meeting by the Company, login with your user name (i.e. email address) and password. Select the corporate event: “Boustead Plantations Berhad 110th AGM – Submission of Proxy Form”. Read and agree to the Terms & Conditions and confirm the Declaration. Insert your CDS account number and indicate the number of shares for your proxy(ies) to vote on your behalf. Appoint your proxy(ies) and insert the required details of your proxy(ies) or appoint Chairman as your proxy. Indicate your voting instructions – FOR or AGAINST, otherwise your proxy will decide your vote. Review and confirm your proxy(ies) appointment. Print the proxy form for your record.
ii. Steps for Corporation or Institutional Shareholders	
Register as a User with TIIH Online	<ul style="list-style-type: none"> Access TIIH Online at https://tiih.online. Under e-Services, the authorised or nominated representative of the corporation or institutional shareholder selects the “Sign Up” button and followed by “Create Account by Representative of Corporate Holder”. Complete the registration form and upload the required documents. Registration will be verified, and you will be notified by email within one to two working days. Proceed to activate your account with the temporary password given in the email and re-set your own password. <p><i>(Note: The Representative of a corporation or institutional shareholder must register as a user in accordance with the above steps before he/she can subscribe to this corporate holder electronic proxy submission. Please contact our Share Registrar if you need clarifications on the user registration.)</i></p>
Proceed with submission of Proxy Form	<ul style="list-style-type: none"> Login to TIIH Online at https://tiih.online. Select the corporate exercise name: “Boustead Plantations Berhad 110th AGM – Submission of Proxy Form”. Agree to the Terms & Conditions and Declaration. Proceed to download the file format for “Submission of Proxy Form” in accordance with the Guidance Note set therein. Prepare the file for the appointment of proxy by inserting the required data. Login to TIIH Online, select corporate exercise name: “Boustead Plantations Berhad 110th AGM – Submission of Proxy Form”. Proceed to upload the duly completed proxy appointment file. Select “Submit” to complete your submission. Print the confirmation report of your submission for your record.

ADMINISTRATIVE NOTES

Pre-Meeting Submission of Questions to the Board of Directors

In order to enhance the efficiency of the proceedings of the AGM, shareholders may in advance, before the AGM, submit questions to the Board of Directors via Tricor's TIH Online website at <https://tiah.online>, by selecting "e-Services" to login, post your questions and submit it electronically no later than 10 June 2023. The Board of Directors will endeavor to address the questions received at the AGM.

No Breakfast/Lunch Pack, Door Gift or Food Voucher

There will be no distribution of breakfast/lunch packs, door gifts or food vouchers during the AGM since the meeting is being conducted on a virtual basis.

Integrated Report

- The Integrated Report is available on the Company's website at www.bousteadplantations.com.my and Bursa Malaysia Securities Berhad's website at www.bursamalaysia.com under Company's announcements.
- As a shareholder of the Company, you may request for a printed copy of the Integrated Report at <https://tiah.online> by selecting "Request for Integrated Report" under the "Investor Services" or alternatively, request through telephone or e-mail to Tricor at the number or e-mail address given below.
- Kindly consider the environment before you decide to request for the printed copy of the Integrated Report. The environmental concerns like global warming, deforestation, climate change and many more affects every human, animal and nation on this planet.

Boustead Plantations Berhad would like to thank all its shareholders for their kind co-operation and understanding in these challenging times.

Enquiry

If you have any enquiries on the above, please contact the following persons during office hours on Mondays to Fridays from 8.30 a.m. to 5.30 p.m. (except on public holidays):

Tricor Investor & Issuing House Services Sdn Bhd

General Line : +603-2783 9299
Fax Number : +603-2783 9222
Email : is.enquiry@my.tricorglobal.com

PROXY FORM



Plantations

(A member of Boustead Group)
194601000012 (1245-M)

I/We _____ NRIC (New)/Company No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

of _____
(FULL ADDRESS)

being a member of **BOUSTEAD PLANTATIONS BERHAD**, hereby appoint* _____
(INSERT FULL NAME IN BLOCK CAPITAL)

NRIC (New) No.: _____ of _____
(FULL ADDRESS)

(FULL ADDRESS)

and/or _____ NRIC (New) No.: _____
(INSERT FULL NAME IN BLOCK CAPITAL)

(FULL ADDRESS)

*or failing him/her, the Chairman of the Meeting as my proxy to attend and vote for me on my behalf, at the 110th Annual General Meeting of the Company to be conducted entirely through live streaming from the broadcast venue at Amphitheatre, Level 23, The Bousteador, No.10 Jalan PJU 7/6, Mutiara Damansara, 47800 Petaling Jaya, Selangor on Monday, 12 June 2023 at 9.30 a.m. or any adjournment thereof, to vote as indicated below:

No	Resolution		For	Against
1	Re-election of Maj. Gen. Dato' Seri Haji Khairuddin Haji Abu Bakar (R) J.P.	Ordinary Resolution 1		
2	Re-election of Izaddeen Daud	Ordinary Resolution 2		
3	Re-election of Lieutenant General Datuk Azizan Md Delin (R)	Ordinary Resolution 3		
4	Approval of Directors' fees, meeting allowances and other benefits for Boustead Plantations Berhad from 13 June 2023	Ordinary Resolution 4		
5	Re-appointment of Messrs. Ernst & Young PLT as Auditors	Ordinary Resolution 5		
6	Approval for Directors to allot and issue shares	Ordinary Resolution 6		
7	Renewal of Shareholders' Mandate for recurrent related party transactions	Ordinary Resolution 7		

Dated this _____ day of _____ 2023

No. of ordinary shares held:	
CDS account no. of authorised nominee:	
Proportion of shareholdings to be represented by proxies	First Proxy: _____% Second Proxy: _____%
Contact No.:	

Signature of Member

Notes:

1. The AGM will be conducted on a virtual basis through live streaming whilst the online remote voting will be via Remote Participation and Voting (RPV). Both facilities are available on Tricor Investor & Issuing House Services Sdn Bhd's TIH Online website at <https://tiih.online>. Please follow the procedures provided in the Administrative Notes for the AGM in order to register, participate and vote remotely via the RPV facilities.
2. The venue of the AGM is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the Meeting to be at the main venue. No Shareholders/proxy(ies) from the public will be physically present at the meeting venue on the day of the meeting.
3. For the purpose of determining who shall be entitled to participate in the AGM via RPV, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, the Record of Depositors as at 6 June 2023. Only members registered in the Record of Depositors shall be entitled to participate in the AGM via RPV.
4. A member of the Company entitled to participate in this AGM via RPV is entitled to appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to participate in his/her place. A proxy may but need not be a member of the Company.
5. A member of the Company entitled to attend and vote at a general meeting of the Company may appoint not more than two proxies to participate instead of the member at the AGM via RPV. Where a member appoints more than one proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.
6. Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 (Central Depositories Act), it may appoint not more than two proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.
7. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (omnibus account), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.
8. The appointment of proxy may be made in a hardcopy form or by electronic means as follows:
 - (i) In hard copy form
In the case of an appointment made in hard copy form, the proxy form must be deposited with the Share Registrar of the Company at 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 or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia, no later than Saturday, 10 June 2023 at 9.30 a.m.
 - (ii) By electronic form
The proxy form can be electronically lodged with the Share Registrar of the Company via TIH Online at <https://tiih.online>. Kindly refer to the Administrative Notes on the procedures for electronic lodgement of proxy form via TIH Online.

Please fold here

STAMP

Share Registrar of Boustead Plantations Berhad

Tricor Investor & Issuing House Services Sdn Bhd 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3, Bangsar South
No. 8 Jalan Kerinchi
59200 Kuala Lumpur

Please fold here

Please fold here

BOUSTEAD PLANTATIONS BERHAD

194601000012 (1245-M)

Level 23, The Bousteador
No. 10, Jalan PJU 7/6
Mutiara Damansara
47800 Petaling Jaya
Selangor Darul Ehsan
Malaysia

Tel : +603 - 2145 2121
Fax: +603 - 2141 1690

www.bousteadplantations.com.my