





ANNUAL REPORT 2022

EMBRACING THE ENVIRONMENT



100th Annual General Meeting (virtual basis)

 Meeting Room of
Securities Services (Holdings) Sdn Bhd,
Level 7, Menara Milenium, Jalan Damanlela,
Pusat Bandar Damansara, Damansara Heights,
50490 Kuala Lumpur, Wilayah Persekutuan

 Monday, 19 December 2022, at 11.00 a.m.

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Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the One-Hundredth Annual General Meeting of Pinehill Pacific Berhad (“the Company”) will be conducted on a virtual basis through live streaming via an online platform using remote facilities at the Broadcast Venue at Meeting Room of Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Monday, 19 December 2022, at 11.00 a.m. for the following purposes:

AGENDA

- | | | |
|----|---|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and the Auditors thereon. | <i>Explanatory Note 1</i> |
| 2. | To approve the payment of a single tier first and final dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2022. | Ordinary Resolution 1 |
| 3. | To approve the payment of Directors’ Fees of RM192,000/- for the financial year ended 30 June 2022. | Ordinary Resolution 2 |
| 4. | To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM88,000/- from 1 July 2022 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 3
<i>Explanatory Note 2</i> |
| 5. | To re-elect the following Directors who retire by rotation pursuant to Clause 100 of the Company’s Constitution, and who being eligible, has offered themselves for re-election.

i) Dato’ Nik Mohd Amin Bin Nik Abu Bakar
ii) Bala Krishnan Ponniah | Ordinary Resolution 4 & 5 |
| 6. | To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration for that year. | Ordinary Resolution 6 |

As Special Business

To consider and if thought fit, with or without modification, to pass the following resolutions:-

- | | | |
|----|--|---|
| 7. | Authority to Continue in Office as Independent Non-Executive Director

“THAT approval be and is hereby given for Dato’ Ong Kim Hoay who has served as Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to serve as Independent Non-Executive Director of the Company up to the conclusion of the next Annual General Meeting.” | Ordinary Resolution 7
<i>Explanatory Note 3</i> |
| 8. | Authority to Continue in Office as Independent Non-Executive Director

“THAT subject to the passing of Ordinary Resolution 4, approval be and is hereby given for Dato’ Nik Mohd Amin Bin Nik Abu Bakar who has served as Independent Non-Executive Director for a cumulative term of more than nine (9) years, to continue to serve as Independent Non-Executive Director of the Company up to the conclusion of the next Annual General Meeting.” | Ordinary Resolution 8
<i>Explanatory Note 3</i> |
| 9. | Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

“THAT pursuant to Sections 75 and 76 of the Companies Act 2016 and the approvals of the relevant governmental/regulatory authorities, the Directors be and are hereby empowered to issue and allot shares in the Company, at any time to such persons 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 ten per centum (10%) of the issued and paid-up share capital of the Company for the time being; AND THAT the Directors be and are hereby also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad (“Bursa Securities”); AND THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 9
<i>Explanatory Note 4</i> |

AND FURTHER THAT pursuant to Section 85 of the Companies Act 2016 read together with Clause 54 of the Company’s Constitution, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares arising from the issuance and allotment of the new shares pursuant to Sections 75 and 76 of the Companies Act 2016 AND THAT the Board of Directors of the Company is exempted from the obligation to offer such new shares first to the existing shareholders of the Company”.

- | | | |
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| 10. | To transact any other ordinary business of which due notice shall have been given. | |
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Notice of Annual General Meeting (Cont'd)

NOTICE OF DIVIDEND ENTITLEMENT AND PAYMENT

NOTICE IS HEREBY GIVEN THAT, subject to the approval of the shareholders at the One-Hundredth Annual General Meeting, a single tier first and final dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2022 will be paid on 6 January 2023 to Depositors whose names appear in the Record of Depository on 22 December 2022. A depositor shall qualify for entitlement to the Dividend only in respect of:

- (a) Shares transferred into the Depositor's securities account before 5.00 p.m on 22 December 2022 in respect of transfers; and
- (b) Shares bought on Bursa Securities on a cum entitlement basis according to the Rules of Bursa Securities.

By Order of the Board

Tang Yow San (MIA 11019) (SSM PC 201908001248)
Wong Youn Kim (MAICSA 7018778) (SSM PC 201908000410)
Company Secretaries

Puchong, Selangor Darul Ehsan
28 October 2022

Explanatory Notes:

1. Item 1 of the Agenda

This Agenda item is meant for discussion only, as stipulated under the provision of Section 340(1)(a) of the Companies Act 2016, the audited financial statements do not require the formal approval of shareholders and hence, the matter will not be put forward for voting.

2. Ordinary Resolution 3

Payment of benefits payable to the Non-Executive Directors

Section 230(1) of the Companies Act 2016 requires that any benefits payable to the Directors of the Company must be approved at a general meeting. The benefits payable to the Directors of the Company comprises meeting allowance ranging from RM500/- to RM1,500/- per meeting payable to Non-Executive Directors for attending the Board and Board Committee Meetings respectively.

3. Ordinary Resolutions 7 and 8

Authority to Continue in Office as Independent Non-Executive Director

Pursuant to the Malaysian Code on Corporate Governance 2021, the tenure of an Independent Director should not exceed a cumulative term of 9 years. The Board of Directors ("Board") must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than 9 years through a two-tier voting process.

The following Directors have served as Independent Non-Executive Directors of the Company for a cumulative period of over 12 years. The Remuneration and Nomination Committee of the Company had assessed the independence of these Directors and had recommended to the Board that they be retained as Independent Directors of the Company based on the following justifications:-

- (i) Dato' Ong Kim Hoay
- (ii) Dato' Nik Mohd Amin Bin Nik Abu Bakar

Justifications

- (a) They have met the independence guidelines as set out in Chapter 1 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements;
- (b) They have the capacity to defend their views without any influence of Management and have retained independence of character and judgment;
- (c) They understand the businesses of the Group, the operating environment and challenges and therefore are able to contribute positively during deliberations/discussions at meetings; and

- (d) They devote time and commitment to attend to the performance of the functions and duties as Independent Non-Executive Directors, including attendance at Board and Board's Committee meetings.

Based on the aforesaid, the Board (save for the interested Directors) recommends to the shareholders that the abovenamed Directors continue to serve as Independent Non-Executive Directors of the Company.

4. Ordinary Resolution 9

Authority to Issue Shares Pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Resolution 9, if passed, will empower the Directors of the Company, from the date of the above Annual General Meeting, with the authority to issue and allot new shares in the Company from time to time provided that the aggregate number of shares issued does not exceed 10% of the issued and paid-up share capital of the Company for the time being (General Mandate). This General Mandate, unless revoked or varied at a general meeting, will expire at the next Annual General Meeting.

The General Mandate sought to grant authority to Directors to issue and allot shares is a renewal of the mandate that was approved by the shareholders at the Ninety-Ninth Annual General Meeting held on 1 December 2021. The renewal of the mandate is to provide flexibility to the Company to issue new shares, without the need to convene a separate general meeting to obtain shareholders' approval so as to avoid incurring additional cost and time, for possible fund raising activities for the purpose of funding current and/or future investment project(s), working capital and/or acquisition(s).

As at the date of this Notice, the Company did not issue shares pursuant to the mandate granted to the Directors at the Ninety-Ninth Annual General Meeting held on 1 December 2021, which will lapse at the conclusion of the One-Hundredth Annual General Meeting.

By approving the issuance and allotment of the new shares under Sections 75 and 76 of the Companies Act 2016 shall have the effect of the shareholders having agreed to waive their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 54 of the Constitution of the Company, the shareholders of the Company hereby agree to waive are deemed to have waived their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016 and Clause 54 of the Constitution of the Company pertaining to the issuance and allotment of new shares under Sections 75 and 76 of the Companies Act 2016, which will result in a dilution to their shareholding percentage in the Company.

Notice of Annual General Meeting (Cont'd)

Notes:

- The One-Hundredth Annual General Meeting of the Company ("AGM") will be conducted on a virtual basis through live streaming via the remote participation and voting (RPV) facilities provided by the SS E Solutions at <https://sshbsb.net.my/>.
- The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairperson of the Meeting to be present at the main venue of the AGM. **No members or proxies/corporate representatives/attorneys appointed/authorised shall be physically present at the AGM (in the Broadcast Venue).**
- Members of the Company whose names appear in the Record of Depositors as at 9 December 2022 shall be entitled to participate and vote remotely at the AGM through <https://sshbsb.net.my/>. In this context, the terms participate aforesaid shall include the right to raise questions to the Board via real time submission of typed texts at the portal specified above.
- Members and all proxies/corporate representatives/attorneys duly appointed/authorised who wish to participate and vote remotely at the AGM shall firstly register at <https://sshbsb.net.my/> **no later than cut-off date/time** as per the **AGM Administrative Guide** in accordance with the relevant procedures therein.
- Each member is entitled to appoint not more than 2 proxies to participate and vote remotely on their behalf. A proxy may but need not be a member of the Company. Any member who appoints more than 1 proxy without specifying in the Proxy Form the proportion of the shareholdings by each proxy, such appointment shall be invalid.
- A member who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held. A member who is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in a securities account ("Omnibus Account"), there is no limit to the number of proxies such member may appoint in respect of each Omnibus Account held.
- Appointment of proxy(ies) may be made as follows **no later than 11.00 a.m. on Saturday, 17 December 2022**, as more particularly described in the **AGM Administrative Guide**:-
 - Appointment of proxy electronically**
Individual members may appoint a proxy electronically through <https://sshbsb.net.my/>; or
 - Hard copy Proxy Form**
Members may also appoint a proxy by way of a duly executed hard copy Proxy Form which must be deposited at Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.
The Proxy Form shall be completed with all the appropriate information required and signed with a date inserted thereon. Appointment of proxy by any corporate member, its Proxy Form must be executed under its common seal or under the hand of its attorney duly authorised in writing or in accordance with the applicable laws for the time being in force.
- Any authority to appoint a proxy which is made by way of power of attorney and for any corporate members who appoint representatives to participate and vote remotely, shall adhere to the documents submission requirement no later than the cut-off date/time as per the AGM Administrative Guide in accordance with the relevant procedures therein.
- The **AGM Administrative Guide** aforesaid is available at the Company's website at www.pinepac.com.my.
- You are advised to read and understand the contents of the Personal Data Protection Statement which is annexed with the Notice of AGM before providing any relevant personal data for the appointment of proxy(ies).
- All resolutions as set out herein will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

Statement Accompanying Notice of Annual General Meeting

- One-Hundredth AGM of the Company which will be conducted on a virtual basis through live streaming via an online platform using remote facilities at the Broadcast Venue at Meeting Room of Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Monday, 19 December 2022, at 11.00 a.m.
- The Directors who are standing for re-election at the One-Hundredth AGM of the Company pursuant to Clause 100 of the Constitution of the Company are:-
 - Dato' Nik Mohd Amin Bin Nik Abu Bakar
 - Bala Krishnan Ponniah

The details of the above Directors seeking re-election are set out in the Profile of Directors as disclosed on pages from 20 to 22 of this Annual Report.
- The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 30 June 2022 are disclosed in the Corporate Governance Overview Statement set out on page 32 of this Annual Report.

PERSONAL DATA PROTECTION STATEMENT

Any member of the Company, by submitting an instrument (hard copy or electronically) to appoint a proxy(ies) and/or representative(s) to attend/speak/participate/vote (including vote remotely via electronic means) on such member's behalf at the Annual General Meeting of the Company ("AGM") and/or any adjournment thereof, shall indicate that the member (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance/participation lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the members discloses the personal data of the member's proxy(ies) and/or representative(s) to be Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member shall indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of breach of warranty by such member.

Corporate Information



BOARD OF DIRECTORS

Independent Non-Executive Chairman

Dato' Ong Kim Hoay

Non-Independent Non-Executive Director

Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam

Independent Non-Executive Directors

Dato' Nik Mohd Amin Bin Nik Abu Bakar

Dato' Shahrom Bin Abdul Majid

Bala Krishnan Ponniah

Executive Director

K. Selveswaran Kanagaratnam

AUDIT COMMITTEE

Chairman

Bala Krishnan Ponniah

Members

Dato' Ong Kim Hoay

Dato' Nik Mohd Amin Bin Nik Abu Bakar

Dato' Shahrom Bin Abdul Majid

REMUNERATION & NOMINATION COMMITTEE

Chairman

Dato' Nik Mohd Amin Bin Nik Abu Bakar

Members

Dato' Shahrom Bin Abdul Majid

Bala Krishnan Ponniah

RISK MANAGEMENT COMMITTEE

Chairman

Dato' Shahrom Bin Abdul Majid

Members

K. Selveswaran Kanagaratnam

Tang Yow San

Tuan Haji Abdul Latip Bin Mohd Zain

Muhammad Hafidzi Bin Abu Bakar

COMPANY SECRETARIES

Tang Yow San

[SSM PC NO. 201908001248 (MIA 11019)]

Wong Youn Kim

[SSM PC NO. 201908000410 (MAICSA 7018778)]

REGISTERED OFFICE

No. 2-3, Third Floor, Jalan Suria Puchong 6

Pusat Perniagaan Suria Puchong

47110 Puchong

Selangor Darul Ehsan

Tel : 603-8938 9830

Fax : 603-8947 0333

SHARE REGISTRAR

Securities Services (Holdings) Sdn Bhd

Level 7, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

Damansara Heights

50490 Kuala Lumpur

Tel : 603-2084 9000

Fax : 603-2094 9940 / 2095 0292

AUDITORS

Grant Thornton Malaysia PLT

(201906003682 & AF 0737)

Chartered Accountants

PRINCIPAL BANKERS

Malayan Banking Berhad

CIMB Bank Berhad

STOCK EXCHANGE

Main Market

Bursa Malaysia Securities Berhad

Stock Name : Pinepac

Stock code : 1902

WEBSITE ADDRESS

www.pinepac.com.my

Chairman's Statement

Dear Valued Shareholders,

On behalf of the Board of Directors ("the Board"), I am pleased to present the Annual Report and the Audited Financial Statements of Pinehill Pacific Berhad ("the Group") for the financial year ended 30 June 2022 ("FY 2022").

PERFORMANCE REVIEW

FY 2022 was a continuation of the previous year's unprecedented challenges facing countries, communities and businesses across all industries. Due to travel restrictions to prevent the spread of COVID-19, the global travel environment continues to be severely affected. Rising inflationary pressures have also increased the burden on businesses amid the ongoing Russian-Ukrainian war and prolonged COVID-19 pandemic. This proved to be disruptive to overall business operations as activities were hampered by bottlenecks at various levels of the supply chain.

In spite of the above challenging operating environment, the Group has remained focus on its plantation rehabilitation programme in Indonesia in order to improve the yield of the oil palm estates. As the rehabilitation programme is still in progress, the Group recorded a net loss of RM9.64 million in FY 2022. However, the Group still maintained a strong financial position throughout FY 2022 with Net Tangible Assets ("NTA") per share of RM1.23 (FY 2021: RM1.28) and total equity of RM183.8 million (FY 2021: RM192.3 million).

The overview of Group's financial performance is further elaborated under the Management Discussion and Analysis section.

PROSPECTS

The global and regional economies have started to recover as many countries have transitioned into the endemic phase of COVID-19 with the resumption of business activities and reopening of international borders. Our focus will remain on the completion of the rehabilitation programme in Indonesia and securing new and viable plantation business ventures as part of the Group's regularisation plan. Barring any unforeseen circumstances, we are looking forward to a much better year in the next financial year ended 30 June 2023.

The Group also recognise that the adoption of economic, environmental and social sustainability practices as an integral part of achieving its long-term commercial goals. The undertakings by the Group are reported in the Sustainability Statement in this Annual Report 2022.

DIVIDEND

The Board of Directors is pleased to recommend a single tier first and final dividend of 3.0 sen per ordinary share amounting to RM4,494,124 in respect of FY 2022, which is subject to approval of the shareholders at the forthcoming One-Hundredth (100th) Annual General Meeting to be held on Monday, 19 December 2022.

APPRECIATION

As Chairman of the Board, I would like to express my sincere appreciation to the Board of Directors for their guidance, and to the management team and staff for their dedication, hard work and commitment to the Group during the year.

My heartfelt thanks are also extended to shareholders, business partners and all other stakeholders. The Company appreciate and look forward to their continued support.

Dato' Ong Kim Hoay
Chairman

Management Discussion and Analysis

We hereby present to you the Management's Discussion & Analysis of Pinehill Pacific Berhad ("the Company" or "the Group") for the financial year ended 30 June 2022 ("FY 2022").



OVERVIEW OF GROUP'S BUSINESS

The principal activities of the Group are investment holdings, oil palm cultivation and provision of management services.

During financial year ended 30 June 2019 ("FY 2019"), the Group disposed its plantation assets in Teluk Intan, Perak for cash considerations totaling RM413.57 million. The transactions were completed on 3 September 2019, and the Company was classified as an Affected Listed Issuer pursuant to Paragraph 8.03A of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia").

Being an Affected Listed Issuer, the Company is required to submit a regularisation plan to the authorities for approval by 2 September 2020. The due date earlier was extended to 2 September 2022 as part of additional relief measures to alleviate the impact of COVID-19 as announced by Bursa Malaysia. Due to effect of the pandemic and non-availability of viable plantation assets to be included in its regularisation plan, Bursa Malaysia has granted further extensions of time for the Company to submit its regularisation plan to the regulatory authorities, up to 2 March 2023.

The Company has decided to explore a self-regularisation plan in order to meet the specified period granted by Bursa Malaysia. We have been actively identifying and evaluating oil palm plantation assets that can create value to our shareholders to be presented under the regularisation plan. However, our progress has been affected by the slow economic recovery due to effects of COVID-19, coupled with the effects of prolonged Russia-Ukraine war. As at to-date, the Company has evaluated several potential plantation businesses. Despite the difficult external environment that persisted throughout the year, the Company continues to evaluate potential viable plantation businesses.

The spike in crude palm oil ("CPO") prices since mid-2021 has seen the CPO price peak at RM8,000 per metric tonne as compared to pre hike price of RM3,500 per metric tonne. This has caused the potential sellers to set unreasonably high prices for their oil palm plantations. The high prices are not reflective of the plantation yields and making the investments not viable financially. The above has given major constraints to the Company to fund the unreasonably over-priced acquisition.

While waiting for the completion of the regularisation plan, the current core business of the Group is the oil palm plantation in Sintang, Kalimantan Barat in Indonesia.



REVIEW OF GROUP PERFORMANCE

The Group recorded revenues of RM1.37 million in FY 2022, which were from its plantation activities in Indonesia, reflecting an increase of 24% as compared to the revenues in the financial year ended 30 June 2021 ("FY 2021") of RM0.26 million. However, the Group recorded a loss before taxation of RM9.64 million in FY 2022 as compared to a loss before taxation of RM12.49 million in FY 2021, mainly due to the on-going plantation rehabilitation programme in Indonesia.

Malaysian Operations

The Malaysian operations continue to generate interest income from the sales proceeds of the Group's plantation assets placed with the financial institutions.

As at 30 June 2022, the total of other investments and short-term deposits is RM105.84 million and the Group has earned RM1.86 million interest income during FY 2022.

Management Discussion and Analysis (Cont'd)

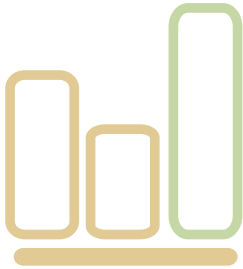
Indonesian Operations

The Group has developed 8,022 hectares of oil palm plantations at Kabupaten (District) Sintang, Kalimantan Barat, Indonesia.

Since FY 2020, the Group has started the plantation rehabilitation programme of its plantation assets in Kalimantan Barat to optimize the estates productivity and ensuring its sustainability in the long term. The rehabilitation programme is financed from the proceeds on the disposal of the Group's plantation assets in Perak.

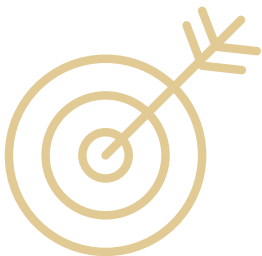
The outbreak of COVID-19 pandemic since the first quarter of 2020 has delayed the operational progress of the oil palm plantation business in Indonesia due to shortage of labour and other operational issues. Based on a recent workers shortage assessment, the plantation requires approximately 300 workers.

The Indonesian operation reported a loss for the current financial year due to the low yield and costs incurred in relation to the plantation rehabilitation activities.



RISK FACTORS

Our plantation operations are predominantly dependent on the availability of sufficient labours for harvesting and plantation operational works. Any shortages of labours due to travel restrictions or other issues may cause adverse impact to the operations of the estates. In mitigation, since the upliftment of travel restrictions controls between provinces and country border by the Indonesian Government, the Group has intensified the recruitment of workers and ensuring the operational programme are on track.



BUSINESS OUTLOOK

Malaysia's economy is on an upwards track to recovery from the pandemic following a successful vaccination drive and the full withdrawal of movement restrictions. While there is a surge in growth, external headwinds and global economy uncertainties pose a challenge and add to the country's downside risks.

The Group remain optimistic that the national economic recovery will enable the Group to actively assess potential and viable investments in oil palm plantations for its regularisation plan. The CPO price has also trended down to approximately RM3,377 per metric tonne in October 2022. The Group foresee better opportunities in the market with a more realistic valuation on potential oil palm plantation assets. The Company also has to be guided that those potential investments meet the Environmental, Social and Governance (ESG) criteria.



DIVIDEND

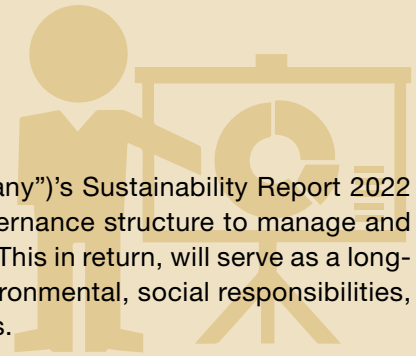
The Board of Directors has recommended a single tier first and final dividend of 3.0 sen per ordinary share amounting to RM4,494,124 in respect of FY 2022, which is subject to approval of the shareholders at the forthcoming Annual General Meeting.

Sustainability Statement

BOARD STATEMENT

Dear Shareholders,

The Board is pleased to present Pinehill Pacific Berhad (“the Company”)’s Sustainability Report 2022 (“SR”). The Company is committed in establishing an adequate governance structure to manage and monitor sustainability issues in order to achieve their desired results. This in return, will serve as a long-term strategy to maintain a healthy balance between economic, environmental, social responsibilities, and governance (“EESG”) together in the interest of the stakeholders.



Board Assurance and ESG

The Company is always seeking a pragmatic yet workable solutions to ease the concerns on the impact of the sector raised by the environmental campaigners on issues like land-grabbing, deforestation, and human rights exploitation.

In order to protect the ecosystem without compromising the Company’s growth, the Company has adapted efficient workflows to set a balance between environment, company productivity and workforce to ensure that the Company is able to build and manage the business over a long-term success.

The Company belief in acting responsibly with integrity will ensure the Company fundamentals is sustainable in the longer term.

For the environment the Company adapts the following measures:

- a) To minimize pollution zero burning techniques is adapted
- b) To minimize soil erosion leguminous cover-crops are planted in all areas, reduce terraced construction to drastically reduce the impacts on the land
- c) To ensure the adaptation of running a “green” business, the Company has started the gradual cessation of chemical fertiliser with the adoption of bio fertiliser on a wide scale to prevent the depletion of natural microbes.

Strong sustainability governance aims to better manage risk and generate sustainable long-term return. The Board plays an important role in the selection and review of EESG factors that are material to the Company and overlook the management and the performance relating to the factors. This SR is in accordance with listing requirements of Bursa Malaysia Securities Berhad of the Main Market Listing Requirement and references the internationally recognised Integrated Reporting Framework.

COVID-19

In an on-going global COVID-19 pandemic, we continuously monitored and maintained health and safety measures that were put in place to deal with containing the worst of the disease and minimising its impact on our people and operations.

We engaged regularly with local authorities to safeguard our workforces and their families as well as the surrounding communities. Such efforts included regular screening for COVID-19 and vaccination drives. In 2022, we successfully vaccinated most of our employees in Indonesia and Malaysia.

In 2022, we continued to reinforce our health and safety measures, as we emphasise the significance of our staffs’ wellbeing. We remain steadfast in our commitment to our goal of keeping our workforce safe in our operations and achieving our ultimate target of zero fatalities. We further enhanced our health and safety management systems and rolled out programs to raise awareness of health and safety risks, while enhancing competencies to further prevent accidents from occurring.

Sustainability Statement (Cont'd)

Sustainability Initiatives

As a progressive group, the Company is fully committed to integrity and fair dealing in all activities and has adopted the innovative and responsive practice of corporate governance for all stakeholders. Providing a safe, and hospitable environment remained a key priority of the Company.

As a responsible eco-friendly plantation company, the Company is committed to protecting the environment through mitigation of negative impact through reduction of gaseous emission, biodiversity conservation, proper disposal management, and optimizing energy usage.

The Company is committed to providing a safe and healthy working environment in the workplace. For instance, the Company has provided occupational health and safety training to workers to ensure they are in healthy working conditions and work in a safe environment. Furthermore, the Company encourages the employee to enjoy various social gathering events organised by the Company to gain healthy relationships with each other.



ABOUT THE REPORT

The Company always take into consideration a sustainable approach to all operational and financial aspects when making management decision, therefore we are pleased to present our Sustainability Report 2022 (“SR”) to interested stakeholders.

The Company was first established in 1917, listed on the Kuala Lumpur Stock Exchange in 1973 as Benta Plantations Berhad. It is an Investment Holding Company focused on the development of natural resources and other viable commercial activities which include venturing into oil palm plantations in Malaysia and Indonesia.

Currently, the Company plantation assets comprised of a total 20,665 hectares of land for planting of oil palm in District of Sintang, West Kalimantan, Indonesia with a total of 8,022 hectares planted to date.

Sustainability Statement (Cont'd)

Scope of Reporting

The scope of reporting for this SR covers the activities of oil palm cultivation and company sustainability performance data on governance and human resources. The information represents environmental and safety indicators such as water, waste, and energy covering our global operation from our plantation. This SR has been prepared for the financial year ended 30 June 2022 with historical data of the prior years, where relevant and available, unless otherwise stated.

Detail of the Company's facility and subsidiaries are shown in the table below.

Name of company	Principal activities	Country of incorporation/Operation
Held by the Company		
Pinehill Plantations (Malaysia) Sdn. Bhd. ("PPM")	Investment holding, oil palm cultivation and processing	Malaysia
Held through PT. Makmur Jaya Malindo		
PT. Inma Jaya Group	Oil palm cultivation	Republic of Indonesia
PT. Inma Makmur Lestari	Oil palm cultivation	
PT. Indomal Sawit Jaya	Oil palm cultivation	

Reporting Framework

The Company prepared SR taken effort to ensure the data collected in a transparent and accurate manner. It was prepared in accordance with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and Bursa Malaysia's Sustainability Reporting Guide 2nd Edition. The format adopted is in line with the recommended Integrated Reporting Framework ("IR").

DEFINING SUSTAINABILITY STRATEGY: SIX CAPITAL

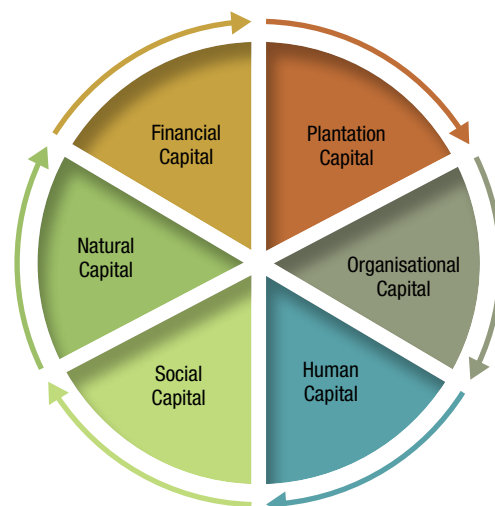
The Company placed a strong emphasis on maintaining a balanced approach between economic, social, and environmental responsibilities, and interest toward the Company's stakeholders for a better future, focus on creating a positive impact in society continuously seeking opportunities to incorporate sustainability into the Company's long-term growth and development goals.

Through the insight of the Company's sustainability initiative, the Company's Board of Directors redefined and recognise the EESG value chain. In order to enhance the value creation in line with sustainability initiatives for the long-term objectives, the Company's long term objective encompasses not only profit creation but extends beyond the eco-system where the Company operates.

The Company's SR has evolved over the year to address the fast-changing environmental and business landscape. This year, the Company would like to embrace the framework by the International Integrated Reporting Council ("IIRC") to make business and financial sense of sustainable performance. The Six Capital model has reinforced the Company's sustainability strategy, policies, and practices and aligned to global best standards including the UN Sustainable Development Goals (SDGs). The Company's roles as an investment holding in oil palm plantation and other viable commercial activities, and a







corporate citizen that continues to create sustained value for the business and stakeholders.

The Six Capitals identified by IIRC are financial capital, manufactured capital, organizational capital, human capital, social capital and natural capital. These six capitals represent stores of value that are the basis of the Company's value creation.



Sustainability Statement (Cont'd)

DEFINING SUSTAINABILITY STRATEGY: SIX CAPITAL (CONT'D)

Financial	Plantation	Organisational
Funds available to Company from operations and financing	Agricultural plantation objects used in value creation	Governance, internal control system and procedures
Financial highlight  <i>Resources to sustain the Company from operations to support other capitals</i>	Marketplace  <i>Implementing sustainability through product quality and safety</i>	Governance  <i>Board engagement on strategy, internal control to enhance the sustainability initiative</i>
Human	Social	Natural
People's health, skills, motivation, competence, ability to preformance their scope alignment with organisational goals and the fairly remuneration provided to them	Relations with key institutions, stakeholder groups, shared norms and values, trust and confidence, and its social license to operate	Renewable and non-renewable natural elements, and the eco-system, used as inputs by the Company now or past or future, and impact of Company on them
Workplaces  <i>Providing a safe and healthy working environment</i>	Community  <i>Contribute to wide community, lend a hand to those in need</i>	Environment  <i>Adopting sustainable practices and good steward environment</i>

SUSTAINABILITY GOVERNANCE STRUCTURE

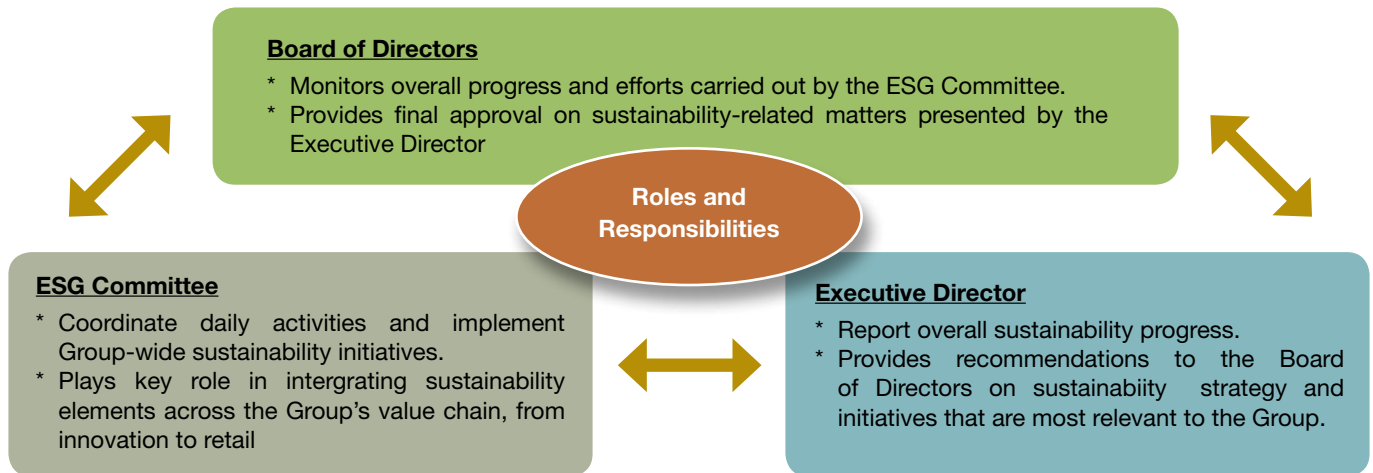
The Company views sustainability as an important aspect in our Group. The Group has established a systematic and comprehensive governance structure to ensure successful attainment of all our sustainability targets and goals.

The Board of Directors oversee the management of the Company sustainability strategy. They are supported by the ESG Committee which will meets every quarter. The ESG Committee assists the Board of Directors in fulfilling its oversight responsibility in relation to the Company's objectives, policies and practices pertaining to sustainability or ESG matters. These include formulating Sustainability strategies, identifying Sustainability-related risks, evaluating Sustainability performance and targets, and monitoring the implementation of Sustainability related policies and practices. To achieve effective implementation of sustainability throughout the Company, the ESG Committee receives periodic reporting and advisories from the following:

ESG TEAM	INDEPENDENT ESG ADVISORY
- Headed by the Executive Director (ED) who is assisted by the Plantation Director. The ESG Team is supported by members across all internal departments and operational units.	- Comprises independent ESG experts and eminent individuals. The Independent ESG Advisory works with our ESG Team to provide on-the-ground support to execute and evaluate the implementation of our ESG policies. The Independent ESG Advisory provides advisories and recommendations related to external stakeholder expectations and global sustainability trends.

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE STRUCTURE (CONT'D)



The Company had formed a two-tier governance structure whereby the Executive Director reports directly to the Board of Directors. The Board of Directors leads the structure in determining the sustainability journey and overseeing the execution of sustainability within the Group.

We have also established a dedicated ESG Committee as part of the governance structure, with the key function of developing and implementing the Group's sustainability strategy.

STAKEHOLDER ENGAGEMENT

Stakeholder engagement identifying material sustainability matters, as well as being a critical contribution to the Company sustainability performance and success. The Company benefited from several constructive engagement with internal and external stakeholders such as investors, regulatory bodies, employees, suppliers, customers, and the local community. It is important to understand the concerns and give voice when issues raised, provide suitable solution, and formulate sustainability responses with balanced and unbiased.

The Company is committed to maintain good relationship with all stakeholders and obtaining truthful feedback. The following table is the key stakeholders of the Company and associated sustainability matter, showing their areas of concerns and the Company engagement approach:

Stakeholder	Area of Concern/Interest	Engagement Approach
Customer	<ul style="list-style-type: none"> Product Quality & Safety Product Competitiveness Product Certification Traceability 	<ul style="list-style-type: none"> Site Visits Customer Survey Meetings & Seminars Product Training for Customer
Employee	<ul style="list-style-type: none"> Health & Safety Welfare & Remuneration Workplace Training & Career Development 	<ul style="list-style-type: none"> Performance Appraisal Training Programs Management & Staff Meeting Annual Event
Supplier	<ul style="list-style-type: none"> Transparency Procurement Practices Business Ethics Payment Schedule Product Safety & Reliability 	<ul style="list-style-type: none"> Meeting & Discussion Supplier Survey/Questionnaire Evaluation on Performance Contract Negotiation
Investor	<ul style="list-style-type: none"> Financial Performance Business Strategy Shareholder Value 	<ul style="list-style-type: none"> Annual Report Annual General Meeting Corporate Website Company Announcements
Governance	<ul style="list-style-type: none"> Governance Compliance Environment Impact Human Right 	<ul style="list-style-type: none"> Annual Report Meeting & Seminar Public Announcement Inspection/Audit by Local Authority
Local Community	<ul style="list-style-type: none"> Impact of Business Operation Social Issue 	<ul style="list-style-type: none"> Community Program Meeting & Seminar

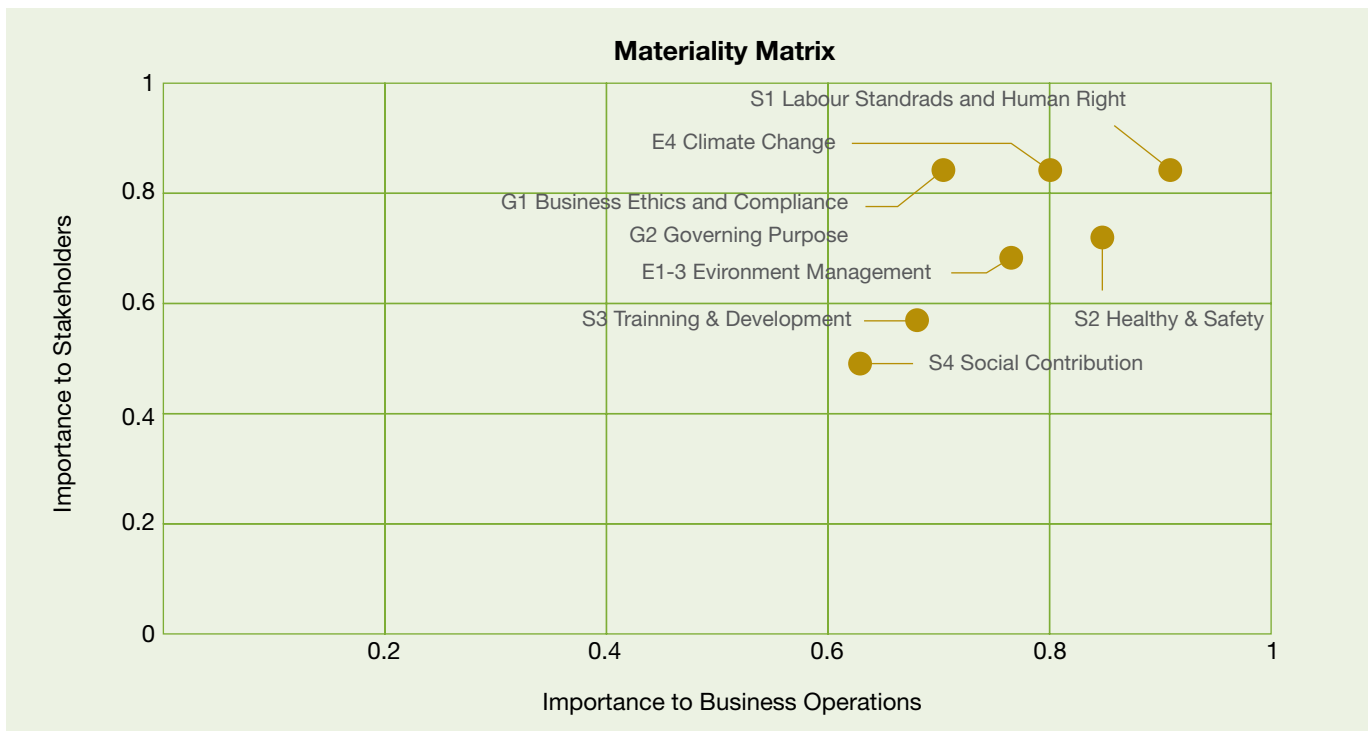
Sustainability Statement (Cont'd)

MATERIALITY MATRIX

The Company conducted materiality assessment to identify sustainability event that were of significant relevance to the business and stakeholder. In 2022 the Company carried out a review to reassess the material topics identified. While conducting the review, the Company examined trends and developments within the industry as a well as global and local sustainability issues.

The following table listed the material topics in 2022:

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E1 - Water E2 - Energy E3 - Waste E4 - Climate Change	S1 - Labour Standards and Human Right S2 - Healthy and Safety S3 - Training & Development S4 - Social Contribution	G1 - Business Ethics and Compliance G2 - Governing Purpose



ENVIRONMENTAL

As a responsible eco-friendly company, the Company is always conscious of the environmental effects of the business process in the plantation sector. The Company is committed to minimizing the impact on the environment by improving environmental performance and reducing carbon footprint. Conscious efforts are being made to meet Government guidelines in looking after the environment, taking seriously and consistently strive towards minimizing the carbon footprint on the natural environment, and aware of being efficient in the usage of energy as a cost-saving measure which helps to meet Company’s goals of reducing waste and energy consumption. The Company is always proud to believe in creating a serene balance between caring for the natural surroundings and business.

Water Management

The Company’s operation depends on various types of resources, one of the significant resources is water. Thus, achieving optimal water management is a critical role for the Company. The Company constantly monitor the water consumption during operation and acknowledge the responsibility to implement efficiency measures to minimise the usage of water.

Currently, the Company is maximising utilised nature resources of rainwater harvesting for domestic use. At the Central Office in Sepiluk, the borewell water system for domestic use such as clearing and washing was adapted in 2007. Besides that, at Balai Karangan, Kalimantan Barat, Indonesia, safe drinking water accessibility remained a priority for the workers.

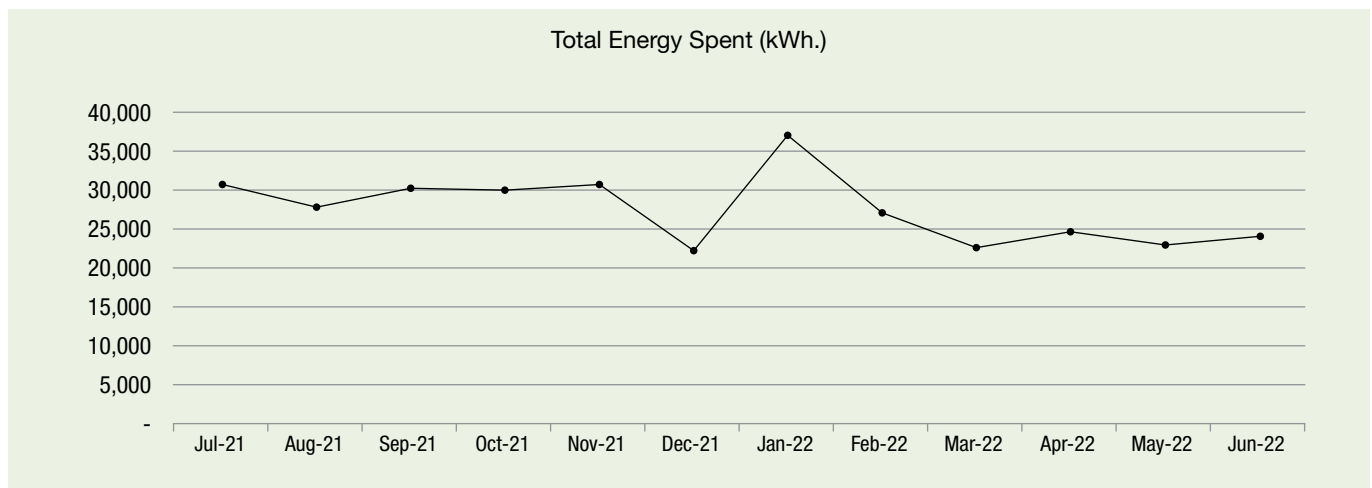
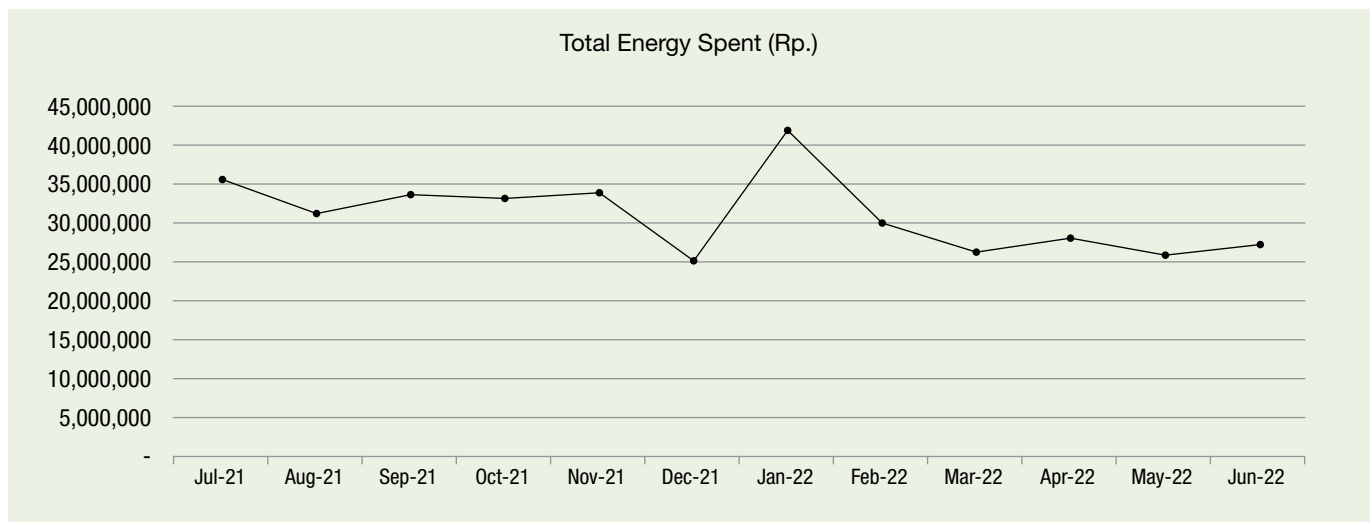
Sustainability Statement (Cont'd)

ENVIRONMENTAL (CONT'D)

Energy Consumption

The other significant resource for the Company's operation is energy consumption. The Company strive to minimize and manage the energy consumption, acknowledge the responsibility to use and manage the energy resources efficiently and sustainably, minimized energy consumption which also takes various benefit from reducing energy consumption such as minimized carbon footprint, a preserved environment, reduced business operating cost, and built up the public image, ensure the efficient use of energy resources by closely managing and monitoring the energy.

During the year, the energy and car/truck consumption is shown in table below:



Car/Truck (Petrol/diesel usage)

FY 2022	FWD 4x4	Dump truck	Farm tractor	Genset	Heavy Machinery	Total
Litre	10,139	7,230	17,612	23,907	29,344	88,232

Sustainability Statement (Cont'd)

ENVIRONMENTAL (CONT'D)

Waste Treatment

The Company implements the waste treatment in line with the legal requirement and minimizes the negative environmental impact of the Company's activities. To prevent creating a negative impact on the environment and the communities where the Company operates, it is important to manage and dispose of the wastes ethically and responsibly per local law and regulation. The Company is adapting the processes by reducing waste, reusing, and recycling resources where possible. The employees of the Company were trained in waste management in accordance with the local regulatory requirements. This is to create awareness on the proper treatment of the waste to prevent improper waste treatment.

In order to control waste treatment activities which required that waste has the least practicable impact on the environment, the Company had taken mitigation action as:

- a. Reduce - Plan effectively by making less waste at the beginning with means there is less waste to clean up.
- b. Reuse - Durable Tools and equipment that can last to reduce waste.
- c. Recycle - Repair and modify, changing discarded materials to avoid using more virgin resources and maximize the life spent.

Climate Change

The Company recognizes the risks of climate change which would harm the Earth, people, livelihood, agricultural activities, etc. Climate change directly influences the Company's plantation performance. Dry seasons and some unpredictable extreme weather patterns cause negative influences such as overall water quantity, thus prompting the Company to strengthen the knowledge of stakeholders regarding climate change's impact on the operation and the importance of water resources. Besides, the Company has kept seeking the best way to minimize the impact of climate change while identifying a method to reduce Greenhouse Gas (GHG) emissions and reliance on fossil fuels. The Company keeps aware and identifies the risks and opportunities to build the resilience of the business and committee to run across the global presence in accordance with the world together moving toward a low carbon economy.

Certification

In 2006, the Company was the first Malaysian company to invest in Kabupaten Sintang, Kalimantan Barat, Indonesia through the acquisition of controlling interest stake in Pinehill Ventures Limited. The Company is yet to obtain Indonesian Sustainable Palm Oil (ISPO) certification. However, the Company is looking to comprehensively address the environmental issues plaguing the palm oil industry by increasing the competitiveness in the global market.

The Company compliance with AMDAL Indonesia - the Environmental Impact Assessment which indicate the Company shall carry out the business activities which may bring positive impact to the environment.

SOCIAL

As a people business, the Company is committed to providing a safe, workable environment to the Company's workers, acknowledging that healthy relationships within the Company's community will help build up a better environment, and believe that the people are what build the Company. Besides, the Company admits duties as part of a wide community and always endeavours to lend a hand to those in need. Over the years, the Company has been actively contributing and providing financial support to various events including non-profit organizations and other welfare organizations such as hospices, orphanages, and homes for senior citizens. In the future, the Company would keep on contributing to society, consciously allocating time, preparing financial support, any means of charity, and those who are in need to lessen the burden of the underprivileged to maintain its status as a community-sensitive Company.

Labour Standards and Human Rights

The Company is cognisant of treating its workers in accordance with local and international regulation being a labour intensive business. As a business with different nationalities workforce and cultural backgrounds, we respect every person's cultural custom and committed to protecting and emphasizing the right of the people, align with the fundamental elements of International Labour Organisation (ILO) Core Conventions on Labour and United Nations (UN) Declaration of Human Rights. Complying with applicable labour laws where the Company operates, guidelines and legislation to make sure there are good governance and working environment within the Company is harmonious, prohibiting intimidation and retaliation.

Sustainability Statement (Cont'd)

SOCIAL (CONT'D)

Healthy and Safety

Providing a safe, workable environment is always the top priority of the Company. The Company is committed to securing the healthy and safety of all the Company's employees and maintain a healthy and safety working environment for the staffs, stakeholder, and the public throughout the operation. Occupational Safety and health (OSH) have always remained an important part, ensure the best practices for healthy and safety are integrated into the Company's daily activities and operation.

During COVID-19 pandemic, health and safety of the employees is critical to the Company. The Company adopted COVID-19 policy during the pandemic. All the employees should follow the SOP including scan their daily temperature before entering the office premise and record each employee's daily health condition. For those employees with a body temperature of 37.5 Celsius or above are not allowed to enter the premises of the Company. The Company also encourage employees to wear mask all the time, and wash hands frequently with hand sanitizer or soap as frequent as possible, practice social distancing of one meter away from each other. All of employee are advised to use own belonging and not share the personal goods to others, keep the schedule for the COVID-19 Test as Keep In View, and encourage all the staffs to take the vaccination. Furthermore, all the visitors should fill up the Visitor Declaration Form to ensure the safety environment within the Company.

Training and Development

The Company continuously focus on the development of human capital by enhancing the Company's core competencies, always give the proper support to the employee to ensure they would acquire relevant skill to perform their responsibilities. Through training and development programmes to enhance the knowledge and skill of the employees to ensure the employees are implement their task properly, effectively and efficiency to achieve a higher productivity level, providing continuous professional and personal growth to achieve the Company's goals as well.

The employee receives training from both internal and external sources. This training includes a mandatory or voluntary basis and encourages the employee to obtain certain certifications to perform special tasks in need. During the year, the following trainings were conducted:

- a. Topic: The Revisions made to the Malaysian Code on Corporate Governance 2021
No. of hours: 1.5 hours
- b. Topic: Pelatihan DAK Non Fisik Peningkatan Kapasitas Koperasi & UMKM
No. of hours - 5 days = 40 hours

Social Contribution

The Company continuous runs the program of lending a hand to those in need. One such contribution happens annually during the festive season when the Company makes it a point to share the joy with children and old folks from various homes in Klang Valley where they will be treated with food items, festive delicacies, and cash tokens. The contribution may seem simple, but these small gifts go a long way when it comes to giving back to the community.

As part of the on-going community outreach program, the employee of the Company will continue the tradition of visiting various welfare homes and charitable organizations to lend a helping hand to those who are in need. Besides, the Company also actively participates in Corporate Social Responsibility (CSR) by contributing to schools, mosques, and churches. The Company believes in social responsibility and improving the communities within the development area. Furthermore, the Company has constructed roads and other infrastructures to connect the four estates internally. This has given an advantage to the Company in facilitating traveling and crop delivery from one estate to another. However, this year during the COVID-19 Pandemic SOP maintains social distancing, the Company reduced its community activities but still sought to build a good relationship with the community and public by sharing experiences and aiming to help to increase the pool of talent in the industry. Following are the social activities carried out during the year:

Sustainability Statement (Cont'd)



CSR Program – Pusat Jagaan Pertubuhan Kebajikan Yesuvin Mahligai Selangor



CSR Program – Together with Caretaker, Mr. Jansen and the Children of Rumah Kids



CSR Program – Back to School



CSR Program - Basic Food Assistance Program in the Context of the COVID-19 Pandemic



CSR Program – Deepavali Celebration

Date : March 2022	Details : 16 Students Male = 11 Female = 5 School bags & Stationeries
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The details of donations made during the financial year are as follow:

No	Type of Donation
1	Bantuan Musibah Banjir Kabupaten Sintang (Donation Campaign - Flood Disaster in Sintang District)
2	Bantuan Biaya Kunjungan Kapolda (Donation Campaign - Kapolda)
3	Bantuan Pengadaan Biaya Vaksinasi Dosis Kedua (Donation Campaign - Second Dose of Vaccine)
4	Bantuan Biaya Tunjangan Hari Raya Idul Fitri 1140 H Untuk Dinas Kabupaten Sintang (Donation Campaign - Hari Raya Idul Fitri 1140 H Service in Sintang District)
5	Bantuan Biaya Untuk Gawai Adat Dayak Kabupaten Sintang (Donation Campaign - Gawai Adat Dayak Celebration in Sintang District)

Sustainability Statement (Cont'd)

GOVERNANCE

The Company acknowledged the importance of good corporate governance and maintaining high standards of corporate governance performed throughout the Company to deliver long-term sustainable value to the stakeholders.

Establishing an appropriate governance structure, controls, and oversight of our business is essential to safeguard the interests of all our stakeholders. We also identify the significance of a diverse Board, comprising Directors with the appropriate and right balance of skills, knowledge, experience, and diversity of perspectives who can contribute effectively to the strategy and growth of the Company. Guided by our Board Charter, our Directors are nominated from varied backgrounds with diverse skills, age, experience, gender, independence, cultural ethnicity, and industry knowledge.

Furthermore, to ensure that our Board is equipped with the knowledge and skills to effectively contribute in their roles as Directors. Directors are provided with opportunities to develop and refresh their skills and knowledge. Directors are also encouraged to participate in seminars, conferences, and training programs which are relevant to their roles as Directors.

Having regard to the importance of environmental, social, and governance ("ESG") issues to the Company and the Board's commitment to integrating sustainability within the Company's business model, the Board approved the establishment of an ESG Committee in 2022 to provide specific oversight of the Company's sustainability strategy. The ESG Committee's primary responsibilities include the oversight of sustainability/ESG matters to ensure that the Company's position in these areas is current and compliant with regulatory requirements and international standards, providing input to the Board on ESG issues and sustainability performance and governance over implementation and communications of the Company's sustainability activities with its stakeholders.

Indonesian Sustainable Palm Oil

Currently, the Company is planning to voluntarily comply with the Indonesian Sustainable Palm Oil (ISPO) standard, introduced in 2011 by the Government of Indonesia. The Company aims to improve the sustainability and competitiveness of the Indonesian palm oil industry, whilst contributing to the Indonesian government's commitments to reducing greenhouse gas emissions and improving rural livelihoods.

The seven principles of the ISPO are:

- 1) licensing system and plantation management
- 2) technical guidelines for palm oil cultivation and processing
- 3) environmental management and monitoring
- 4) responsibilities for workers
- 5) social and community responsibility
- 6) strengthening community economic activities, and
- 7) sustainable business development.

Forward-Looking Statement

In this FY2022, we announced a new short-term, mid-term and long-term ESG plan.

The Company is committed to Zero Deforestation for our long term plan. Thus, we aim to no development on High Carbon Stock (HCS) Forests or High Conservation Value (HCV) Areas and adopted zero burning technique. Progressively reduce CO2 emissions on existing operations. Any plantation development activity must identify HCV areas and HCS forests for protection utilising international best practice guidance from the Roundtable on Sustainable Palm Oil (RSPO) Principles and Criteria, High Conservation Value Resource Network (HCVRN) and the High Carbon Stock (HCS) Approach.

To achieve our plan of Zero Deforestation, the Company prohibits the use of fire in the preparation of new planting, or re-planting or any other development.

A key initiative of our long-term planning is to develop a new production process in the plantation process which requires a challenging advanced technical development. By using sophisticated technologies like robots, aerial images, GPS technology and temperature and moisture sensors. These robotic systems, advanced devices and precision agriculture reduce in carbon dioxide emissions. Renewable energy production allows the Company to be more efficient, safer, and environmentally friendly. Key benefits of these initiatives upon implementation amongst others would be increase productivity and decrease utilization use of water, fertilizer and pesticides which in return, would reduce the impact on natural ecosystems, minimize chemicals into groundwater and increase worker safety. The Company aim to introduce these advanced technologies as our long-term plan to establish a high-tech plantation company.

We will put our best effort to achieve our short-term commitments:

1. Reduce CO2 (GHG) emission before Year 2024
2. Reduce the waste in Year 2023
3. Reduce the energy consumption in Year 2023
4. Increase the awareness of ESG in Year 2023
5. Increase the training hours for the staffs by at least 6 hours per year
6. Increase donations, charity work and social contributions in Year 2023

Directors' Profile

Y. BHG. DATO' ONG KIM HOAY

INDEPENDENT NON-EXECUTIVE CHAIRMAN

Aged 88 | Male | Malaysian

Y. Bhg. Dato' Ong Kim Hoay, was appointed to the Board on 23 October 1997 and appointed as Chairman of Pinehill Pacific Berhad ("Pinepac" or "the Company") on 19 October 2005. Dato' Ong was redesignated as Independent Non-Executive Director on 9 January 2015 and as Independent Non-Executive Chairman on 1 March 2020. He is also redesignated from the Chairman of the Audit Committee to a member in Audit Committee on 1 March 2020.

Dato' Ong is an Associate Member of the Institute of Chartered Accountants in Australia and the Institute of Chartered Secretaries and Administrators Australia. He is also a member of the Malaysian Institute of Accountants.

In 1969, Dato' Ong started his career as an Auditor with Turquand Young & Co. (now known as Ernst & Young), a public accounting firm. He subsequently joined Malayan Banking Berhad ("Maybank") in 1970 and has held various senior positions in Maybank before retiring as a General Manager. He has also served on the Board of Directors of Maybank for several years.

Currently, Dato' Ong also sits on the Board of Directors of several private companies in Malaysia.

Dato' Ong does not have any conflict of interest with the Company and has not been convicted of any offences in the past five (5) years other than traffic offences. He also does not have any family relationship with any other Directors or major shareholders of the Company.

Dato' Ong attended all five (5/5) Board Meetings of the Company held during the financial year ended 30 June 2022.

Y. BHG. TAN SRI (DR.) KETHEESWARAN M. KANAGARATNAM

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 61 | Male | Malaysian

Y. Bhg. Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam, was appointed to the Board on 7 July 1994. Tan Sri (Dr.) Ketheeswaran was redesignated as a Non-Independent Non-Executive Director on 1 March 2020. Prior to that, Tan Sri (Dr.) Ketheeswaran was redesignated as an Executive Chairman on 9 January 2015.

It is through his farsighted vision and sharp business acumen that Benta Plantations Berhad has grown into Pinehill Pacific Berhad, an established oil palm plantation company that is listed on the Main Board of Bursa Malaysia (Malaysian Exchange). Pinepac has grown exponentially over the years, with business operations covering Malaysia and Indonesia. Besides the above plantation business, Tan Sri (Dr.) Ketheeswaran has experience in several other business ventures.

Tan Sri (Dr.) Ketheeswaran was first elected as the President of The Malaysian Associated Indian Chambers of Commerce & Industry ("MAICCI") in 2000 and served until 2004. On 14 June 2008, during MAICCI's fifty-seventh Annual Delegates Conference, he was re-elected as the President of MAICCI for a two-year term and continued to retain the position until 19 October 2018. Tan Sri (Dr.) Ketheeswaran continues to serve as the President of Johor Indian Chamber of Commerce & Industry where he was elected to the office on 29 May 2010 until today.

On 1 December 2016, Tan Sri (Dr.) Ketheeswaran was conferred the Honorary Doctorate in Entrepreneur Development by Asia Metropolitan University during its 10th Asia Metropolitan University Convocation. The conferment was in recognition towards his numerous efforts in the development of the entrepreneurship in the country.

Tan Sri (Dr.) Ketheeswaran is the brother of Mr. K. Selveswaran, the Executive Director of the Company.

Tan Sri (Dr.) Ketheeswaran is deemed as a substantial shareholder of the Company. He has no conflict of interest with the Company and has not been convicted of any offences in the past five (5) years other than traffic offences.

Tan Sri (Dr.) Ketheeswaran attended four out of the five (4/5) Board Meetings of the Company held during the financial year ended 30 June 2022.

Directors' Profile (Cont'd)

Y. BHG. DATO' NIK MOHD AMIN BIN NIK ABU BAKAR

INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 86 | Male | Malaysian

Y. Bhg. Dato' Nik Mohd Amin Bin Nik Abu Bakar, was appointed to the Board on 22 February 2000. He is also the Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee.

Dato' Nik Mohd Amin holds a Bachelor of Arts (Hons) degree from University of Malaya, a Masters of Arts and a Doctorate of Philosophy from Century University, California. He has also attended the Sloan School of Management M.I.T., Cambridge's programme for Senior Executives.

Dato' Nik Mohd Amin has held various positions in the government sector. He was the Director-General of the Social Security Organisation, Secretary-General of the Ministry of Science, Technology and Environment, and Secretary-General of the Ministry of Human Resources.

Dato' Nik Mohd Amin has also been a member of various organisations, which includes International Social Security Association ("ISSA") Geneva, National Science Committee for UNESCO, ASEAN Committee on Science and Technology, Executive Committee of SIRIM, Malaysia Migration Fund Board, National Vocational Training Council and International Labour Organisation ("ILO") Governing Body.

Dato' Nik Mohd Amin does not have any conflict of interest with the Company and has not been convicted of any offences in the past five (5) years other than traffic offences. He also does not have any family relationship with any other Directors or major shareholders of the Company.

Dato' Nik Mohd Amin attended four out of the five (4/5) Board Meetings of the Company held during the financial year ended 30 June 2022.

Y. BHG. DATO' SHAHROM BIN ABDUL MAJID

INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 81 | Male | Malaysian

Y. Bhg. Dato' Shahrom Bin Abdul Majid, was appointed to the Board as Independent Non-Executive Director on 21 December 2018. He is also the Chairman of the Risk Management Committee and a member of the Remuneration and Nomination Committee. He was appointed as a member of the Audit Committee on 21 December 2018.

He graduated with a Bachelor of Science (Fisheries) degree from Tokyo University of Fisheries and a Masters of Science Degree (Extension) Education from the Louisiana State University (USA). He also attended the Senior Management Development Programme at Templeton College, Oxford.

Dato' Shahrom had a distinguished career in agriculture mainly related to the fisheries sector serving the government of Malaysia for 30 years beginning in 1966 until his retirement as Director General of Fisheries Malaysia ("DOF") in October 1996. He begins his career joining department of Fisheries, Ministry of Agriculture Malaysia rising to the rank of Deputy Director General of Fisheries Malaysia in 1983 before being appointed as Director General in 1987. He served in various capacities in the domestic and international arena related to the agriculture sector amongst others as Board Member of the National Maritime Council, Maritime Institute of Malaysia, Chairman/Council Member of the ASEAN Committee of Food, Agriculture and Forestry (Fisheries Working Group), Council Member of the Southeast Asian Fisheries Development Centre, Vice Chairman of the Indo-Pacific Fisheries Commission and member of the Pacific Economic Co-operation Council (Task Force Fisheries). Among his notable contribution to the nation fisheries industry is his role in heading the formation of the Persatuan Nelayan Kawasan and reestablishment of Marine Parks Malaysia under the jurisdiction of DOF.

Dato' Shahrom also sits on the Board of Directors of several private companies in Malaysia.

Dato' Shahrom does not have any conflict of interest with the Company and has not been convicted of any offences in the past five (5) years other than traffic offences. He also does not have any family relationship with any other Directors or major shareholders of the Company.

Dato' Shahrom attended all five (5/5) of Board Meetings of the Company held during the financial year ended 30 June 2022.

Directors' Profile (Cont'd)

BALA KRISHNAN PONNIAH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Aged 70 | Male | Malaysian

Bala Krishnan Ponniah, was appointed to the Board as a member of the Audit Committee on 23 October 2019. He was redesignated as the Chairman of Audit Committee on 1 March 2020 and appointed as a member of Remuneration and Nomination Committee on 6 April 2021.

Mr. Bala is a graduate fellow of the Institute of Chartered Accountants of England & Wales and also a member of the Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants.

He started his career in 1973 in London United Kingdom until May 1980 and has held various positions leading to Senior Manager in Frances Avis, Levin & Co. In the years 1980 to 2002, he has held various positions in Hanafiah Raslan & Mohamad and Arthur Andersen - Ernst & Young leading to Office Managing Partner of the JB & Malacca offices.

From the year 2003 until current he is holding the following senior positions:-

1. Managing Partner – BP Associates (formerly known as Moore Stephens Associates & Co.)
2. Executive Director - MSA Restructuring Sdn Bhd
3. Executive Director - MSA Tax Services Sdn Bhd
4. Consultant / Adviser - SSA Professional Services Sdn Bhd
5. Group Financial / Business Adviser - Clayton Group of Companies

Mr. Bala does not have any conflict of interest with the Company and has not been convicted of any offences in the past five (5) years other than traffic offences. He also does not have any family relationship with any other Directors or major shareholders of the Company.

Mr. Bala has attended all five (5/5) of Board Meetings of the Company held during the financial year ended 30 June 2022.

K. SELVESWARAN KANAGARATNAM

EXECUTIVE DIRECTOR

Aged 59 | Male | Malaysian

K. Selveswaran Kanagaratnam, was appointed to the Board on 23 October 2019. He is also a member of Risk Management Committee.

His experience in the real estate sector is accredited to his tenure with an established real estate firm between 1986 and 1994. In addition, he has many years of experiences as board member in a healthcare company which involved in a Government Concession of providing maintenance services of bio-medical equipment for Government hospitals.

Mr. K. Selveswaran became a part of the Pinepac family when the Group was going through a diversifying phase of its business in 1994.

In 1995, he joined Benta Plantations Berhad, now known as Pinepac, as General Manager and was later seconded to Mun Loong Bhd, a major retail subsidiary as Senior General Manager. He was then holding a senior management role overseeing the oil palm plantation and managing a retail commercial development project. With years of experience and knowledge, he was then appointed as the Group Executive Vice President in 2011 and later the Executive Director in 2019.

Mr. K. Selveswaran is the brother of Tan Sri (Dr.) Ketheeswaran, the Non-Independent Non-Executive Director of the Company.

He does not have any conflict of interest with the Company and has not been convicted of any offences in the past five (5) years other than traffic offences.

He has attended all five (5/5) of Board Meetings of the Company held during the financial year ended 30 June 2022.

Key Senior Management's Profile

K. SELVESWARAN KANAGARATNAM

EXECUTIVE DIRECTOR

Aged 59 | Male | Malaysian

Date of Appointment :

20 November 1995

Working Experience :

For more information, please visit the Directors' Profile on page 22.

TANG YOW SAN

EXECUTIVE VICE PRESIDENT -
GROUP FINANCE & CORPORATE

Aged 57 | Male | Malaysian

Date of Appointment :

1 November 1999

Qualification :

Member of Malaysian Institute of Accountants

Working Experience :

Mr. Tang Yow San, known for his vast and invaluable working experiences in accounting firms, commercial organisations, and large local financial institutions with subsidiaries of diversified activities, joined Best World Land Berhad in 1999. In addition, Mr. Tang has also ventured into corporate consultancy and accountancy services, providing services concerning listing exercises, corporate restructuring and corporate financing that includes offshore financing arrangements.

After his term with Hanafiah Roslan & Mohamad, Mr. Tang briefly joined Pembinaan Limbongan Setia Sdn Bhd while the company was in its initial stages of admission to Bursa Malaysia Securities Berhad for listing purposes. He was then appointed as its Group Accountant. In the closing months of 1991, Mr. Tang joined MBF Finance Bhd as an Assistant Manager. He left the group in 1997 as the General Manager of the Finance and Treasury Division.

TUAN HAJI ABD LATIP BIN MOHD ZAIN

PLANTATION DIRECTOR

Aged 73 | Male | Malaysian

Date of Appointment :

15 November 2007

Working Experience :

At present, Tuan Haji Abd Latip Mohd Zain's career has spanned for more than 30 years. Starting out as a Cadet Planter in 1974, Tuan Haji Abd Latip went on to gain experience in plantation management in Sime Darby Plantations. He was eventually appointed as Sime Darby Plantation Director in 1997 and held the post for three years before departing from the company in 2000.

Tuan Haji Abd Latip's line of business with Sime Darby allowed him to obtain extensive knowledge in terms of management and hands-on experience in oil palm plantations, cocoa, and rubber. Not to mention, Tuan Haji Abd Latip also served as a Board member of Consolidated Plantations Bhd as well as President Director of PT Sime Indo Agro, among many other subsidiaries of Sime Darby both in Malaysia and overseas.

Tuan Haji Abd Latip is best known for his work in the overall management and profitability of Sime Darby Plantations' estates, which are located in Malaysia and Indonesia and cover landmass of up to 90,000 hectares. His contributions to the company was instrumental in the implementation of the extensive mechanisation programme, which in turn allowed Sime Darby to be recognised as one of the most cost-efficient plantation companies in Malaysia. Tuan Haji Abd Latip's masterstroke is his widespread experience in corporate financing, especially for new developments of oil palm plantations as well as its downstream activities.

Key Senior Management's Profile (Cont'd)

AMARUTION NADARAJA

VICE PRESIDENT -
PLANTATION OPERATIONS

Aged 68 | Male | Malaysian

Date of Appointment :

1 December 1996

Qualification :

Bachelor's Degree in Mechanical Engineering from Australia and MBA from Trinity College

Working Experience :

Mr. Amarution joined Benta Plantations (Perak) Sdn Bhd in 1997 and brought along a healthy dose of passion, drive, and two decades worth of experience. Mr. Amarution's career has taken him across various oil palm related scenarios such as the commissioning of oil palm mills, open cast phosphate mine and oil palm factory management.

Mr. Amarution is also no stranger to challenges. In the span of his career he has been involved in the establishment of plantations and mills, in both Malaysia and in terrains as challenging as Papua New Guinea.

In addition to all that, Mr. Amarution is a member of the Institute of Business Administration & Management (IBAM), United Kingdom.

VIJAYAN SUBRAMANIAM

GENERAL MANAGER -
PLANTATION IN INDONESIA

Aged 60 | Male | Malaysian

Date of Appointment :

1 September 2010

Qualification :

He is a member of Incorporated Society of Planters

Working Experience :

Mr. Vijayan's career in the plantation industry started in the year 1988. For the past 30 years, he had gained vast experience in various oil palm plantation companies with extensive knowledge in managing an estate in Indonesia under PT Sinarmas group.

He had then joined Pinehill Ventures Limited in September 2010 as the Plantation Manager and thereafter been promoted as the Assistant General Manager and currently holding a position as the General Manager Plantations for Kalimantan Barat.

MUHAMMAD HAFIDZI BIN ABU BAKAR

GROUP FINANCIAL CONTROLLER

Aged 49 | Male | Malaysian

Date of Appointment :

3 February 2020

Qualification :

Member of Malaysian Institute of Accountants

Working Experience :

En. Muhammad Hafidzi has more than 20 years of progressive experience in accounting and financial management. He has a strong qualification in developing and implementing financial controls and processes in addition to productivity improvements, and change management.

He started his career in 1997 with Grant Thornton Malaysia, a public accounting firm. In 2001, he joined Protasco Berhad, a listed conglomerate with activities in construction, road maintenance, engineering services, property development and education. He held various senior positions in accounts and finance within Protasco Group, and his last position was Group Financial Controller of Protasco Berhad until 2019.

Note:

- a) None of the Key Senior Management has any conflict of interest with the Company.
- b) None of the Key Senior Management has been convicted of any offences in the past five (5) years other than traffic offences.
- c) Save for K. Selveswaran Kanagaratnam that have a family relationship, none of the Key Senior Management have any family relationship with any other Directors or major shareholders of the Company.

Audit Committee Report

COMPOSITION

The members of the Audit Committee during the financial year were as follows:

1. Mr. Bala Krishnan Ponniah
(Chairman, Independent Non-Executive Director)
2. Dato' Ong Kim Hoay
(Member, Independent Non-Executive Director)
3. Dato' Nik Mohd Amin Bin Nik Abu Bakar
(Member, Independent Non-Executive Director)
4. Dato' Shahrom Bin Abdul Majid
(Member, Independent Non-Executive Director)

TERMS OF REFERENCE

The Audit Committee is governed by the Terms of Reference, which is laid down below:

1. Composition of members

The Board shall appoint the Audit Committee members from amongst themselves, comprising no fewer than three (3) Non-Executive Directors. The majority of the Audit Committee members shall be Independent Directors.

In this respect, the Board adopts the definition of "Independent Director" as defined under the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities").

All members of the Audit Committee shall be financially literate and at least one (1) member of the Audit Committee must be:-

- a. a member of the Malaysian Institute of Accountant ("MIA"); or
- b. if he is not a member of MIA, he must have at least three (3) years of working experience and;
 - i. he must have passed the examinations specified in Part I of the First Schedule of the Accountants Act 1967; or
 - ii. he must be a member of one of the associations of the accountants specified in Part II of the First Schedule of the Accountants Act 1967; or
- c. fulfills such other requirements as prescribed or approved by Bursa Securities.

No alternate director of the Board shall be appointed as a member of the Audit Committee.

The Chairman of the Audit Committee must be Independent Director and is not the Chairman of the Board.

The cooling off period of three (3) years before a former key audit partner of the Group could be appointed as member of the Audit Committee.

The term of office and performance of the Audit Committee and each of its members shall be reviewed by the Board annually to determine whether such Audit Committee and members have carried out their duties in accordance with their terms of reference.

Retirement and resignation

If a member of the Audit Committee resigns, dies, or for any reason ceases to be a member resulting in non-compliance to the composition criteria as stated above, the Board shall within three (3) months of the event appoint such number of the new members as may be required to fill the vacancy.

2. Chairman

The members of the Audit Committee shall elect a Chairman from amongst their number who shall be an Independent Director.

In the absence of the Chairman of the Audit Committee, the other members of the Audit Committee shall amongst themselves elect a Chairman who must be Independent Director to chair the meeting.

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

3. Secretary

The Company Secretary shall be the Secretary of the Audit Committee and as a reporting procedure, the Minutes shall be circulated to all members of the Board.

4. Meetings

The Audit Committee shall meet regularly, with due notice of issues to be discussed, and shall record its conclusions in discharging its duties and responsibilities. In addition, the Chairman may call for additional meetings at any time at the Chairman's discretion.

Upon the request of the external auditor, the Chairman of the Audit Committee shall convene a meeting of the Audit Committee to consider any matter the external auditor believes should be brought to the attention of the directors or shareholders.

Notice of Audit Committee meetings shall be given to all the Audit Committee members unless the Audit Committee waives such requirement.

The Chairman of the Audit Committee shall engage on a continuous basis with senior management, such as the Executive Director, Executive Vice President - Group Finance & Corporate, Group Financial Controller, Plantation Director, and internal and external auditors in order to be kept informed of matters affecting the Company.

The Executive Director, the Executive Vice President - Group Finance & Corporate and Group Financial Controller should normally attend meetings. Other Board members, employees and representative of the internal and external auditors may attend meetings upon the invitation of the Audit Committee. The Audit Committee shall be able to convene meetings with the external auditors, internal auditors or both, without executive Board members or employees present whenever deemed necessary and at least two (2) private sessions with the external auditors.

Questions arising at any meeting of the Audit Committee shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman of the Audit Committee shall have a second or casting vote.

5. Minutes

Minutes of each meeting shall be kept at the registered office and distributed to each member of the Audit Committee and also to the other members of the Board. The Audit Committee Chairman shall report on each meeting to the Board.

The minutes of the Audit Committee meeting shall be signed by the Chairman of the meeting at which the proceedings were held or by the Chairman of the next succeeding meeting.

6. Quorum

The quorum for the Audit Committee meeting shall be the majority of members present whom must be Independent Directors.

7. Objectives

The principal objectives of the Audit Committee are to assist the Board in discharging its statutory duties and responsibilities relating to accounting and reporting practices of the holding company and each of its subsidiaries. In addition, the Audit Committee shall:-

- a. evaluate the quality of the audits performed by the internal and external auditors;
- b. provide assurance that the financial information presented by management is relevant, reliable and timely;
- c. oversee compliance with laws and regulations and observance of a proper code of conduct; and
- d. determine the quality, adequacy and effectiveness of the Group's control environment.

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

8. Authority

The Audit Committee shall, in accordance with a procedure to be determined by the Board and at the expense of the Company,

- a. have explicit authority to investigate any matter within its terms of reference, the resources to do so, and full access to information. All employees shall be directed to co-operate as requested by members of the Audit Committee.
- b. have full and unlimited/unrestricted access to all information and documents/resources which are required to perform its duties as well as to the internal and external auditors and senior management of the Company and Group.
- c. obtain independent professional or other advice and to invite outsiders with relevant experience to attend, if necessary.
- d. have direct communication channels with the external auditors and person(s) carrying out the internal audit function or activity (if any).
- e. where the Audit Committee is of the view that the matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the Listing Requirements, the Audit Committee shall promptly report such matter to Bursa Securities.

9. Duties and Responsibilities

The duties and responsibilities of the Audit Committee are as follows:-

- a. To consider the appointment of the external auditor, the audit fee and any question of resignation or dismissal;
- b. To discuss with the external auditor before the audit commences, the nature and scope of the audit, and ensure co-ordination where more than one audit firm is involved;
- c. To review with the external auditor his evaluation of the system of internal controls and his audit report;
- d. To review the quarterly and year-end financial statements of the Board, focusing particularly on;
 - any change in accounting policies and practices;
 - significant adjustments arising from the audit;
 - the going concern assumption; and
 - compliance with accounting standards and other legal requirements.
- e. To discuss problems and reservations arising from the interim and final audits, and any matter the auditor may wish to discuss (in the absence of management, where necessary);
- f. To review the external auditor's management letter and management's response;
- g. To review and update the Anti-Bribery and Corruption Policy of the Group from time to time;
- h. To do the following, in relation to the internal audit function:-
 - review the adequacy of the scope, functions, competency and resources of the internal audit function, and that it has the necessary authority to carry out its work;
 - review the internal audit programme and results of the internal audit process and, where necessary, ensure that appropriate actions are taken on the recommendations of the internal audit function;
 - review any appraisal or assessment of the performance of members of the internal audit function;
 - approve any appointment or termination of senior staff members of the internal audit function; and
 - take cognizance of resignations of internal audit staff members and provide the resigning staff member an opportunity to submit his reasons for resigning.
- i. To consider any related party transactions and conflict of interest situation that may arise within the Company or Group including any transaction, procedure or course of conduct that raises questions of management integrity;
- j. To report its findings on the financial and management performance, and other material matters to the Board;
- k. To consider the major findings of internal investigations and management's response;
- l. To verify the allocation of employees' share option scheme ("ESOS") in compliance with the criteria as stipulated in the by-laws of ESOS of the Company, if any;
- m. To determine the remit of the internal audit function;

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

9. Duties and Responsibilities (Cont'd)

- n. To consider other topics as defined by the Board; and
- o. To consider and examine such other matters as the Audit Committee considers appropriate.

ATTENDANCE AT MEETINGS

A total of five (5) Audit Committee meetings were held during the financial year ended 30 June 2022. The details of attendance of each of the Audit Committee member are as follows:-

Composition of the Audit Committee	Number of Audit Committee Meetings	
	Held During Tenure in Office	Attended
Mr. Bala Krishnan Ponniah	5 meetings	5 meetings
Dato' Ong Kim Hoay	5 meetings	5 meetings
Dato' Nik Mohd Amin Bin Nik Abu Bakar	5 meetings	4 meetings
Dato' Shahrom Bin Abdul Majid	5 meetings	5 meetings

SUMMARY OF ACTIVITIES

The activities of the Audit Committee during the financial year, are summarised as follows:-

1. Reviewed the unaudited quarterly financial results announcements for the financial quarters ended 30 September 2021, 31 December 2021, 31 March 2022 and 30 June 2022 with Management before recommending the same to the Board of Directors' for consideration and approval;
2. Reviewed the audited financial statements for the financial year ended 30 June 2021 together with the External Auditors' management letter and management's response;
3. Reviewed with the External Auditors the audit plan of the Company and of the Group for the financial year ended 30 June 2022 (inclusive of audit approach and scope of work) prior to the commencement of the annual audits;
4. Reviewed the audit fees and made recommendation to the Board on their re-appointment and remuneration;
5. Reviewed the Audit Committee Report and Statement on Risk Management and Internal Control before recommending for the Board of Directors' approval for inclusion in the Company's 2022 Annual Report;
6. Evaluated the overall effectiveness of the system of internal controls through a review of the results of work performed by Internal and External Auditors and discussions with key senior management; and
7. Reviewed the internal audit reports, recommendations and Management's response. Discussed with Management actions taken to improve the internal controls system based on internal audit findings.

INTERNAL AUDIT FUNCTION

The Audit Committee is supported by the outsourced Internal Auditor, PT Hadibroto ShineWing Consulting who reports directly to the Audit Committee and is independent of the activities it audits. The Internal Auditor is responsible in providing an independent evaluation and review of the adequacy and effectiveness of the internal control system, governance and operational control processes within the Group and its adherence to the already established policies, procedures and standards, and statutory requirements; and where necessary, to provide recommendations for improvements in controls to the existing systems and work processes which is governed by International Standards for the Professional Practice of Internal Auditing (Standards).

In attaining such objectives, the following activities were carried out by the internal auditor during the financial year ended 30 June 2022:

1. ascertained the extent of compliance with established policies, procedures and statutory requirements;
2. recommended improvements to the existing system of controls based on weaknesses identified in the course of their audit and the Management's response thereto; and
3. identified opportunities to improve the operations and processes within the Group.

Costs incurred for the internal audit function in respect of the financial year ended 30 June 2022 amounted to RM46,711.

Overview on Corporate Governance

The Board is pleased to provide an overview of the corporate governance practices adopted by the Company. The Overview summarises the application by the Company the Principles and Recommendations of the Malaysian Code of Corporate Governance 2021 (“the Code” or “MCCG”) during the financial year ended 30 June 2022. This Overview and Corporate Governance Report was approved by the Board on 21 October 2022.

A. BOARD LEADERSHIP AND EFFECTIVENESS

Board Responsibilities

Clear functions of the Board and Management

The Board is responsible for the oversight and overall management of the Company. To ensure the effective discharge of its function and responsibilities, the Board has delegated specific powers of the Board to the Independent Non-Executive Chairman, relevant Board Committees, and the Management.

There is a schedule of matters specifically reserved for the Board’s decision, including amongst others, the approval of corporate plans and budgets, material acquisitions and disposal of assets, major capital projects, financial results and Board appointments. The Company has formalised and adopted a Board Charter which sets out a list of specific roles and functions, applicable to the Board whilst containing other matters that are significant for maintaining high standards of corporate governance. The Board Charter is accessible through the Company’s website at www.pinepac.com.my and will be reviewed annually to ensure it remains consistent with the Board’s objectives, responsibilities and practices.

Board Committees are entrusted with specific responsibilities to oversee the Group’s affairs in accordance with their respective Terms of Reference (“TOR”). Although specific powers are delegated to the Board Committees, the Board continues to keep itself abreast of the actions and decisions taken by each Board Committee, including key issues, via reports by the Chairman of each of the Board Committees to the Board at Board meetings.

The Independent Non-Executive Chairman represents the Board to the shareholders. The Independent Non-Executive Chairman is responsible for ensuring the integrity and effectiveness of the Board and will consult with the Board promptly over any matter that gives him cause for major concern.

The Independent Non-Executive Chairman will act as a facilitator at meetings of the Board and to ensure that no Board members, whether executive or non-executive, dominates the discussion, and that appropriate discussions take place, and that relevant opinions amongst Board members are forthcoming.

The Executive Director is accountable to the Board for the achievement of the Company’s goals and for the observance of the management’s authority. He shall be the head of the Management of the Company and the Group, and in that capacity, is answerable to the Board.

The Board has set out in a formal statement of its principal roles and responsibilities, which are described below:-

- Reviewing and adopting a strategic plan for the Company;
- Overseeing the conduct of the business of the Company;
- Identification of principal risks and ensuring appropriate systems for risk management are in place;
- Succession planning for senior management;
- Investors relations programme and shareholder communications policies; and
- Reviewing the adequacy and integrity of management information and internal control systems.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

All the Directors are provided with an agenda and a set of Board papers prior to Board meetings or Committee meetings to enable the Directors to obtain further information or explanations, where necessary, in order to be briefed adequately before the meeting. The Board papers include, amongst others, the following information:-

- Quarterly financial results;
- Performance report of the Group;
- Business plans and budgets;
- Strategies for progress;
- Major operational and financial matters;
- Updates on statutory regulations and requirements affecting the Company and the Group; and
- Relevant market information/research papers for decision-making.

Minutes of previous Board meetings are circulated to the Directors prior to the Board Meetings to give the Directors sufficient time to consider and deliberate on the issues to be discussed at the Board meetings. Minutes of the Board meetings are maintained by the Company Secretaries.

The Board has approved an agreed procedure to enable the Directors to seek independent professional advice, if necessary, at the Company's expense (up to a maximum of RM50,000/-). Before incurring such professional fees, the Director concerned must consult the Chairman or with two (2) other Directors (one of whom is Non-Executive).

In addition, there is a formal procedure for Directors to have access to all staff for any information they require within the Company, whether via the Board as a whole or in their individual capacity, in furtherance of their duties.

All Directors have full access to the advice and services of the Company Secretaries who are responsible for ensuring that Board meeting procedures are adhered to and that applicable rules and regulations are complied with. The Directors will be updated by the Company Secretaries on new statutory requirements relating to their duties and responsibilities.

The Board is supported by the Company Secretaries in the discharge of its functions. The Company Secretaries play an advisory role to the Board in relation to the Company's constitution, Board's policies and procedures and compliance with the relevant regulatory requirements, codes or guidance and legislations. The Company Secretaries ensure that deliberations at the Board and Board Committees are well captured and minuted, and subsequently communicated to the relevant management for necessary action. The Board is updated by the Company Secretaries on the follow-up or implementation of its decisions and/or recommendations by the Management until the closure of such matter.

The Company Secretaries constantly keep themselves abreast of the evolving capital market environment, regulatory changes and developments in corporate governance through continuous training.

The Board's Charter is available on the corporate website. The document sets out and clarifies, inter-alia, the roles and responsibilities of the Board, including its Committees, and the processes and procedures for convening their meetings. It serves as a reference providing prospective and existing Board members and Management insight into the fiduciary and leadership functions of the Directors of the Company.

The Company has put in place codes of ethics for Directors and employees to govern the standards of ethics and good conduct. For Directors, the Board observes the Company Directors' Code of Ethics established by the Companies Commission of Malaysia. For employees, the code of ethics covers all aspects of the Group's business operations, including confidentiality of information, dealings in securities, conflict of interest, entertainment and gifts, as detailed in the Employees' Handbook.

The Board also adopted the Anti-Bribery and Corruption Policy to set out the Group approach in combating bribery and corruption, the said policy also been made available on the Company's website.

In addition, the Company has formalised a whistleblowing policy in 2013. The Board acknowledges that misconduct in any company such as violation of laws, rules, regulations, fraud, health and safety violations or corruption are usually known first by the people who work in or with the Group. An early warning system such as a whistleblowing procedure can help the Group detect wrongdoings and alert the Group to take corrective action before a problem becomes a crisis. A whistleblowing system strengthens, supports good management and at the same time demonstrates accountability, provides good risk management and sound corporate governance practices. The whistleblowing procedure enables employees to report their concerns known without fear of retaliation and with the knowledge that their complaints will be acted upon and their identity is kept confidential. The Audit Committee is responsible for receiving report(s) made by employees for the purpose of whistleblowing.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition

The Group is headed by an experienced Board consisting of members with a wide mix of knowledge, business acumen, management skill, industry expertise cum financial and public service background which forms an invaluable asset in their thorough examination and deliberations of the various key issues and matters involving the Group's decisions. A brief profile of each Director is presented in this Annual Report (Pages 20-22).

The Board currently consists of six (6) members and is made up of one (1) Independent Non-Executive Chairman, three (3) Independent Non-Executive Directors, one (1) Non-Independent Non-Executive Director and one (1) Executive Director. The Board's composition complies with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Main LR") which requires a minimum of two (2) or one-third (1/3) of the Board members to be Independent Non-Executive Directors.

There is a balance of power and authority in the Board, with the Executive Director being primarily responsible for overseeing the day-to-day operations of the Group.

The Independent Non-Executive Chairman/Directors are professionals of calibre and credibility who play pivotal roles by contributing their knowledge, expertise and experience towards making independent judgement on issues of strategies, performances, resources and standard of conducts by further ensuring that the long term interest of minority shareholders, employees, customers, suppliers and general public are given due consideration.

None of the Directors of the Company hold more than five (5) directorship of listed companies as provided under Paragraph 15.06 of the Main LR.

No individual or a group of individuals dominates the decision making of the Board and therefore, the Board is able to effectively discharge its responsibilities as set out in the Code.

On 21 October 2022, the Board, through Remuneration and Nomination Committee ("RNC"), assesses the independence of the Company's Independent Directors. The assessment of the Independent Directors took into consideration whether they were able to exercise independent judgment objectively and whether they met the criteria of independence as prescribed by Bursa Malaysia Securities Berhad.

Based on an assessment done in 2022, the Board is generally satisfied with the level of independence demonstrated by all Independent Directors, and their ability to act in the best interest of the Company.

The Code recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. The Board must justify and seek shareholders' approval in the event it retains as an Independent Director, a person who has served in that capacity for more than 9 years.

Dato' Ong Kim Hoay and Dato' Nik Mohd Amin Bin Nik Abu Bakar, Independent Non-Executive Directors of the Company had served the Company for more than 12 years. The RNC is satisfied that the said Directors have satisfactorily demonstrated that they are independent of the Company's management and free from involvement in any business or other relationship which could interfere with the exercise of independent judgment, objectivity or the ability to act in the best interests of the Company, in accordance with the definitions set out in Chapter 1 of the Main LR. The Board, therefore, recommends and supports the proposals to retain the said Directors as Independent Non-Executive Directors of the Company, and that such proposals would be tabled at the 100th Annual General Meeting ("AGM"), in accordance with the Code, for shareholders' approval. Two-tier voting process will be applied in the AGM for retaining any Independent Director serving beyond nine (9) years. Detailed justifications for retaining the Directors as Independent Non-Executive Directors are set out in the explanatory notes of the notice of AGM.

The Board believes that the independence of mind of the abovenamed Directors coupled with their skills, experience and integrity in exercising their objective and independent judgment to discharge their duties and responsibilities in good faith and in the best interest of the Company are of utmost importance. These attributes are more critical in ascertaining the function and effectiveness of the Independent Directors than the number of years they have served on the Board.

In accordance with the Company's Constitution, all Directors shall retire from office at least once in every three (3) years and are eligible to offer themselves for re-election. Directors who are appointed by the Board are subject to election by the shareholders at the next AGM following their appointment.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (Cont'd)

A formal and transparent procedure exists for the appointment of new Directors to the Board, the primary responsibility of which has been delegated to the RNC. Under this procedure, the RNC would recommend to the Board suitable candidates for directorships. The RNC would also ensure that candidates possess the requisite skills and core competencies to be deemed fit and proper, and to be appointed as Director in accordance with all applicable laws, rules and regulations as well as the Main LR.

The nomination process is clearly and transparently set out as part of the Company's policy on the Company's procedure on appointment of new Directors and/or to fill the seats on Board Committees. The nomination process involves the following processes:-

- Board members will recommend candidate for new appointment or to fill the seats on Board Committees;
- RNC will review and evaluate the eligibility of the proposed candidate;
- After evaluation, the RNC will report its findings to the Board by using a Nomination Form;
- The Board will then make decision accordingly whether to appoint such candidate as new Director or to fill the seats on the Board Committees;
- If the proposed candidate does not comply with the required expertise, qualification and experience ("the Requirements"), the Board will propose another new candidate;
- If the proposed candidate complies with the Requirements, the Board will resolve to appoint such candidate as new Director subject to the fulfilment of statutory requirements or to fill the seats on the Board Committees; and
- Thereafter, announcement will be made to Bursa Malaysia Securities Berhad and all prescribed forms/documents will be lodged with the relevant authorities to effect such appointments.

The RNC annually reviews the effectiveness of the Board and Board Committee and the contribution of each individual Directors, including the required mix of skills, experience and other qualities of the Board.

On 19 October 2022, the RNC carried out the annual assessment required under the RNC's TOR in respect of the financial year ended 30 June 2022. The RNC also reviews the performance of the Director retiring by rotation under the Clause 100 of the Company's Constitution. The RNC further reviews the Board composition in conjunction with the Board's nine-year policy for Independent Directors.

Gender diversity policy

The Board is aware of the gender diversity policy as set out in the Code. When appointing a Director, the RNC and the Board would always evaluate and match the criteria of the candidate to the Board based on experience, skill, competency, knowledge and potential contribution, whilst the Code would also be given due consideration for boardroom diversity.

The Board is aware of the importance of boardroom diversity and is indeed supportive of the recommendation of MCCG to the establishment of boardroom and workforce policy and as such are striving in the right direction to ensure the boardroom comprises of at least 30% women Directors by sourcing for suitable female candidate to sit on the board of the Company.

The RNC will continue to take the necessary steps to ensure that gender, age and ethnicity of the candidates will be taken into consideration as part of its recruitment exercise.

A total of five (5) Board meetings were held during the financial year under review. The record of attendance of these meetings by the current Board is as follows:

Directors	Attendance	Percentage
Dato' Ong Kim Hoay	5/5	100%
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam	4/5	80%
Dato' Nik Mohd Amin Bin Nik Abu Bakar	4/5	80%
Dato' Shahrom Bin Abdul Majid	5/5	100%
Mr. Bala Krishnan Ponniah	5/5	100%
Mr. K. Selveswaran Kanagaratnam	5/5	100%

During the financial year, all the Directors have complied with the minimum attendance at the Board Meetings as stipulated by Main LR.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

All Directors of the Company have attended the Mandatory Accreditation Programme prescribed by Bursa Malaysia Securities Berhad. The Directors are encouraged to attend programme and seminars to keep abreast with the developments in the industry and market place in order to equip themselves to effectively discharging their duties as Directors in compliance with Paragraph 15.08 of the Main LR.

During the financial year, the Directors of the Company attended various training programme, as follows:

Name	Programme
Dato' Ong Kim Hoay	The Revision Made to the Malaysian Code on Corporate Governance 2021
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam	The Revision Made to the Malaysian Code on Corporate Governance 2021
Dato' Nik Mohd Amin Bin Nik Abu Bakar	The Revision Made to the Malaysian Code on Corporate Governance 2021
Dato' Shahrom Bin Abdul Majid	The Revision Made to the Malaysian Code on Corporate Governance 2021
Mr. Bala Krishnan Ponniah	The Revision Made to the Malaysian Code on Corporate Governance 2021
Mr. K. Selveswaran Kanagaratnam	The Revision Made to the Malaysian Code on Corporate Governance 2021

Throughout the financial year, the Directors also received updates from time to time, particularly, on developments of the Main LR from the Company Secretaries. Meetings with Senior Management are arranged for enhancement of their knowledge, particularly in respect of the operations of the Group.

Remuneration and Nomination Committee

The Remuneration and Nomination Committee ("RNC") comprises three (3) Non-Executive Directors. The RNC is delegated with the following responsibilities:

- Recommend candidates to the Board for directorship and to fill the vacancy, if any, on Board Committees;
- Review annually the required mix of skills, experience and other qualities of the Board;
- Assess annually the effectiveness of the Board as a whole and contribution of each Director;
- Provide orientation and education program for new appointments;
- Review, assess and recommend to the Board the remuneration packages of the Executive Directors in all its forms;
- Recommend to the Board on all elements of the remuneration, terms of employment, reward structure and fringe benefits for Executive Directors; and
- Develop the remuneration policy for Executive Directors.

The Board is satisfied that the RNC, in its current structure, effectively and efficiently discharges its functions in respect of all nomination and remuneration matters, listed separately in its TOR for the purpose of clarity. As such, there is no need to separate the nomination and remuneration functions into discrete nomination and remuneration committees. Full details of the functions and duties of the RNC are set out in its TOR which is available via the Company's website at www.pinepac.com.my.

The objective of the Group's policy on Directors' remuneration is to ensure that the Group attracts and retains Directors of the highest calibre, necessary to run the Group successfully, relevant to the achievement of the Group's strategic objectives and at the same time protect the interest of shareholders.

In the case of an Executive Director, the components of the remuneration package are linked to performance, service seniority, experience and scope of responsibility/ies. For Non-Executive Directors, the Company pays their allowances based on attendance of meetings and the level of responsibilities undertaken. In addition, Non-Executive Directors are provided with Directors' fees. The Directors' fees and meeting attendance allowance are subject to shareholders' approval at the AGM.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Remuneration and Nomination Committee (Cont'd)

On 21 October 2022, the Board approved the RNC's recommendation to maintain a similar quantum of Directors' fees for the financial year 2022, and the benefits payable to the Directors of the Company which comprises meeting attendance allowances, both of which are to be recommended and tabled at the 100th AGM to be held on 19 December 2022 for shareholder approval.

In terms of the disclosure of details of the remuneration of each Director, the Board is of the view that the transparency and accountability aspects of corporate governance as applicable to Directors' remuneration are appropriately served by the "band disclosure" as required by the Main LR.

Details of Directors' remuneration for the financial year ended 30 June 2022, distinguishing between Non-Executive Chairman ("NEC"), Non-Executive Directors ("NED"), Non-Independent Non-Executive Director ("NINED") and Executive Director ("ED") in aggregate, with categorisation into appropriate components are set out below:

Name of Directors	Salaries/ Fees (RM)	EPF (RM)	Allowance (RM)	Other Benefits (RM)	Total RM
Dato' Ong Kim Hoay	42,000	-	10,000	-	52,000
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam	653,933	74,152	6,000	-	734,085
Dato' Nik Mohd Amin Bin Nik Abu Bakar	36,000	-	10,500	-	46,500
Dato' Shahrom Bin Abdul Majid	36,000	-	8,500	-	44,500
Mr. Bala Krishnan Ponniah	42,000	-	10,500	-	52,500
Mr. K. Selveswaran Kanagaratnam	360,000	43,200	-	593	403,793

B. EFFECTIVE AUDIT AND RISK MANAGEMENT

Audit Committee

The roles, responsibilities and activities of the Audit Committee in respect of effective audit and risk management is explained in the Audit Committee Report on pages 25 to 28 of the Annual Report. The Company in its continuous efforts to uphold high standards of governance, has formalised and adopted the Audit Committee's TOR. Full details of the Audit and Risk Management Committee's duties and responsibilities are stated in its TOR which is available on the Company's website at www.pinepac.com.my.

Risk Management and Internal Control Framework

The Board is aware of the need for proper risk assessment, which is a critical component of a sound internal control system. This will ensure that good corporate governance is an integral part of the Group's effective management systems. Full details of the Risk Management Committee's duties and responsibilities are stated in its TOR which is available on the Company's website at www.pinepac.com.my.

The Company's outsourced Internal Auditor in Indonesia, PT Hadibroto ShineWing Consulting, reports directly to the Audit Committee and is independent of the activities it audits. The internal audit function is headed by Mr. Agus Rusly, who is assisted by a manager and supported by several staffs. Mr. Agus has diverse professional experience in internal audit, accounting and finance, and property development and management. He holds a degree in Bachelor of Economy (Accounting) and Master in Management (Strategic Management) from Indonesian universities. The Audit Committee reviews and approves the audit programme and ensures there are adequate resources available for the Internal Auditors to carry out their audit responsibilities. Details of the Group's risk management and internal control system are set out in the Statement on Risk Management and Internal Control of this Annual Report.

Overview on Corporate Governance (Cont'd)

C. INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDER

Communication with stakeholders

The Company has put in place a Corporate Disclosure Policy, setting out the policies and standard operating procedures in disseminating of corporate information to, and in dealing with shareholders, stakeholders, analysts, media, regulators and the investing public. Clear roles and responsibilities of Directors, management and employees are provided together with levels of authority, to be accorded to 'designated person(s)', spokespersons and committees in the handling and disclosure of material information. In formulating such document, the Board took into consideration of the best practices and disclosure requirements provided for in the Main LR.

Leveraging on Information Technology for effective dissemination of Information

The Board recognizes the importance of information technology for effective dissemination of information. To this end, the Group maintains a corporate website www.pinepac.com.my which allows all shareholders and investors access to information about the Group. The said website also provides a dedicated section for corporate governance, which provides information such as the Board Charter, annual reports and all announcements made by the company and is accessible by public.

The Board recognizes the importance of accountability to its shareholders through proper and equal dissemination of information to its shareholders. Towards this end, the Company adheres strictly to the disclosure requirements of Bursa Malaysia Securities Berhad.

The Company reaches out to its shareholders through:

- the distribution of its annual report;
- quarterly financial results announcements;
- various disclosures and announcements made to Bursa Malaysia Securities Berhad; and
- the Company's website at www.pinepac.com.my which shareholders can access for information.

Contact for investors relation matters is as follows:

Tang Yow San
Executive Vice President - Group Finance & Corporate
Tel: 03-8938 9830
Fax: 03-8947 0333

Conduct of General Meeting

Annual General Meeting of the Company provides the principal forum for dialogue and interaction with shareholders. The Annual Report together with the Notice of AGM are sent to shareholders at 28 days before the date of the meeting.

At the AGM, shareholders are at liberty to raise questions pertaining to the agenda for discussion at the meeting. Members of the Board, Key Senior Management as well as the Auditors of the Company are present to answer questions raised at the meeting.

The Minutes of the general meetings (including all the questions raised at the meeting and the answers thereto) will be made available on the Company's website.

The outcome of the general meeting will be announced to Bursa Malaysia Securities Berhad on the same day, the same is also accessible on the Company's website.

Statement on Risk Management and Internal Control

This statement on risk management and internal control by the Board is made pursuant to Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (“Bursa Securities”) and guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

THE BOARD’S RESPONSIBILITIES

The Board of Directors (“Board”) of Pinehill Pacific Berhad (“the Company” or “the Group”) acknowledges its overall responsibility in maintaining a sound system of internal control and risk management practices of the Group and for reviewing the adequacy and integrity of the system periodically to safeguard the interest of the Company’s shareholders and the Group’s assets.

The system of risk management and internal control is designed to manage rather than eliminate the risk of failure in achieving the Group’s corporate objectives and can only provide reasonable but not absolute assurance against any material misstatement or loss.

THE RISK MANAGEMENT PROCESS

The Group has a Risk Management Committee through which an ongoing process for identifying, evaluating and managing the significant risks faced by the Group in its achievement of objectives and strategies is in place throughout the financial year under review and up to the date of approval of this statement. This is further assured by the implementation of an internal control system that has been integrated in the Group’s operations and working culture. Therefore, any significant risk arising from factors within the Group and from the changes in business environment can be addressed on a timely basis.

THE INTERNAL CONTROL PROCESS

The other key features of the Group’s internal control system include the following:

- The Group has an appropriate organizational structure, which enables adequate monitoring of the activities and ensures effective flow of information across the Group;
- Internal policies and procedures are documented through a series of manuals for all major operations of the Group;
- The Audit Committee reviews and scrutinizes the audit report by the Internal Auditor; and
- The Board meets at least quarterly and has set a schedule of matters which is required to be brought to its attention for discussion, thus ensuring that it maintains full and effective supervision over appropriate controls. The Executive Director provides explanation to the board on pertinent issues. In addition, the Board is kept updated on the Group’s activities and its operation on quarterly basis.

The internal audit function of the Group is carried out by outsourced Internal Auditor, PT Hadibroto ShineWing Consulting, which reports directly to the Audit Committee of the Company. The role of the internal auditor is to review the adequacy, integrity and effectiveness of the Group’s system of risk management and internal controls to mitigate the risks of the Group including financial, operational and compliance risks.

MONITORING PROCESS

The Audit Committee has full and direct access to internal auditor and receives reports on all internal audits performed. The Internal Auditor continues to independently and objectively monitor compliance with regard to policies and procedures, and the effectiveness of the internal controls systems. Significant findings and recommendations for improvement are highlighted to the Management and the Audit Committee, with follow-up of the implementation of action plans. The Management is responsible for ensuring that corrective actions were implemented accordingly.

Based on the reports from the Internal Auditor, some weaknesses in internal control were identified and measures have been or are being taken to address these weaknesses. None of these weaknesses have resulted in any material losses, contingencies or uncertainties that would require disclosure in the Group’s annual report.

Statement on Risk Management and Internal Control (Cont'd)

CONCLUSION

The Board has undertaken a review on the adequacy and effectiveness of the risk management and internal control system which comprise the respective framework, management processes, monitoring processes described in this statement and considered them adequate and effective. While the Board acknowledges that the system of risk management and internal control does not eliminate the possibility of collusion or deliberate circumvention of procedures by employees, human errors and/or other unforeseen circumstances that result in poor judgment, it has nonetheless receive assurance from the Executive Director and Group Financial Controller that the Company's risk management and internal control system is operating adequately and effectively, in all material respects, for the financial year ended 30 June 2022. The Group continues to take measures to enhance and strengthen the internal control environment.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors have conducted limited assurance engagement on this Statement on Risk Management and Internal Control in accordance with Malaysian Approved Standard on Assurance Engagements, ISAE 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and reported to the Board that based on the procedures performed, nothing has come to their attention that causes them to believe that the Statement on Risk Management and Internal Control intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers to be set out, nor is factually inaccurate.

This Statement on Risk Management and Internal Control had been approved by the Board of the Company on 21 October 2022.

Additional Compliance Information

In order to comply with Bursa Malaysia Securities Berhad's Main Market Listing Requirements, the following additional information is provided:-

1. Audit and Non-audit fees

The amount of audit and non-audit fees paid to the Company's external auditors and their affiliates by the Group and the Company respectively for the financial year ended 30 June 2022 are as follows:-

	Group RM	Company RM
Audit services rendered	190,152	40,000
Non-audit services rendered	5,000	5,000

2. Material contracts

Since the end of the previous financial year, the Company and its subsidiaries have not entered into any material contract/s involving its Directors and/or major shareholders.

3. Recurrent related party transactions of revenue nature

During the financial year ended 30 June 2022, the Company did not enter into any recurrent related party transactions of revenue/trading nature.

4. Utilisation of proceeds

The status of the utilisation of proceed from the disposal of plantation assets in Malaysia ("the Disposal") in 2019 of RM413,574 million as at 30 June 2022 was as follows:

	Proposed utilization as per circular to shareholder dated 27/12/2018 RM'000	Actual utilisation as at 30/6/2022 RM'000	Proceeds balance as at 30/6/2022 RM'000
Repayment of bank borrowings	126,700	(126,700)	-
Payment to creditors	111,700	(111,700)	-
Funding of oil palm business in Indonesia:			
- rehabilitation program and working capital	51,000	(14,760)	36,240
- construction of palm oil mill	44,000	-	44,000
Dividend to minority shareholders of a subsidiary	2,400	(2,361)	39
Working capital	19,274	-	19,274
Supplement agreements as announced 11 June 2019	12,500	(12,500)	-
Estimated expenses in related to proposed Disposal	46,000	(45,988)	12
Net interest income	-	7,155	7,155
	413,574	306,854	106,720

Directors' Responsibility Statement

The Board of Directors is responsible for ensuring that the financial statements of the Group and of the Company are drawn up in accordance with the requirements of the applicable approved accounting standards, the provisions of the Companies Act 2016 and Bursa Malaysia Securities Berhad's Main Market Listing Requirements. The Board is committed to ensure that the financial statements of the Group and of the Company give a true and fair view of the state of affairs of the Group and the Company, and of their results and cash flows for that financial year.

In preparing the financial statements of the Group and of the Company, the Directors have adopted appropriate accounting policies and applied them consistently and prudently. The Directors have also ensured that those applicable accounting standards have been adhered to and confirms that the financial statements have been prepared on a going concern basis.

The Board of Directors is responsible for ensuring that proper accounting records are kept, which discloses with reasonable accuracy the financial position and performance of the Group and of the Company at any given time.

In assessing the adequacy and effectiveness of the system of internal control and accounting control procedures of the Group, the Audit Committee reports to the Board, its activities, significant results, findings and the necessary recommendations or changes to be implemented.

The Board of Directors are responsible for taking such steps that as are reasonably open to them to safeguard the assets of the Group, and to prevent and detect fraud and other irregularities.

This statement is made in accordance with the resolution of the Board of Directors dated 21 October 2022.

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Independent Auditors' Report

Directors' Report

The Directors hereby submit their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 June 2022.

PRINCIPAL ACTIVITIES

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements.

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

RESULTS

	Group RM	Company RM
Loss for the financial year, net of tax	(9,643,037)	(214,392)
Attributable to:-		
Owners of the Company	(7,883,739)	(214,392)
Non-controlling interests	(1,759,298)	-
	(9,643,037)	(214,392)

DIVIDENDS

The Director recommend a single tier first and final dividend of 3.0 sen per share in respect of the current financial year for shareholders' approval at the forthcoming Annual General Meeting. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 30 June 2023.

RESERVES OR PROVISIONS

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

BAD AND DOUBTFUL DEBTS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ascertain that action had been taken in relation to the writing off for bad debts and the making of allowance for doubtful debts and had satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render it necessary to written off any bad debts or the amount of allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent.

Directors' Report (Cont'd)

CURRENT ASSETS

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Group and of the Company had been written down to an amount which they might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

VALUATION METHODS

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

CONTINGENT AND OTHER LIABILITIES

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

- (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; and
- (ii) any contingent liabilities in respect of the Group or of the Company which has arisen since the end of the financial year.

In the opinion of the Directors, no contingent or other liability of the Group or of the Company 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 as and when they fall due.

CHANGE OF CIRCUMSTANCES

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

ITEMS OF MATERIAL AND UNUSUAL NATURE

In the opinion of the Directors:-

- (i) the results of the operations of the Group and of the Company for the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; 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 and of the Company for the financial year in which this report is made.

ISSUE OF SHARES AND DEBENTURES

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

There was no issuance of debentures during the financial year.

Directors' Report (Cont'd)

DIRECTORS

The Directors in office during the financial year and during the period from the end of the financial year to the date of the report are:-

Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam
Dato' Ong Kim Hoay *
Dato' Nik Mohd Amin Bin Nik Abu Bakar *
Dato' Shahrom Bin Abdul Majid *
K. Selveswaran A/L Kanagaratnam *
Bala Krishnan A/L Ponniah

* Directors of the Company and certain subsidiaries

Other than as stated above, the name of the Director of the subsidiaries of the Company in office during the financial year and during the period from the end of the financial year to the date of the report are:-

Tuan Haji Abdul Latip Bin Mohd Zain
Amarution A/L Nadaraja^

^ Resigned on 9 May 2022 as Director of Syarikat Kaum Melayu Hilir Perak Sdn Bhd

DIRECTORS' INTERESTS

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

(a) Interests in the Company

	Number of ordinary shares			At 30.6.2022
	At 1.7.2021	Bought	Sold	
Direct interests				
Dato' Ong Kim Hoay	21,000	-	-	21,000
Indirect/deemed interests				
Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam	48,432,524	-	-	48,432,524

(1) Deemed interested by virtue of the spouse's interest in Allgrow Capital Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 in Malaysia - 34,132,524 ordinary shares

(2) Indirect interest by virtue of the spouse's interest - 14,300,000 ordinary shares

(b) Interests in non-wholly owned subsidiaries

(i) Pinehill Plantations (Malaysia) Sdn. Bhd.

	Number of ordinary shares			At 30.6.2022
	At 1.7.2021	Bought	Sold	
Indirect interests				
K. Selveswaran A/L Kanagaratnam	1	-	-	1
Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam	47,627,175	-	-	47,627,175

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (CONT'D)

(b) Interests in non-wholly owned subsidiaries (Cont'd)

(ii) Tahir, Rozlan and Tasariff Sdn. Bhd.

	At 1.7.2021	Number of ordinary shares		At 30.6.2022
		Bought	Sold	
Indirect interest				
K. Selveswaran A/L Kanagaratnam	1	-	-	1
Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam	2,191,990	-	-	2,191,990

(iii) PT Makmur Jaya Malindo

	At 1.7.2021	Number of ordinary shares		At 30.6.2022
		Bought	Sold	
Indirect interest				
Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam	8,000	-	-	8,000

(iv) PT Inma Jaya Group

	At 1.7.2021	Number of ordinary shares		At 30.6.2022
		Bought	Sold	
Indirect interest				
Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam	760	-	-	760

By virtue of his interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam is deemed to have an interest in the ordinary shares of the related corporations to the extent that the Company has an interest.

Other than as stated above, none of the other Directors in office at the end of the financial year had any interest in ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive any benefit other than benefits included in the aggregate amount of emoluments received or due and receivable, by the Directors as disclosed in Note 24 to the financial statements by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Neither during, nor at the end of the financial year, was the Company a party to any arrangements where the object is to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' Report (Cont'd)

INDEMNITY TO DIRECTORS AND OFFICERS

During the financial year, there were no indemnity given to or insurance effected for, any Director and Officer of the Company.

SUBSIDIARIES

The details of the Company's subsidiaries are disclosed in Note 7 to the financial statements.

The auditors' report on the audit of the financial statements of the Company's subsidiaries did not contain any qualification.

SIGNIFICANT EVENT

Details of significant event is disclosed in Note 31 to the financial statements.

AUDITORS' REMUNERATION

The total amount of fees paid to or receivable by the Auditors, Grant Thornton Malaysia PLT, as remuneration for their services as Auditors of the Company and its subsidiaries for the financial year ended 30 June 2022 are disclosed in Note 23 to the financial statements.

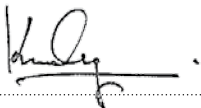
INDEMNITY TO AUDITORS

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extend permissible under the provision of the Companies Act 2016 in Malaysia. However, no payment has been made arising from this indemnity for the financial year ended 30 June 2022.

AUDITORS

The Auditors, Grant Thornton Malaysia PLT have expressed their willingness to continue in office.

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



DATO' ONG KIM HOAY
Director



K. SELVESWARAN A/L KANAGARATNAM
Director

Date: 21 October 2022

Statements of Financial Position

As At 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	64,209,724	65,745,210	-	-
Right-of-use assets	6	19,856,486	19,149,904	-	-
Investment in subsidiaries	7	-	-	68,608,456	68,608,456
Other investment	8	29,556,476	59,618,480	-	-
Total non-current assets		113,622,686	144,513,594	68,608,456	68,608,456
Current assets					
Biological assets	9	3,594	26,745	-	-
Inventories	10	808,721	640,687	-	-
Trade and other receivables	11	816,429	746,697	6,070	16,070
Amount owing by subsidiaries	12	-	-	70,843	350,736
Tax recoverable		33,237	32,537	-	-
Cash and short-term deposits	13	76,561,424	55,165,215	2,777	2,389
Total current assets		78,223,405	56,611,881	79,690	369,195
TOTAL ASSETS		191,846,091	201,125,475	68,688,146	68,977,651
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	14	74,902,067	74,902,067	74,902,067	74,902,067
Other reserves	15	6,788,411	5,009,540	-	-
Retained earnings/(Accumulated losses)		111,434,509	119,318,248	(6,482,878)	(6,268,486)
		193,124,987	199,229,855	68,419,189	68,633,581
Non-controlling interests		(9,310,165)	(6,934,737)	-	-
TOTAL EQUITY		183,814,822	192,295,118	68,419,189	68,633,581
Non-current liabilities					
Lease liability	6	50,121	-	-	-
Deferred tax liabilities	16	1,567,839	1,567,839	-	-
Total non-current liabilities		1,617,960	1,567,839	-	-
Current liabilities					
Trade and other payables	17	6,398,639	7,262,518	268,957	344,070
Lease liability	6	14,670	-	-	-
Total current liabilities		6,413,309	7,262,518	268,957	344,070
TOTAL LIABILITIES		8,031,269	8,830,357	268,957	344,070
TOTAL EQUITY AND LIABILITIES		191,846,091	201,125,475	68,688,146	68,977,651

The accompanying notes form an integral part of these financial statements.

Statements of Profit or Loss and Other Comprehensive Income

For the Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Revenue	18	1,366,778	1,105,432	476,272	1,428,815
Cost of sales	19	(8,172,276)	(10,429,209)	-	-
Gross (loss)/profit		(6,805,498)	(9,323,777)	476,272	1,428,815
Other income	20	1,213,520	351,527	-	42,678
Administrative expenses		(5,908,288)	(6,239,417)	(659,053)	(639,831)
Net impairment losses on financial instruments		-	-	(31,611)	(26,265)
Operating (loss)/profit before tax		(11,500,266)	(15,211,667)	(214,392)	805,397
Finance income	21	1,864,313	2,720,325	-	-
Finance costs	22	(6,252)	-	-	-
(Loss)/Profit before tax	23	(9,642,205)	(12,491,342)	(214,392)	805,397
Income tax expense	25	(832)	(7,595)	-	(102)
(Loss)/Profit for the financial year		(9,643,037)	(12,498,937)	(214,392)	805,295
Other comprehensive (loss)/income, net of tax					
<i>Item that may be reclassified subsequently to profit or loss</i>					
Net change in fair value of investments designated at fair value through other comprehensive income		(721,264)	(1,529,530)	-	-
Foreign currency translation		1,911,733	(2,547,094)	-	-
Other comprehensive income/(loss) for the financial year		1,190,469	(4,076,624)	-	-
Total comprehensive (loss)/income for the financial year		(8,452,568)	(16,575,561)	(214,392)	805,295
(Loss)/Profit attributable to:-					
Owners of the Company		(7,883,739)	(9,882,443)	(214,392)	805,295
Non-controlling interests		(1,759,298)	(2,616,494)	-	-
		(9,643,037)	(12,498,937)	(214,392)	805,295
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(6,104,868)	(14,590,761)	(214,392)	805,295
Non-controlling interests		(2,347,700)	(1,984,800)	-	-
		(8,452,568)	(16,575,561)	(214,392)	805,295
Loss per share:-	26				
Basic loss per share (sen)		(5.26)	(6.60)		
Diluted loss per share (sen)		(5.26)	(6.60)		

The accompanying notes form an integral part of these financial statements.

Statements of Changes in Equity

For the Financial Year Ended 30 June 2022

Group	← Attributable to owners of the Company →					Non-controlling interests RM	Total equity RM
	Share capital RM	Translation reserve RM	Fair value adjustment reserve RM	Retained earnings RM	Sub-total RM		
At 1 July 2020	74,902,067	9,717,858	-	129,200,691	213,820,616	(4,866,752)	208,953,864
Total comprehensive (loss)/ income for the financial year							
Other comprehensive loss for the financial year	-	-	-	(9,882,443)	(9,882,443)	(2,616,494)	(12,498,937)
- Foreign currency translation difference for foreign operation	-	(3,262,912)	-	-	(3,262,912)	715,818	(2,547,094)
- Net changes in fair value of investments designated at FVOCI	-	-	(1,445,406)	-	(1,445,406)	(84,124)	(1,529,530)
Total comprehensive loss	-	(3,262,912)	(1,445,406)	(9,882,443)	(14,590,761)	(1,984,800)	(16,575,561)
Transactions with owners of the Company:-							
Dividend paid to non-controlling interests	-	-	-	-	-	(83,185)	(83,185)
At 30 June 2021	74,902,067	6,454,946	(1,445,406)	119,318,248	199,229,855	(6,934,737)	192,295,118

Company	← Attributable to owners of the Company →					Non-controlling interests RM	Total equity RM
	Revaluation reserve RM	Translation reserve RM	Fair value adjustment reserve RM	Retained earnings RM	Sub-total RM		
At 1 July 2021	74,902,067	6,454,946	(1,445,406)	119,318,248	199,229,855	(6,934,737)	192,295,118
Total comprehensive income/(loss) for the financial year							
Other comprehensive loss for the financial year	-	-	-	(7,883,739)	(7,883,739)	(1,759,298)	(9,643,037)
- Foreign currency translation difference for foreign operation	-	2,460,465	-	-	2,460,465	(548,732)	1,911,733
- Net changes in fair value of investments designated at FVOCI	-	-	(681,594)	-	(681,594)	(39,670)	(721,264)
Total comprehensive income/(loss)	-	2,460,465	(681,594)	(7,883,739)	(6,104,868)	(2,347,700)	(8,452,568)
Transactions with owners of the Company:-							
Dividend paid to non-controlling interests	-	-	-	-	-	(27,728)	(27,728)
At 30 June 2022	74,902,067	8,915,411	(2,127,000)	111,434,509	193,124,987	(9,310,165)	183,814,822

	Share capital RM	Accumulated losses RM	Total equity RM
At 1 July 2020	74,902,067	(7,073,781)	67,828,286
Profit for the financial year, representing total comprehensive income for the financial year	-	805,295	805,295
At 30 June 2021	74,902,067	(6,268,486)	68,633,581
Loss for the financial year, representing total comprehensive loss for the financial year	-	(214,392)	(214,392)
At 30 June 2022	74,902,067	(6,482,878)	64,419,189

The accompanying notes form an integral part of these financial statements.

Statements of Cash Flows

For the Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(9,642,205)	(12,491,342)	(214,392)	805,397
Adjustments for:-					
Amortisation of right-of-use assets	6	268,558	240,964	-	-
Depreciation of property, plant and equipment	5	3,462,370	3,396,894	-	-
Fair value loss/(gain) on biological assets	9	23,898	(23,041)	-	-
Impairment loss on amount due from subsidiary		-	-	31,611	26,265
Interest expense	22	6,252	-	-	-
Gain on disposal of property, plant and equipment		(138,009)	(17,149)	-	-
Interest income	21	(1,864,313)	(2,720,325)	-	-
Net unrealised foreign exchange loss		919	2,724	-	-
Waiver of debts		(881,286)	(223,377)	-	-
Reversal of overprovision of accruals in prior years		(86,836)	(42,678)	-	(42,678)
Operating (loss)/profit before changes in working capital		(8,850,652)	(11,877,330)	(182,781)	788,984
Changes in working capital:-					
Inventories		(168,034)	(383,132)	-	-
Trade and other receivables		(69,732)	(136,199)	10,000	971
Trade and other payables		104,243	(607,058)	(75,113)	105,417
Income tax paid		(1,532)	(44,583)	-	(102)
Interest received		1,205,053	1,572,315	-	-
Net cash (used in)/generated from operating activities		(7,780,654)	(11,475,987)	(247,894)	895,270
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		138,009	17,149	-	-
Purchase of property, plant and equipment	5	(129,179)	(213,658)	-	-
Purchase of right-of-use assets	(a)	(441,813)	(86,218)	-	-
Advances to a subsidiary		-	-	-	(354,188)
Disposal/(Additions) of other investment		30,000,000	(60,000,000)	-	-
Net cash generated from/(used in) investing activities		29,567,017	(60,282,727)	-	(354,188)

Statements of Cash Flows (Cont'd)

For the Financial Year Ended 30 June 2022

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Cash flows from financing activities	(b)				
Repayment from/(advances to) a subsidiary		-	-	248,282	(541,172)
Repayment of lease liability					
- Principal		(8,488)	-	-	-
- Interest		(6,252)	-	-	-
Dividend paid		(27,728)	(83,185)	-	-
Net cash (used in)/generated from financing activities		(42,468)	(83,185)	248,282	(541,172)
Net increase/(decrease) in cash and cash equivalents		21,743,895	(71,841,899)	388	(90)
Cash and cash equivalents at beginning of financial year		55,165,215	126,861,067	2,389	2,479
Effect of exchange rate changes on cash and cash equivalents		(347,686)	146,047	-	-
Cash and cash equivalents at end of financial year	13	76,561,424	55,165,215	2,777	2,389

(a) Purchase of right-of-use assets:-

The Group acquired right-of-use assets with an aggregate cost of RM514,567 (2021:RM86,218) of which RM72,754 (2021:RMNIL) was acquired by means of lease arrangement. Cash payment of RM441,813 (2021:RM86,218) was made to purchase of right-of-use assets.

(b) Reconciliation of liabilities arising from financing activities:-

Group	1 July 2021 RM	Addition RM	Cash flows RM	Accretion of Interest RM	Others RM	30 June 2022 RM
Lease liability	-	72,754	(14,740)	6,252	525	64,791

Company

Changes in liabilities arising from financing activity are changes arising from cash flows.

Notes to the Financial Statements

1. CORPORATE INFORMATION

Pinehill Pacific Berhad (“the Company”) is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and the principle place of business of the Company is located at No. 2-3, Third Floor, Jalan Suria Puchong 6, Pusat Perniagaan Suria Puchong, 47110 Puchong, Selangor Darul Ehsan.

The principal activities of the Company are investment holding and provision of management services. The principal activities of its subsidiaries are disclosed in Note 7 to the financial statements. There have been no significant changes in the nature of these activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 21 October 2022.

2. BASIS OF PREPARATION

2.1 Statement of compliance

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

2.2 Adoption of new standards/amendments/improvements to MFRSs

The Group and the Company have consistently applied the accounting policies set out in Note 3 to all periods presented in these financial statements.

At the beginning of the current financial year, the Group and the Company adopted new standards/amendments/improvements to MFRSs which are mandatory for the financial periods beginning on or after 1 July 2021.

Initial application of the new standards/amendments/improvements to the standards did not have material impact to the financial statements.

2.3 New MFRSs, amendments/improvements to MFRSs, that have been issued, but yet to be effective

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

Amendments to MFRSs effective for financial period beginning on or after 1 January 2022:-

Amendments to MFRS 3	Business Combinations - Reference to the Conceptual Framework
Amendments to MFRS 116	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to MFRS 137	Provisions, Contingent Liabilities and Contingent Assets - Onerous Contract - Cost of Fulfilling a Contract
Annual Improvements to MFRS Standards 2018-2020	

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.3 New MFRSs, amendments/improvements to MFRSs, that have been issued, but yet to be effective (cont'd)

MFRSs and Amendments to MFRSs effective for financial period on or after 1 January 2023:-

* MFRS 17	Insurance Contracts
* Amendments to MFRS 4	Insurance Contracts - Extension of the Temporary Exemption from Applying MFRS 9
* Amendments to MFRS 17	Insurance Contracts and Initial Application of MFRS 17 and MFRS 9 - Comparative Information
Amendments to MFRS 101	Presentation of Financial Statements - Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies
Amendments to MFRS 108	Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
Amendments to MFRS 112	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

Amendments to MFRSs - Effective Date Deferred Indefinitely

Amendments to MFRS 10 and MFRS 128	Consolidated Financial Statements and Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
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* Not applicable to the Group's and the Company's operations.

The Directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group and of the Company respectively upon their initial application.

2.4 Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"), which includes Ringgit Malaysia ("RM") and Indonesian Rupiah ("IDR"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is also the Company's functional currency. All financial information presented in RM has been rounded to the nearest RM, unless otherwise stated.

2.5 Basis of measurement

The financial statements of the Group and of the Company have been prepared under the historical cost basis, except as otherwise disclosed in Note 3 and on the assumption that the Group will continue as going concerns.

The Company announced on 3 September 2019 that the Company becomes an affected listed issuer pursuant to Paragraphs 8.03A 2(a)(bb) of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad. The Company will be required to submit a regularisation plan to Bursa Malaysia Securities Berhad within 12 months from the announcement date that the regularisation plan does not result in a significant change in the business direction or policy of the Company. In the event that the Company undertakes a regularisation plan which will result in a significant change in its business direction or policy, the Company is required to submit the regularisation plan to Securities Commission ("SC") for approval. Thereafter, the Company is required to implement the plan within the timeline stipulated by either Bursa Malaysia or SC, as the case may be.

Pursuant to the circular dated 26 March 2020 issued by Bursa Malaysia Securities Berhad on the additional relief measures to alleviate the impact of Coronavirus Disease 2019 ("COVID-19") the requisite time for submission of a regularisation plan by listed issuers which trigger the criteria under Paragraph 8.03A or 8.04 (Practice Note 17) of the MMLR has been extended from 12 months to 24 months from the date of the First Announcement.

The Company has extension until 2 March 2023 to submit a regularisation plan to the relevant authorities for approval and will make further announcements in relation to any latest development in accordance with the requirements under Paragraph 8.03A of the MMLR.

Notes to the Financial Statements (Cont'd)

2. BASIS OF PREPARATION (CONT'D)

2.6 Use of estimates and judgement

The preparation of financial statements in conformity with MFRSs requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of the revenue and expenses during the reporting period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates that are significant to the Group's and the Company's financial statements are disclosed in Note 4.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unless otherwise stated, the following accounting policies have been applied consistently to all the financial years presented in the financial statements of the Group and of the Company.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

(a) Subsidiaries and business combination

Subsidiaries are entities (including structured entities) over which the Group is exposed, or has rights, to variable returns from its involvement with the acquirees and has the ability to affect those returns through its power over the acquirees.

The financial statements of subsidiaries are included in the consolidated financial statements from the date the Group obtains control of the acquirees until the date the Group loses control of the acquirees.

The Group applies the acquisition method to account for business combinations from the acquisition date.

For a new acquisition, goodwill is initially measured at cost, being the excess of the following:-

- the fair value of the consideration transferred, calculated as the sum of the acquisition-date fair value of assets transferred (including contingent consideration), the liabilities incurred to former owners of the acquiree and the equity instruments issued by the Group. Any amounts that relate to pre-existing relationships or other arrangements before or during the negotiations for the business combination, that are not part of the exchange for the acquiree, will be excluded from the business combination accounting and be accounted for separately; plus
- the recognised amount of any non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date (the choice of measurement basis is made on an acquisition-by-acquisition basis); plus
- if the business combination is achieved in stages, the acquisition-date fair value of the previously held equity interest in the acquiree; less
- the net fair value of the identifiable assets acquired and the liabilities (including contingent liabilities) assumed at the acquisition date.

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Basis of consolidation (cont'd)

(a) Subsidiaries and business combination (cont'd)

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

If the business combination is achieved in stages, the Group remeasures the previously held equity interest in the acquiree to its acquisition-date fair value, and recognises the resulting gain or loss, if any, in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss or transferred directly to retained earnings on the same basis as would be required if the acquirer had disposed directly of the previously held equity interest.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the business combination occurs, the Group uses provisional fair value amounts for the items for which the accounting is incomplete. The provisional amounts are adjusted to reflect new information obtained about facts and circumstances that existed as of the acquisition date, including additional assets or liabilities identified in the measurement period. The measurement period for completion of the initial accounting ends as soon as the Group receives the information it was seeking about facts and circumstances or learns that more information is not obtainable, subject to the measurement period not exceeding one year from the acquisition date.

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

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The difference between the Group's share of net assets before and after the change, and the fair value of the consideration received or paid, is recognised directly in equity.

(b) Non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company and are presented separately in the consolidated statement of financial position within equity. Losses attributable to the non-controlling interests are allocated to the non-controlling interests even if the losses exceed the non-controlling interests.

(c) Transactions eliminated on consolidation

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

3.2 Investment in subsidiaries

In the Company's statement of financial position, investment in subsidiaries are measured at cost less any accumulated impairment losses, unless the investment is classified as held for sale or distribution. The cost of investment includes transaction costs. The policy for the recognition and measurement of impairment losses shall be applied on the same basis as would be required for impairment of non-financial assets as disclosed in Note 3.10(a).

Contributions to subsidiaries are amounts for which the settlement is neither planned nor likely to occur in the foreseeable future is, in substance, considered as part of the Company's investment in the subsidiaries.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Foreign currency transactions and operations

(a) Translation of foreign currency transactions

Foreign currency transactions are translated to the respective functional currencies of the Group entities using the exchange rates prevailing at the transaction dates.

At the end of each reporting date, monetary items denominated in foreign currencies are retranslated at the exchange rates prevailing at the reporting date.

Non-monetary items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the dates the fair values were determined. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the historical rates as at the dates of the initial transactions.

Foreign exchange differences arising on settlement or retranslation of monetary items are recognised in profit or loss except for monetary items that are designated as hedging instruments in either a cash flow hedge or a hedge of the Group's net investment of a foreign operation. When settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, exchange differences are recognised in profit or loss in the separate financial statements of the parent company or the individual financial statements of the foreign operation. In the consolidated financial statements, the exchange differences are considered to form part of a net investment in a foreign operation and are recognised initially in other comprehensive income until its disposal, at which time, the cumulative amount is reclassified to profit or loss.

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

(b) Translation of foreign operations

The assets and liabilities of foreign operations denominated in the functional currency different from the presentation currency, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at exchange rates prevailing at the reporting date. The income and expenses of foreign operations are translated at exchange rates at the dates of the transactions.

Exchange differences arising on the translation are recognised in other comprehensive income. However, if the foreign operation is a non-wholly owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests.

When a foreign operation is disposed of such that control is lost, the cumulative amount in foreign exchange translation reserves related to that foreign operation is reclassified to profit or loss. For a partial disposal not involving loss of control of a subsidiary that includes a foreign operation, the proportionate share of cumulative amount in foreign exchange translation reserve is reattributed to non-controlling interests.

3.4 Financial instruments

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

(a) Financial assets

Initial recognition and measurement

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Initial recognition and measurement (cont'd)

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

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

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

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

Subsequent measurement

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

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

Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate ("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 and most other receivables, amount due from subsidiaries, cash and bank and short-term deposits.

Financial assets at fair value through OCI

For financial assets at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in the statement of profit or loss and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in OCI. Interest income is recognised by applying effective interest rate to the gross carrying amount where the effective interest rate is applied to the amortised cost. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Group's financial assets at fair value through OCI includes investments under other non-current financial assets.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Derecognition

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

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

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

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

Impairment

The Group and the Company recognise an allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost, other investment measured at fair value through other comprehensive income, contract assets, and lease receivables. Expected credit losses are a probability-weighted estimate of credit losses.

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

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

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

The Group and the Company estimate the expected credit losses on trade receivables using a provision matrix with reference to historical credit loss experience.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Impairment (cont'd)

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

An impairment loss in respect of other investments measured at fair value through other comprehensive income is recognised in profit or loss and the allowance account is recognised in other comprehensive income.

At each reporting date, the Group and the Company assess whether the financial assets carried at amortised cost and debt securities at fair value through other comprehensive income are credit-impaired.

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

(b) Financial liabilities

Initial Recognition and Measurement

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

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

Subsequent Measurement

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

- Financial liabilities at fair value through profit or loss; and
- Financial liabilities at amortised cost.

Financial liabilities at amortised cost

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using effective interest method. Gains and losses are recognised in profit or loss when the financial liabilities are derecognised and through the amortisation process.

The Group's and the Company's financial liabilities include most trade and other payables.

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 statements of profit or loss.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Financial instruments (cont'd)

(c) Regular way purchase or sale of financial assets

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting (i.e. the date the Group and the Company commit themselves to purchase or sell an asset).

Trade date accounting refers to:-

- (i) the recognition of an asset to be received and the liability to pay for it on the trade date; and
- (ii) derecognition of an asset that is sold, recognition of any gain or loss on disposal and the recognition of a receivable from the buyer for payment on the trade date.

Generally, interest does not start to accrue on the asset and corresponding liability until the settlement date when title passes.

(d) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is presented in the statements 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.

In accounting for a transfer of a financial asset that does not qualify for derecognition, the entity shall not offset the transferred asset and the associated liability.

3.5 Property, plant and equipment

(a) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The policy for the recognition and measurement of impairment losses is in accordance with Note 3.10(a).

Cost of assets, other than bearer plants, includes expenditures that are directly attributable to the acquisition of the asset and any other costs that are directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes cost of materials, direct labour, and any other direct attributable costs but excludes internal profits.

Leasehold land is stated at revalued amount, which is the fair value at the date of the revaluation less any accumulated impairment losses. Fair value is determined from market-based evidence by appraisal that is undertaken by professionally qualified valuers. Revaluations are performed with sufficient regularity to ensure that the fair value of a revalued asset does not differ materially from that which would be determined using fair values at the reporting date. Any revaluation surplus is recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, except to the extent that it reverses a revaluation decrease of the same asset previously recognised deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

Cost of bearer plants consists of plantation development costs incurred from the commencement of planting of oil palm seedlings up to the maturity of the crop cultivated. Capitalisation of plantation development and other operating costs ceases upon the commencement of commercial harvesting of the agricultural produce. Estate overhead expenditure is apportioned on the basis of the proportion of matured and immatured areas and expenditure incurred after maturing of crops are recognised in profit or loss.

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Property, plant and equipment (cont'd)

(b) Subsequent costs

The cost of replacing a part of an item of property, plant and equipment, other than bearer plants, is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss as incurred.

(c) Depreciation

Leasehold land is amortised over the period of the respective leases.

Bearer plants are amortised on a straight-line basis over a period of 25 years upon the respective oil palm plantings having reached maturity.

All other property, plant and equipment are depreciated on a straight-line basis by allocating their depreciable amounts over their remaining useful lives at the following annual rates:-

Estate buildings	2% - 10%
Furniture and fittings, office equipment and computer equipment	5% - 20%
Plant, machinery, electrical installation and agricultural equipment	10%
Motor vehicles	20%
Road and bridges	20%

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

(d) Derecognition

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

3.6 Leases

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

Group as lessee

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

(a) Right-of-use assets

The Group recognises 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:-

Leasehold land	70 years
Motor vehicle	5 years

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.6 Leases (cont'd)

(a) Right-of-use assets (cont'd)

If ownership of the leased asset transfers to the Group 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. Refer to the accounting policies in Note 3.10(a) Impairment of non-financial assets.

The right-of-use assets are amortised over their expected lease period of 70 years which includes the extendable term of up to 25 years that is subject to the approval of the relevant authorities and payment of additional premium for the renewal. The estimation of the expected lease period is based on internal operational experiences in the business, expected date of approval of Sertifikat Hak Guna Usaha ("HGU"), extension of the lease and related laws and regulations in the Republic of Indonesia.

In respect of the subsidiaries in Indonesia, land use rights include land rights which represent the actual costs associated with the issuance of land titles, area survey and land remeasurement fees, notarial fees, taxes and other expenses.

(b) 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.

Group as 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 statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

3.7 Biological assets

The biological assets of the Group include produce growing on bearer plants, which are the fresh fruit bunches of the oil palm trees, are measured at fair value less costs to sell and changes in fair value less costs to sell are recognised as gain and loss in profit or loss.

Biological assets are derecognised when either they are disposed of or subsequent to the point of harvest, in which MFRS 102 Inventories or another applicable standard is applied thereafter.

3.8 Inventories

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

Cost is determined using the weighted average basis. The costs of crude palm oil and palm kernel comprise costs of raw material, direct labour and appropriate proportions manufacturing overheads based on normal operating capacity. The costs of consumable inventories comprise actual cost of materials and incidentals in bringing the inventories to their present location and condition.

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits and other short-term, highly liquid investments with a maturity of three months or less, that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

3.10 Impairment of assets

(a) Impairment of non-financial assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

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

Impairment losses of continuing operations, including impairment on inventories, are recognised in the profit or loss in those expense categories consistent with the function of the impaired asset, except for a property previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for asset in prior years. Such reversal is recognised in the profit or loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

3.11 Equity, Reserves and Distributions to Owners

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

Retained earnings include all current year's and prior years' retained profits.

Foreign currency translation differences arising on the translation of the Group's foreign entities are included in the translation reserve. Gains and losses on investment in quoted corporate bonds are included in fair value adjustment reserves.

Dividends on ordinary shares are accounted for in shareholder's equity as an appropriation of retained earnings and recognised as a liability in the period in which they are declared.

All transactions with the owners of the Company are recorded separately within equity.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 Employee benefits

(a) Short-term employee benefits

Short-term employee benefit obligations in respect of wages, salaries, social security contributions, annual bonuses, paid annual leave, sick leave and non-monetary benefits are recognised as an expense in the financial year where the employees have rendered their services to the Group.

(b) Defined contribution plans

As required by law, companies in Malaysia contribute to the Employees Provident Fund ("EPF"), the national defined contribution plan. Such contributions are recognised as an expense in the profit or loss in the period in which the employees render their services.

3.13 Revenue and other income

The Group recognises revenue that depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

Revenue recognition of the Group is applied for each contract with a customer or a combination of contracts with the same customer (or related parties of the customer).

The Group measures revenue from sale of good or service at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised good or service to a customer, excluding amounts collected on behalf of third parties such as goods and service tax, adjusted for the effects of any variable consideration, constraining estimates of variable consideration, significant financing components, non-cash consideration and consideration payable to customer. If the transaction price includes variable consideration, the Group uses the expected value method by estimating the sum of probability-weighted amounts in a range or possible consideration amounts, or the most likely outcome method, depending on which method the Group expects to better predict the amount of consideration to which it is entitled.

For contract with separate performance obligations, the transaction price is allocated to the separate performance obligations on the relative stand-alone selling price basis. If the stand-alone selling price is not directly observable, the Group estimates it by using the costs plus margin approach.

Revenue from contracts with customers is recognised by reference to each distinct performance obligation in the contract with customer, i.e. when or as a performance obligation in the contract with customer is satisfied. A performance obligation is satisfied when or as the customer obtains control of the good or service underlying the particular performance obligation, which the performance obligation may be satisfied at a point in time or over time.

A contract modification is a change in the scope or price (or both) of a contract that is approved by the parties to the contract. A modification exists when the change either creates new or changes existing enforceable rights and obligations of the parties to the contract. The Group assesses the type of modification and accounted for as either creates a separate new contract, terminates the existing contract and creation of a new contract; or forms a part of the existing contracts.

Financing components

The Group has applied the practical expedient for not to adjust the promised amount of consideration for the effects of a significant financing components if the Group expects that the period between the transfer of the promised goods or services to the customer and payment by the customer will be one year or less.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.13 Revenue and other income (cont'd)

(a) Sale of goods

Revenue from sale of fresh fruit bunches ("FFB"), is recognised at a point in time when control of the produce has been transferred, being when the customer accepts the delivery of goods.

Sales are made within a credit term of ranging from 7 to 45 days. A receivable is recognised when the customer accepts the delivery of the goods as the consideration is unconditional other than the passage of time before the payment is due.

(b) Interest income

Interest income is recognised using the effective interest method.

(c) Dividend income

Dividend income is recognised when the right to receive payment is established.

(d) Rental income

Rental income is recognised on a straight-line basis over the term of the lease. Lease incentive granted is recognised as an integral part of the total rental income, over the term of the lease.

3.14 Tax expenses

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

(a) Current tax

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

(b) Deferred tax

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

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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 the benefit of part or all of that deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.14 Tax expenses (cont'd)

(b) Deferred tax (cont'd)

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

(c) Sales and service tax

Revenue, expenses and assets are recognised net of the amount of sales and service tax except:-

- where the sales and service tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales and service tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales and service tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statements of financial position.

3.15 (Loss)/Earnings per share

The Group presents basic and diluted (loss)/earnings per share ("LPS/EPS") data for its ordinary shares. Basic LPS/EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held.

Diluted LPS/EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

3.16 Operating segments

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment manager report directly to the Board of Directors of the Company who periodically review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

3.17 Fair value measurements

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

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

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.17 Fair value measurements (cont'd)

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

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

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

3.18 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 of the Company.

Contingent liability is also referred as a present obligation that arises from past events but is not recognised because:-

- (a) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- (b) the amount of the obligation cannot be measured with sufficient reliability.

Contingent liabilities and assets are not recognised in the statements of financial position.

3.19 Provisions

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

If the effect of the time of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.20 Related parties

A related party is a person or entity that is related to the Group and the Company. A related party transaction is a transfer of resources, services or obligations between the Group and the Company and its related party, regardless of whether a price is charged.

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:-
 - (i) has control or joint control over the Group and the Company;
 - (ii) has significant influence over the Group and the Company; or
 - (iii) is a member of the key management personnel of the parent of the Group and of the Company, or the Group.

Notes to the Financial Statements (Cont'd)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.20 Related parties (cont'd)

- (b) An entity is related to the Group and the Company if any of the following conditions applies:-
- (i) the entity and the Group and the Company are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity;
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefits of employees of either the Group and the Company or an entity related to the Group and the Company;
 - (vi) the entity is controlled or jointly-controlled by a person identified in (a) above;
 - (vii) a person identified in (a)(i) above has significant influence over the entity or is a member of the key management personnel of the entity or of the parent of the entity; or
 - (viii) the entity, or any member of a company of which it is a part, provides key management personnel services to the parent of the Group and of the Company or the Group.

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:-

(a) Useful lives of depreciable assets

Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their useful life. Management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 5 to 70 years and reviews the useful lives of depreciable assets at each end of the reporting period. As at 30 June 2022, management assesses that the useful lives represent the expected utility of the assets to the Group. The carrying amounts are analysed in Notes 5 and 6 to the financial statements.

Actual results, however, may vary due to change in the expected level of usage and technological developments, which may result in the adjustment to the Group's assets.

Management expects that the expected useful lives of the property, plant and equipment would not have material difference from the management's estimates and hence it would not result in material variance in the Group's profit for the financial year.

(b) Inventories

Inventories are measured at the lower of cost and net realisable value. In estimating net realisable value, management takes into account the most reliable evidence available at the times the estimates are made. The Group's core business is subject to economical changes which may cause selling prices to change rapidly, and the Group's profit to change.

The carrying amount of the Group's inventories at the reporting date is disclosed in Note 10 to the financial statements.

The management expects that the expected net realisable value of the inventories would not have material difference from the management's estimates and hence it would not result in material variance in the Group's loss for the financial year.

(c) Impairment of property, plant and equipment and right-of-use assets

The Group reviews the carrying amounts of the property, plant and equipment and right-of-use assets as at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated. The recoverable amount of these assets are determined using fair value less cost of disposal determined by external independent property valuer. Any resulting impairment loss could have a material adverse impact on the Group's financial position and results of operations.

The carrying amount of the Group's property, plant and equipment and right-of-use assets are disclosed in Notes 5 and 6 to the financial statements.

Notes to the Financial Statements (Cont'd)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have significant effect in determining the amount recognised in the financial year include the following:-(cont'd):

(d) Amortisation of bearer plants

Bearer plants are amortised on a straight-line basis upon maturity of the crops over the estimated useful life of oil palms. Management estimates the useful life of oil palm to be 25 years, which is within the range of life expectancy of palm used in the industry. Changes in the future environmental conditions, potential natural disasters, and agricultural advancements could impact the useful life and residual values of the oil palms, therefore amortisation charges could be revised.

The carrying amount of the Group's bearer plants is disclosed in Note 5 to the financial statements.

(e) Expected credit losses ("ECL")

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime ECL allowance for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on the days past due. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

(f) Income taxes and deferred tax liabilities

Significant judgement is involved in determining the Group-wide and Company-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group and the Company recognise tax liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal timing of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

(g) Deferred tax assets

Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These depends on estimates of future production and sales volume, operating costs, capital expenditure and other capital management transactions. Judgement is also required about application of income tax legislation. These judgements and assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of unused tax losses and unabsorbed capital allowances.

Notes to the Financial Statements (Cont'd)

5. PROPERTY, PLANT AND EQUIPMENT

Group	* Estate buildings RM	** Plant and machinery RM	*** Other assets RM	Motor vehicles RM	Road and bridges RM	Bearer plants RM	Total RM
2022							
Cost							
At 1 July 2021	1,183,402	685,741	709,185	3,088,086	5,352,631	85,754,564	96,773,609
Additions	9,346	37,688	79,777	-	-	2,368	129,179
Disposals	-	-	-	(269,329)	-	-	(269,329)
Exchange differences	41,176	24,465	20,353	140,908	188,562	2,330,519	2,745,983
At 30 June 2022	1,233,924	747,894	809,315	2,959,665	5,541,193	88,087,451	99,379,442
Accumulated depreciation and impairment losses							
At 1 July 2021	963,182	625,024	525,988	3,021,653	5,350,019	20,542,533	31,028,399
Depreciation charge for the financial year	63,766	29,163	38,673	5,532	645	3,324,591	3,462,370
Disposals	-	-	-	(269,329)	-	-	(269,329)
Exchange differences	35,120	21,981	18,276	98,191	188,476	586,234	948,278
At 30 June 2022	1,062,068	676,168	582,937	2,856,047	5,539,140	24,453,358	35,169,718
Analysed as:-							
At 30 June 2022							
- Accumulated depreciation	1,062,068	676,168	582,937	2,856,047	5,539,140	23,905,163	34,621,523
- Accumulated impairment losses	-	-	-	-	-	548,195	548,195
	1,062,068	676,168	582,937	2,856,047	5,539,140	24,453,358	35,169,718
Carrying amount							
At 30 June 2022	171,856	71,726	226,378	103,618	2,053	63,634,093	64,209,724
2021							
Cost							
At 1 July 2020	1,223,768	679,460	604,000	3,258,972	5,619,456	88,487,363	99,873,019
Additions	17,613	38,903	131,262	20,436	3,139	2,305	213,658
Disposals	-	-	-	(84,887)	-	-	(84,887)
Exchange differences	(57,979)	(32,622)	(26,077)	(106,435)	(269,964)	(2,735,104)	(3,228,181)
At 30 June 2021	1,183,402	685,741	709,185	3,088,086	5,352,631	85,754,564	96,773,609
Accumulated depreciation and impairment losses							
At 1 July 2020	929,186	622,834	528,224	3,235,584	5,618,774	17,979,085	28,913,687
Depreciation charge for the financial year	79,578	31,721	23,107	18,111	1,177	3,243,200	3,396,894
Disposals	-	-	-	(84,887)	-	-	(84,887)
Exchange differences	(45,582)	(29,531)	(25,343)	(147,155)	(269,932)	(679,752)	(1,197,295)
At 30 June 2021	963,182	625,024	525,988	3,021,653	5,350,019	20,542,533	31,028,399
Analysed as:-							
At 30 June 2021							
- Accumulated depreciation	963,182	625,024	525,988	3,021,653	5,350,019	19,994,338	30,480,204
- Accumulated impairment losses	-	-	-	-	-	548,195	548,195
	963,182	625,024	525,988	3,021,653	5,350,019	20,542,533	31,028,399
Carrying amount							
At 30 June 2021	220,220	60,717	183,197	66,433	2,612	65,212,031	65,745,210

Notes to the Financial Statements (Cont'd)

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

- * Estate buildings consist of factory building, staff quarters and a freehold property.
 ** Plant and machinery consist of plant, machinery, electrical installation and agricultural equipment.
 *** Other assets consist of furniture, fittings, office equipment and computer equipment.

(a) Bearer plants

- (i) Bearer plants represent plantation development expenditure and replanting expenditure which consist of expenses incurred in connection with the development of the oil palm plantation in its Indonesian subsidiaries located at Kabupaten Sintang, Kalimantan Barat in the Republic of Indonesia.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:-

	Leasehold land RM	Motor vehicle RM	Total RM
Group			
Cost			
At 1 July 2020	24,166,671	-	24,166,671
Addition	86,218	-	86,218
Exchange differences	(866,323)	-	(866,323)
At 30 June 2021	23,386,566	-	23,386,566
Addition	374,914	139,653	514,567
Exchange differences	610,874	1,141	612,015
At 30 June 2022	24,372,354	140,794	24,513,148
Accumulated depreciation			
At 1 July 2020	4,197,217	-	4,197,217
Charge for the financial year	240,964	-	240,964
Exchange differences	(201,519)	-	(201,519)
At 30 June 2021	4,236,662	-	4,236,662
Charge for the financial year	254,593	13,965	268,558
Exchange differences	151,328	114	151,442
At 30 June 2022	4,642,583	14,079	4,656,662
Carrying amount			
At 30 June 2022	19,729,771	126,715	19,856,486
At 30 June 2021	19,149,904	-	19,149,904

Right-of-use assets ("ROU") represent the short-term leasehold land in the Republic of Indonesia acquired through the acquisition of Pinehill Ventures Limited and its subsidiaries, and motor vehicle.

ROU had been approved for the development of oil palm plantation and the approval was extended to the subsidiaries incorporated in the Republic of Indonesia, namely, PT. Makmur Jaya Malindo, PT. Inma Jaya Group, PT. Indomal Sawit Jaya, and PT. Inma Makmur Lestari (collectively referred to herein as the "Indonesian subsidiaries") in the form of Izin Lokasi in 2005. With the Izin Lokasi, the Indonesian subsidiaries are allowed to do land clearing and planting of oil palm.

Notes to the Financial Statements (Cont'd)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (CONT'D)

All Indonesian subsidiaries had obtained the Izin Usaha Perkebunan ("IUP") in 2016 declaring the final width of lands that have been successfully acquired and completed with physical activities as the basis for the Indonesian subsidiaries to apply for the cadastral for the application of Sertifikat Hak Guna Usaha ("HGU").

The Indonesian subsidiaries are in the process of applying to Badan Pertanahan Nasional Indonesia for the HGU. It will be granted for a lease period up to 70 years with a renewable term up to 25 years which is as per the relevant laws and regulations made to HGU in the Republic of Indonesia.

Lease of motor vehicle is 5 years and bears interests at rate of 15% per annum. Interest rate is fixed at the inception of lease liability arrangements.

Set out below are the carrying amounts of lease liability and movements during the financial year:-

	Group	
	2022 RM	2021 RM
At 1 July	-	-
Additions	72,754	-
Accretions on interest	6,252	-
Payments	(14,740)	-
Exchange difference	525	-
At 30 June	64,791	-
Current	14,670	-
Non-current	50,121	-
	64,791	-

The following are the amounts recognised in profit or loss:-

	Group	
	2022 RM	2021 RM
Depreciation of right of use assets	268,558	240,964
Accretions of interest	6,252	-
Expense relating to short-term leases	268,020	265,720
Expense relating to lease of low-value assets	1,800	4,920
Total amount recognised in profit or loss	544,630	511,604

The Group had total cash outflows for lease of RM284,560 (2021: RM270,640). The Group also had non-cash additions to right-of-use asset and lease liability of RM72,754 (2021: RMNil).

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM	2021 RM
At cost		
Unquoted shares	68,608,556	68,608,556
Less: Accumulated impairment losses	(100)	(100)
	68,608,456	68,608,456

Notes to the Financial Statements (Cont'd)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

Details of the subsidiaries are as follows:

Name of company	Principal activities	Principal place of business/ Country of incorporation	Proportion of ownership interest/Voting rights	
			2022 %	2021 %
Held by the Company				
Pinehill Plantations (Malaysia) Sdn. Bhd. ("PPM")	Investment holding, oil palm cultivation and processing	Malaysia	94.50	94.50
Agri Business Advisory Services Sdn. Bhd.	Dormant	Malaysia	100.00	100.00
Held through PPM				
Syarikat Kaum Melayu Hilir Perak Sdn. Bhd.	Oil palm cultivation	Malaysia	100.00	100.00
Tahir, Rozlan and Tasariff Sdn. Bhd.	Oil palm cultivation	Malaysia	91.33	91.33
Pinehill Ventures Limited	Investment holding and plantation management service provider	Labuan, Malaysia	100.00	100.00
Held through Pinehill Ventures Limited				
PT. Makmur Jaya Malindo *	Oil palm cultivation and processing	Republic of Indonesia	80.00	80.00
Held through PT. Makmur Jaya Malindo				
PT. Inma Jaya Group *	Oil palm cultivation	Republic of Indonesia	95.00	95.00
PT. Inma Makmur Lestari *	Oil palm cultivation	Republic of Indonesia	99.88	99.88
PT. Indomal Sawit Jaya *	Oil palm cultivation	Republic of Indonesia	99.88	99.88
PT. Sintang Sawit Lestari *	Dormant	Republic of Indonesia	99.88	99.88
Held through PT. Inma Makmur Lestari				
PT. Indomal Sawit Jaya *	Oil palm cultivation	Republic of Indonesia	0.12	0.12
PT. Sintang Sawit Lestari *	Dormant	Republic of Indonesia	0.12	0.12
Held through PT. Sintang Sawit Lestari				
PT. Inma Makmur Lestari *	Oil palm cultivation	Republic of Indonesia	0.12	0.12

* Audited by Grant Thornton Malaysia PLT for the purpose of consolidation in the financial statements of the Group.

Notes to the Financial Statements (Cont'd)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(a) Non-controlling interests in subsidiaries

The financial information of the Company's subsidiaries that have material non-controlling interests ("NCI") are as follows:-

	PPM and its subsidiaries RM	Total RM
2022		
NCI proportion of ownership interest and voting rights	5.50%	
Carrying amount of NCI	(9,310,165)	(9,310,165)
Loss allocated to NCI	(1,759,298)	(1,759,298)
Total comprehensive loss allocated to NCI	(2,347,700)	(2,347,700)
Dividend paid to NCI	(27,728)	(27,728)
2021		
NCI proportion of ownership interest and voting rights	5.50%	
Carrying amount of NCI	(6,934,737)	(6,934,737)
Loss allocated to NCI	(2,616,494)	(2,616,494)
Total comprehensive loss allocated to NCI	(1,984,800)	(1,984,800)
Dividend paid to NCI	(83,185)	(83,185)

(b) Summarised financial information of material NCI

The summarised financial information (before intra-group elimination) of the Company's subsidiaries that have material NCI are as follows:-

	PPM and its subsidiaries 2022 RM	2021 RM
Summarised statements of financial position		
Current assets	78,214,591	56,593,422
Non-current assets	113,622,686	144,513,594
Current liabilities	(6,212,803)	(7,239,290)
Non-current liabilities	(1,617,960)	(1,567,839)
Net assets	184,006,514	192,299,887
Non-controlling interests	(20,561,366)	(18,530,379)
Summarised statements of profit or loss and other comprehensive income		
Revenue	1,366,778	1,105,432
Loss for the financial year	(8,979,843)	(11,871,573)
Total comprehensive loss	(7,789,373)	(15,974,464)
Summarised cash flows information		
Cash flows used in operating activities	(6,371,870)	(10,912,723)
Cash flows from/(used in) investing activities	28,907,757	(59,741,555)
Cash flows used in financing activities	(792,381)	(1,161,264)
Net increase/(decrease) in cash and cash equivalents	21,743,506	(71,815,542)

Notes to the Financial Statements (Cont'd)

7. INVESTMENT IN SUBSIDIARIES (CONT'D)

(c) Significant restriction

There is no restriction in the ability of the Group to assess or use the assets and settle liabilities of the subsidiaries.

(d) Impairment loss on investment in subsidiaries

The impairment loss was recognised for the investment in subsidiaries due to irrecoverable value in use.

8. OTHER INVESTMENT

	2022 RM	Group 2021 RM
Non-current		
Financial assets designated at fair value through other comprehensive income	29,556,476	59,618,480
Below are the movements during the financial year:		
	2022 RM	2021 RM
At 1 July	59,618,480	-
Transfer (to)/from short-term deposits	(30,000,000)	60,000,000
Interest income	659,260	1,148,010
Net changes in fair value	(721,264)	(1,529,530)
At 30 June	29,556,476	59,618,480

Financial assets at fair value through other comprehensive income include investments in quoted corporate bonds.

9. BIOLOGICAL ASSETS

	2022 RM	Group 2021 RM
Produce growing on bearer plants		
At 1 July	26,745	3,879
Change in fair value (loss)/gain less costs to sell	(23,898)	23,041
Exchange differences	747	(175)
At 30 June	3,594	26,745

(a) The biological assets represent the FFB of up to 15 days prior to harvest for use in company's palm product operations. During the financial year, the Group harvested approximately 1,767 metric tonnes ("MT") of FFB (2021: 2,594 FFB). The quantity of unharvested FFB of the Group as at 30 June 2022 included in the fair valuation of FFB was 53 MT (2021: 77 MT).

(b) In determining the value of the biological assets, the management had aggregated the gross profit based on the market price of the FFB less the cost of harvesting, upkeep cultivation and transport for the next 15 days after the financial year.

10. INVENTORIES

	2022 RM	Group 2021 RM
At cost		
Consumable inventories	808,721	640,687

(a) The cost of inventories of the Group recognised as an expense in cost of sales during the financial year in respect of continuing operations is RM8,172,276 (2021: RM10,429,209).

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Trade					
Third parties		227,868	406,507	-	-
Less: Impairment losses for trade receivables	(a)	-	(128,103)	-	-
		227,868	278,404	-	-
Non-trade					
Other receivables		225,807	165,163	-	-
Less: Impairment losses for other receivables	(b)	(41,197)	(39,795)	-	-
		184,610	125,368	-	-
Advances to suppliers and contractors		45,285	22,885	-	-
Deposits		154,236	148,468	5,350	5,350
Prepayments		103,617	113,318	720	10,720
Service tax receivable		100,813	58,254	-	-
		588,561	468,293	6,070	16,070
Total trade and other receivables		816,429	746,697	6,070	16,070

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 7 to 45 days (2021: 3 to 15 days) from the date of invoices.

The Group's trade receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of trade receivables is as follows:-

	Group	
	2022 RM	2021 RM
At 1 July	128,103	134,568
Written off	(128,103)	-
Exchange differences	-	(6,465)
At 30 June	-	128,103

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

The information about the credit exposures are disclosed in Note 27(b)(i).

(b) Other receivables

The Group's other receivables that are impaired at the reporting date and the reconciliation of movement in the impairment of other receivables is as follows:-

	Group	
	2022 RM	2021 RM
At 1 July	39,795	131,921
Written off	(88)	(85,745)
Exchange differences	1,490	(6,381)
At 30 June	41,197	39,795

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)

(b) Other receivables

Other receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payment. These receivables are not secured by any collateral or credit enhancements.

12. AMOUNT OWING BY SUBSIDIARIES

This amount is non-trade in nature, unsecured, non-interest bearing, repayable on demand and is expected to be settled in cash.

	Company	
	2022 RM	2021 RM
Amount due from subsidiary	128,719	377,001
Less: Impairment loss		
Brought forward	(26,265)	-
Recognised	(31,611)	(26,265)
Carried forward	(57,876)	(26,265)
Total net amount	70,843	350,736

13. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Cash and bank balances	273,271	417,071	2,777	2,389
Short-term deposits	76,288,153	54,748,144	-	-
	76,561,424	55,165,215	2,777	2,389

Below are the movement for the short-term deposits during the financial year

	Group	
	2022 RM	2021 RM
At 1 July	54,748,144	126,032,526
Transfer from/(to) other investments	30,000,000	(60,000,000)
Placement	-	20,000,000
Repurchase	(9,752,000)	(32,895,711)
Interest income	1,203,854	1,570,140
Management fees	88,155	41,189
At 30 June	76,288,153	54,748,144

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		Amount	
	2022 Units	2021 Units	2022 RM	2021 RM
Issued and fully paid up with no par value:-				
At 1 July/30 June	149,804,135	149,804,135	74,902,067	74,902,067

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

Notes to the Financial Statements (Cont'd)

15. OTHER RESERVES

	Note	Group	
		2022 RM	2021 RM
Fair value adjustment reserve	(a)	(2,127,000)	(1,445,406)
Translation reserve	(b)	8,915,411	6,454,946
		<u>6,788,411</u>	<u>5,009,540</u>

(a) Fair value adjustment reserve

The fair value adjustment reserve represents the cumulative net change in the fair value of debt securities designated at fair value through other comprehensive income until the financial assets are disposed or impaired.

(b) Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of the entities within the Group with functional currencies other than RM (foreign operations) as well as the foreign currency differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation or another currency.

16. DEFERRED TAX LIABILITIES

	Group	
	2022 RM	2021 RM
At 1 July/30 June	1,567,839	1,567,839

Deferred tax liabilities relate to the following:-

	Group	
	2022 RM	2021 RM
Accelerated capital allowances	2,137	2,137
Fair value adjustment in respect of subsidiaries acquired	1,565,702	1,565,702
	<u>1,567,839</u>	<u>1,567,839</u>

Unrecognised deferred tax assets

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

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Unutilised capital allowances	39,533	4,293	5,724	4,293
Unutilised tax losses	52,373,686	52,442,951	283,950	-
	<u>52,413,219</u>	<u>52,447,244</u>	<u>289,674</u>	<u>4,293</u>

Deferred tax assets have not been recognised in respect of these items as they may not have sufficient future taxable profits to be used to offset or they arose from the subsidiaries that have a recent history of losses.

Notes to the Financial Statements (Cont'd)

16. DEFERRED TAX LIABILITIES (CONT'D)

The unutilised tax losses and unutilised capital allowances of the Group and the Company can be carried forward to offset against future taxable profits of the Group and of the Company.

Effective from Year of Assessment ("YA") 2019 as announced in the Annual Budget 2022, the unutilised tax losses of the Group as of 30 June 2021 and thereafter will only be available for carry forward for a period of 10 consecutive years, the unutilised tax losses will be disregarded.

The unutilised tax losses in foreign subsidiaries are available to carried forward for a maximum of 5 years only.

Tax losses for which no deferred tax assets was recognised will expire as follows:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
YA 2022	-	11,303,564	-	-
YA 2023	15,276,887	15,276,887	-	-
YA 2024	10,423,997	10,423,997	-	-
YA 2025	4,912,989	4,912,989	-	-
YA 2026	9,531,017	9,531,017	-	-
YA 2027	7,226,096	-	-	-
YA 2030	994,497	994,497	-	-
YA 2031	-	-	-	-
YA 2032	4,008,203	-	283,950	-
	52,373,686	52,442,951	283,950	-

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 RM	2021 RM	2022 RM	2021 RM
Trade					
Trade payables	(a)	1,533,941	2,855,528	-	-
Non-trade					
Other payables	(b)	105,208	447,858	5,996	30,570
Accruals		4,587,293	3,863,522	262,961	313,500
Dividend payables		67,464	39,682	-	-
Service tax payable		104,733	55,928	-	-
		4,864,698	4,406,990	268,957	344,070
Total trade and other payables		6,398,639	7,262,518	268,957	344,070

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (2021: 30 to 90 days).

(b) Other payables

Included in other payables of the Group is an amount of RMNil (2021: RM27,502) owing to a Director of a subsidiary.

Notes to the Financial Statements (Cont'd)

18. REVENUE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue from contract customers:-				
Sales of fresh fruit bunches	1,366,778	1,105,432	-	-
Dividend income	-	-	476,272	1,428,815
	<u>1,366,778</u>	<u>1,105,432</u>	<u>476,272</u>	<u>1,428,815</u>

(a) Disaggregation of revenue

The Group reports the plantation segment in accordance with MFRS 8 *Operating Segments*. For the purpose of disclosure of disaggregation of revenue, it disaggregates revenue into primary geographical markets and timing of revenue recognition (i.e. goods transferred at a point in time).

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Revenue by segment:-				
Plantation	1,366,778	1,105,432	-	-
Others	-	-	476,272	1,428,815
	<u>1,366,778</u>	<u>1,105,432</u>	<u>476,272</u>	<u>1,428,815</u>
Timing of revenue recognition:-				
At a point in time	1,366,778	1,105,432	476,272	1,428,815
	<u>1,366,778</u>	<u>1,105,432</u>	<u>476,272</u>	<u>1,428,815</u>
Primary geographical market:-				
Malaysia	-	-	476,272	1,428,815
Indonesia	1,366,778	1,105,432	-	-
	<u>1,366,778</u>	<u>1,105,432</u>	<u>476,272</u>	<u>1,428,815</u>

(b) Transaction price allocated to the remaining performance obligations

The Group does not have performance obligation that are unsatisfied for contracts that have an original duration of more than one year at the reporting date.

The Group applies the practical expedient in paragraph 121(a) of MFRS 15 and accordingly, do not disclose information about remaining performance obligations that have original expected durations of one year or less.

19. COST OF SALES

	Group	
	2022 RM	2021 RM
Plantation operations	8,172,276	10,429,209
	<u>8,172,276</u>	<u>10,429,209</u>

20. OTHER INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Rental income	3,600	3,600	-	-
Gain on disposal of property, plant and equipment	138,009	17,149	-	-
Miscellaneous income	103,770	41,682	-	-
Other income - Fees on plasma FFB	19	-	-	-
Waiver of debts	881,286	223,377	-	-
Reversal of overprovision of accruals in prior years	86,836	42,678	-	42,678
Fair value gain on produce growing bearer plants	-	23,041	-	-
	<u>1,213,520</u>	<u>351,527</u>	<u>-</u>	<u>42,678</u>

Notes to the Financial Statements (Cont'd)

21. FINANCE INCOME

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Interest income from cash and cash equivalents	1,205,053	1,572,315	-	-
Interest income from other investment at FVTOCI#	659,260	1,148,010	-	-
Interest income	1,864,313	2,720,325	-	-

fair value through other comprehensive income

22. FINANCE COSTS

	Group	
	2022 RM	2021 RM
Interest expense on:-		
- Lease liability	6,252	-

23. (LOSS)/PROFIT BEFORE TAX

Other than disclosed elsewhere in the financial statements, the following items have been charged/(credited) in arriving at (loss)/profit before tax:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Auditors' remuneration:-				
Grant Thornton Malaysia PLT				
- Statutory audit				
- current year	108,000	104,500	40,000	40,000
- under provision in prior year	500	14,550	-	14,350
- Non-statutory audit	5,000	5,000	5,000	5,000
Other auditors				
- Statutory audit				
- current year	82,152	78,142	-	-
- under provision in prior year	47,154	33,783	-	-
Expenses relating to low-value assets lease				
- photocopier machine	1,800	4,920	-	-
Expenses relating to short-term leases				
- buildings	268,020	265,720	-	-
Net unrealised foreign exchange loss	919	2,724	-	-
Fair value loss/(gain) on biological asset	23,898	(23,041)	-	-
Net realised foreign exchange loss	789	-	-	-

24. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Wages, salaries and allowance	3,891,826	4,239,583	-	-
Defined contribution plans	428,600	448,809	-	-
Other employee benefits	634,222	794,344	237,500	249,500
	4,954,648	5,482,736	237,500	249,500

Notes to the Financial Statements (Cont'd)

24. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in employee benefits expenses are:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Directors of the Company				
Executive Director				
- Salaries and other emoluments	360,000	375,000	-	-
- Defined contribution plans	43,793	45,000	-	-
	403,793	420,000	-	-
Non-executive Directors				
- Salaries and other emoluments*	617,933	744,000	-	-
- Defined contribution plans*	74,152	89,280	-	-
- Other benefits	-	23,193	-	-
- Fees	192,000	192,000	192,000	192,000
- Allowances	45,500	57,500	45,500	57,500
	929,585	1,105,973	237,500	249,500
Total Directors' remuneration	1,333,378	1,525,973	237,500	249,500

* In lieu of annual leave pay

25. INCOME TAX EXPENSE

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Current income tax:-				
- Adjustment in respect of prior year	832	7,595	-	102

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

Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The reconciliations of the tax amount at the statutory income tax rate to the Group's and the Company's tax expense are as follows:-

Reconciliation of effective tax expense

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
(Loss)/Profit before tax	(9,642,205)	(12,491,342)	(214,392)	805,397
Tax at the Malaysian statutory income tax rate of 24% (2021: 24%)	(2,314,129)	(2,997,900)	(51,454)	193,300
Tax effect on non-deductible expenses	87,883	532,137	97,268	159,859
Effect of different tax rate in foreign jurisdiction	(61,494)	(95,485)	-	-
Income not subject to tax	(416,949)	(666,555)	(114,305)	(353,159)
Movement of deferred tax assets not recognised during the financial year	(8,166)	1,621,270	68,491	-
Unutilised tax losses expired	2,712,855	1,606,533	-	-
Adjustment in respect of prior years				
- current income tax	832	7,595	-	102
Income tax expense	832	7,595	-	102

Notes to the Financial Statements (Cont'd)

26. LOSS PER SHARE

Basic loss per share is based on the loss for the financial year attributable to owners of the Company and the weighted average number of ordinary shares outstanding during the financial year, calculated as follows:-

	Group	
	2022 RM	2021 RM
Loss attributable to owners of the Company:-	(7,883,739)	(9,882,443)
Weighted average number of ordinary shares for basic loss per share (units)	149,804,135	149,804,135
Basic loss per ordinary share (sen per share)	(5.26)	(6.60)

The Group has no dilutive potential ordinary shares. As such, the diluted earnings per share is the same as the basic earnings per share.

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

27. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:-

- Amortised cost ("AC")
- Investment in fair value through other comprehensive income designated upon initial recognition ("FVTOCI")

	Carrying amount RM	AC RM	FVTOCI RM
2022			
Financial assets			
Group			
Other investment	29,556,476	-	29,556,476
Trade and other receivables #	566,714	566,714	-
Cash and short-term deposits	76,561,424	76,561,424	-
	<u>106,684,614</u>	<u>77,128,138</u>	<u>29,556,476</u>
Company			
Trade and other receivables #	5,350	5,350	-
Amount owing by a subsidiary	70,843	70,843	-
Cash and short-term deposits	2,777	2,777	-
	<u>78,970</u>	<u>78,970</u>	<u>-</u>
Financial liabilities			
Group			
Trade and other payables*	6,293,906	6,293,906	-
Company			
Trade and other payables*	268,957	268,957	-

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(a) Categories of financial instruments (cont'd)

The table below provides an analysis of financial instruments categorised as follows (cont'd):-

- Amortised cost ("AC")

- Investment in fair value through other comprehensive income designated upon initial recognition ("FVTOCI")

	Carrying amount RM	AC RM	FVTOCI RM
2021			
Financial assets			
Group			
Other investment	59,618,480	-	59,618,480
Trade and other receivables #	552,240	552,240	-
Cash and short-term deposits	55,165,215	55,165,215	-
	115,335,935	55,717,455	59,618,480
Company			
Trade and other receivables #	5,350	5,350	-
Amount owing by a subsidiary	350,736	350,736	-
Cash and short-term deposits	2,389	2,389	-
	358,475	358,475	-
Financial liabilities			
Group			
Trade and other payables*	7,206,590	7,206,590	-
Company			
Trade and other payables*	344,070	344,070	-

excluding prepayments, advances to suppliers and service tax receivable

* excluding service tax payable

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policies are established to ensure that adequate resources are available for the development of the Group's and of the Company's business whilst managing their credit risk, liquidity risk and foreign currency risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process.

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows:-

(i) Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counter party to a financial instrument fails to meet its contractual obligations. It is the Group's and the Company's policy to enter into financial instrument with a diversity of creditworthy counterparties. The Group and the Company do not expect to incur material credit losses of its financial assets or other financial instruments.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk (cont'd)

Concentration of credit risk exists when changes in economic, industry and geographical factors similarly affect the group of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure.

It is the Group's and the Company's policies that all customers who wish to trade on credit terms are subject to credit verification procedures. The Group and the Company do not offer credit terms without the approval of the head of credit control.

Following are the areas where the Group and the Company exposed to credit risk:-

Trade receivables

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position.

The carrying amount of trade receivables are not secured by any collateral or supported by any other credit enhancements. In determining the recoverability of these receivables, the Group considers any change in the credit quality of the receivables from the date the credit was initially granted up to the reporting date. The Group has adopted a policy of dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:-

	2022		2021	
	RM	% of total	RM	% of total
By country:-				
Republic of Indonesia	227,868	100%	278,404	100%

The Group applies the simplified approach to provide for impairment losses prescribed by MFRS 9, which permits the use of the lifetime expected credit loss ("ECL") allowance for all trade receivables. To measure the impairment losses, trade receivables have been grouped based on the days past due. The determination of ECL also incorporates economic conditions during the period of historical data, current conditions and forward-looking information on the economic conditions over the expected settlement period of the receivables. The Group believes that changes in economic conditions over these periods would not materially impact the impairment calculation of the receivables.

Trade receivables that are neither past due nor impaired

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

Trade receivables that are past due but not impaired

Trade receivables that are past due at the reporting date but not impaired because there have been no significant changes in credit quality of the debtors and the amounts are still considered recoverable. The Group does not hold any collateral or credit enhancements over these balances.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk (cont'd)

Trade receivables (cont'd)

Trade receivables that are past due but not impaired (cont'd)

The information about the credit risk exposure on the Group's trade receivables as at 30 June 2022 and 30 June 2021 are as follows:-

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group			
2022			
Current (not past due)	50,281	-	50,281
1 to 30 days past due	98,679	-	98,679
61 to 90 days past due	63,082	-	63,082
More than 121 days past due	15,826	-	15,826
	227,868	-	227,868
2021			
Current (not past due)	153,066	-	153,066
1 to 30 days past due	51,216	-	51,216
31 to 60 days past due	9,449	-	9,449
61 to 90 days past due	3,107	-	3,107
More than 121 days past due	61,566	-	61,566
Credit impaired:-			
- Individually assessed	128,103	(128,103)	-
	406,507	(128,103)	278,404

The significant changes in the gross carrying amounts of trade receivables do not contribute to changes in the impairment loss allowance during the financial year.

Other receivables and other financial assets

For other receivables and other financial assets (including cash and short-term deposits and amount owing by subsidiaries), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. At the reporting date, the Group's and the Company's maximum exposure to credit risk arising from other receivables and other financial assets is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

The Group and the Company consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group and the Company compare the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forward-looking information.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(i) Credit risk (cont'd)

Other receivables and other financial assets (cont'd)

The Company provides advances to subsidiaries. The Company monitors the results of the subsidiaries in determining the recoverability of intercompany balances. The advances to subsidiaries are repayable on demand. For such advances, expected credit losses are assessed based on the assumption that repayment of the advances is demanded at the reporting date. If the subsidiary does not have sufficient liquid reserves when the loan is demanded, the Company will consider the expected manner of recovery and recovery period of the advances.

Other than the credit-impaired other receivables, the Group and the Company consider these financial assets to have low credit risk and the expected credit loss is negligible. As at the reporting date, the Group and the Company did not recognise any loss allowance for impairment for other receivables and other financial assets other than those as disclosed in Note 11 to the financial statements.

Refer to Note 3.4(a) for the Group's and the Company's accounting policies for impairment of financial assets.

(ii) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations when they fall due. The Group's and the Company's exposure to liquidity risk arise primarily from mismatches of the maturities between financial assets and liabilities. The Group's and the Company's exposure to liquidity risk arise principally from trade and other payables and amounts owing to Directors.

The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by facilities. The Group and the Company maintain sufficient liquidity and available funds to meet daily cash needs, while maintaining controls and security over cash movements. The Group and the Company use a series of processes to obtain maximum benefits from its flow of funds, such that they are efficiently managed to maximise income from investment and minimise cost on borrowed funds. The Group's and the Company's finance department also ensure that there are sufficient unutilised stand-by facilities, funding and liquid assets available to meet both short-term and long-term funding requirements.

The summary of maturity profile based on the contractual undiscounted repayment obligations is as follows:-

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM
Group					
2022					
Trade and other payables	6,293,906	6,293,906	6,293,906	-	-
Lease liability	64,791	112,511	25,474	25,474	61,563
Total	6,358,697	6,406,417	6,319,380	25,474	61,563
2021					
Trade and other payables	7,206,590	7,206,590	7,206,590	-	-
Company					
2021					
Trade and other payables	268,957	268,957	268,957	-	-
2021					
Trade and other payables	344,070	344,070	344,070	-	-

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iii) Foreign currency risk

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

The Group has transactional currency exposures arising from cash and cash equivalents that are denominated in a currency other than the functional currency of respective entity of the Group, primarily RM and Indonesian Rupiah ("IDR"). The foreign currencies in which these transactions are denominated are mainly United States Dollar ("USD") and IDR.

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

Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Material foreign currency transaction exposure are hedged mainly by derivative financial instruments such as forward foreign exchange contracts, if necessary.

As at reporting date, the Group had not entered into any forward foreign exchange contracts.

Financial assets/liabilities denominated in USD, RM and IDR are as follows:-

	2022 RM	2021 RM
Group		
USD/RM		
Cash and short-term deposits	56,363	106,606
IDR/RM		
Cash and short-term deposits	125,197	211,804

Sensitivity analysis for foreign currency risk

An average of 0.24% (2021: 0.27%) strengthening/weakening of the RM against respective foreign currencies as at the end of the reporting period would have immaterial impact on (loss)/profit before tax and equity.

(iv) Interest Rate Risk

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

The Group's investments in fixed rate debt securities and its fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates.

The Group's interest rate management objective are to manage the interest expenses consistent with maintaining an acceptable level of exposure to interest rate fluctuation. In order to achieve this objective, the Group target a mix of fixed and floating debt based on assessment of its existing exposure and desired interest rate profile.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

The main areas of financial risks faced by the Group and the Company and the policies in respect of the major areas of treasury activity are set out as follows (cont'd):-

(iv) Interest Rate Risk (cont'd)

The interest rate profile of the Group's significant interest-bearing financial instruments, based on carrying amounts as at end of the reporting period were:-

	Group 2022 RM	2021 RM
Fixed rate instrument		
Lease liability	64,791	-

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(c) Fair value measurement

The carrying amounts of cash and short-term deposits and short-term receivables and payables are reasonable approximation to their fair values due to the relatively short-term nature of these financial instruments.

The table below analyses financial instruments carried at fair value together with their values and carrying amounts shown in the statements of financial position.

	Fair value of financial instruments carried at fair value Level 1 RM	Carrying amount RM
Group		
Financial asset		
Other investment	29,556,476	29,556,476

There were no transfers between Level 1 and Level 2 during the financial year.

Policy on transfer between levels

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

Level 1 Fair Value

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

Level 2 Fair Value

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

Notes to the Financial Statements (Cont'd)

28. RELATED PARTIES

(a) Significant related party transactions

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

Subsidiary	Company	
	2022 RM	2021 RM
Dividend income	476,272	1,428,815

Significant outstanding balances with related parties at the end of the reporting date are as disclosed in Note 12 to the financial statements.

(b) Compensation of key management personnel

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Executive Director remuneration:-				
- short-term employee benefits	360,000	375,000	-	-
- post-employment benefits	43,793	45,000	-	-
	403,793	420,000	-	-
Non-executive Directors' remuneration:-				
- short-term employee benefits*	617,933	744,000	-	-
- post-employment benefits*	74,152	112,473	-	-
- fee and other emoluments	237,500	249,500	237,500	249,500
	929,585	1,105,973	237,500	249,500
Total Directors' remunerations	1,333,378	1,525,973	237,500	249,500
Other key management personnel				
- short-term employee benefits	1,555,283	1,033,112	-	-
- post-employment benefits	134,907	77,150	-	-
	1,690,190	1,110,262	-	-
	3,023,568	2,636,235	237,500	249,500

* In lieu of annual leave pay

29. CAPITAL MANAGEMENT

The capital structure of the Group consists of net debt of the Group off set with cash and bank balances, and equity of the Group comprising issued capital, reserves, retained earnings and non-controlling interests.

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

Notes to the Financial Statements (Cont'd)

29. CAPITAL MANAGEMENT (CONT'D)

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as total debts divided by total equity. The gearing ratio as at 30 June 2022 and 30 June 2021 are as follow:-

	Group		Company	
	2022 RM	2021 RM	2022 RM	2021 RM
Trade and other payables	6,398,639	7,262,518	268,957	344,070
Lease liability	64,791	-	-	-
Less: Cash and short-term deposits	(76,561,424)	(55,165,215)	(2,777)	(2,389)
Net (cash)/debt	(70,097,994)	(47,902,697)	266,180	341,681
Equity attributable to the owners of the Company, representing total capital	193,124,987	199,229,855	68,450,800	68,633,581
Capital and net debt	123,026,993	151,327,158	68,716,980	68,975,262
Gearing ratio	N/A*	N/A*	0.4%	0.5%

The Group and the Company are not subject to any externally imposed capital requirements.

*N/A - Not applicable as net cash position.

30. SEGMENT INFORMATION

The Group prepared the following segment information in accordance with MFRS 8 Operating Segments based on the internal reports of the Group's strategic business units which are regularly reviewed by the Group's Managing Director ("MD") for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss before tax. The Group's financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

The two reportable operating segments are as follows:-

- (i) The plantation segment is in the business of cultivation of oil palm and processing of palm oil. It offers crude palm oil, palm kernel and fresh fruit bunches for sale.
- (ii) The investment holding segment refers to the Company with investments in subsidiaries and providing management services to the subsidiaries.

Except as indicated above, no other operating segment has been aggregated to form the above reportable operating segments.

	Note	Plantation RM	Investment holding RM	Adjustments and eliminations RM	Total RM
2022					
Revenue					
External customers		1,366,778	-	-	1,366,778
Inter-segment	A	-	476,272	(476,272)	-
Total revenue		1,366,778	476,272	(476,272)	1,366,778

Notes to the Financial Statements (Cont'd)

30. SEGMENT INFORMATION (CONT'D)

	Note	Plantation RM	Investment holding RM	Adjustments and eliminations RM	Total RM
2022 (cont'd)					
Results					
<i>Included in the measure of segment (loss)/profit are:-</i>					
Depreciation of property, plant and equipment		3,462,370	-	-	3,462,370
Amortisation of right-of-use assets		268,558	-	-	268,558
Segment loss	B	(10,837,072)	(186,922)	(476,272)	(11,500,266)
Assets:-					
Additions to non-current assets other than financial instruments and deferred tax asset	C	643,746	-	-	643,746
Segment assets	D	191,837,244	68,617,303	(68,608,456)	191,846,091
Liabilities:-					
Segment liabilities		7,759,921	271,348	-	8,031,269
2021					
Revenue					
External customers		1,105,432	-	-	1,105,432
Inter-segment	A	-	1,428,815	(1,428,815)	-
Total revenue		1,105,432	1,428,815	(1,428,815)	1,105,432
Results					
<i>Included in the measure of segment (loss)/profit are:-</i>					
Depreciation of property, plant and equipment		3,396,894	-	-	3,396,894
Depreciation of right-of-use assets		240,964	-	-	240,964
Segment (loss)/profit	B	(16,017,064)	805,397	-	(15,211,667)
Assets:-					
Additions to non-current assets other than financial instruments and deferred tax asset	C	299,876	-	-	299,876
Segment assets	D	201,107,016	68,626,915	(68,608,456)	201,125,475
Liabilities:-					
Segment liabilities		8,807,129	23,228	-	8,830,357

Notes to the Financial Statements (Cont'd)

30. SEGMENT INFORMATION (CONT'D)

Reconciliation of reportable segment revenue, loss, assets, liabilities and other material items are as follows:-

A Inter-segment revenues are eliminated on consolidation.

B The following items are added/(deducted) from segment loss/(profit) to arrive at “(Loss)/Profit before tax from operations” presented in the consolidated statement of profit or loss and other comprehensive income:-

	2022	2021
	RM	RM
Finance income	1,864,313	2,720,325
Finance costs	(6,252)	-
	<u>1,858,061</u>	<u>2,720,325</u>

C Additions to non-current assets consist of:-

	2022	2021
	RM	RM
Property, plant and equipment	129,179	213,658
Right-of-use assets	514,567	86,218
	<u>643,746</u>	<u>299,876</u>

D The following items are deducted from segment assets to arrive at total assets reported in the consolidated statement of financial position:-

	2022	2021
	RM	RM
Inter-segment assets	(68,608,456)	(68,608,456)

Geographical information

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

	Revenue		Non-current assets	
	2022	2021	2022	2021
	RM	RM	RM	RM
Malaysia	-	-	29,708,999	59,760,108
Republic of Indonesia	1,366,778	1,105,432	83,913,687	84,753,486
	<u>1,366,778</u>	<u>1,105,432</u>	<u>113,622,686</u>	<u>144,513,594</u>

Non-current assets information presented above consist of the following items as presented in the consolidated statement of financial position.

	2022	2021
	RM	RM
Property, plant and equipment	64,209,724	65,745,210
Right-of-use assets	19,856,486	19,149,904
Other investment	29,556,476	59,618,480
	<u>113,622,686</u>	<u>144,513,594</u>

Notes to the Financial Statements (Cont'd)

30. SEGMENT INFORMATION (CONT'D)

Information about major customers

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

	Revenue		Segment
	2022 RM	2021 RM	
Customer A	-	579,709	Plantation
Customer B	1,540,612	746,204	Plantation
Customer C	587,049	51,441	Plantation
Customer D	-	239,401	Plantation

31. SIGNIFICANT EVENT

The Malaysia King declared state of emergency for the country until 1 August 2021 to curb the spread of COVID-19 on 12 January 2021.

The restrictions imposed have not, however, negatively impacted the Group's financial performance as the main plantation division were allowed to operate throughout the financial year ended 30 June 2022 since its plantation is undertaken in Republic of Indonesia.

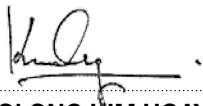
Based on the assessment of the Group, the judgements and assumptions used in the preparation of the financial statements for the financial year ended 30 June 2022 have not been impacted significantly by the COVID-19 pandemic. The Group will continue to assess the impact of the COVID-19 pandemic on the financial statements of the Group for the financial year ending 30 June 2023.

Statement by Directors

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

We, **DATO' ONG KIM HOAY** and **K. SELVESWARAN A/L KANAGARATNAM**, being two of the Directors of PINEHILL PACIFIC BERHAD, do hereby state that, in the opinion of the Directors, the accompanying financial statements as set out on pages 46 to 93 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 30 June 2022 and of their financial performance and cash flows for the financial year then ended.

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



DATO' ONG KIM HOAY
Director



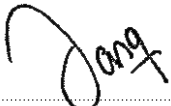
K. SELVESWARAN A/L KANAGARATNAM
Director

Date: 21 October 2022

Statutory Declaration

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

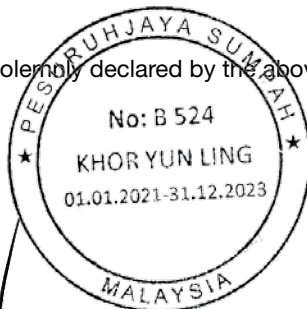
I, **Tang Yow San**, being the Officer primarily responsible for the financial management of PINEHILL PACIFIC BERHAD, do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements as set out on pages 46 to 93 are correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.



TANG YOW SAN
MIA Membership No.: 11019

Subscribed and solemnly declared by the abovesigned at Seri Kembangan, Selangor on 21 October 2022.

Before me,



Commissioner for Oaths

No: 15-3-4, Tingkat 2
Jalan SP 2/1
Taman Serdang Perdana
43300 Seri Kembangan
Selangor Darul Ehsan

Independent Auditors' Report

To the members of Pinehill Pacific Berhad

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pinehill Pacific Berhad, which comprise the statements of financial position as at 30 June 2022 of the Group and of the Company, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 46 to 93.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 30 June 2022, and of their financial performance and cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia.

Basis for Opinion

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

Independence and Other Ethical Responsibilities

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

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.

Group

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

The Group has significant carrying value of property, plant and equipment and right-of-use assets. The losses incurred in the Group's plantation operations in the recent financial years is an indication that these non-financial assets may be impaired. We focused on this area because significant judgements and estimates are involved in determining the recoverable amount of these non-financial assets. The Group estimated the recoverable amount of these non-financial assets based on the market valuation performed by external independent valuer and the discounted cash flow prepared by the management which requires significant judgement in determining the appropriate valuation methods and key assumptions.

Our response:-

Our audit procedures included, among others:-

- performed site visit and physical inspection of property, plant and equipment on sampling basis and right-of-use assets to ensure proper conditions of assets in use;
- evaluated the competency, capabilities and objectivity of the external valuer;
- read valuation reports and discussed with the independent valuer on their valuation approach and significant judgements they made;
- challenged the assessment for indications of impairment performed by the Group by considering whether it had factored or considered relevant internal and external information;
- reviewed the discounted cash flow and challenged the appropriateness of the key assumptions based on our knowledge of the plantation industry; and
- tested the mathematical accuracy of the impairment assessment.

Independent Auditors' Report (Cont'd)

To the members of Pinehill Pacific Berhad

Report on the Audit of the Financial Statements (cont'd)

Key Audit Matters (cont'd)

Company

We have determined that there are no other key audit matters in the audit of the separate financial statements of the Company to be communicated in our report.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

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

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:-

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.

Independent Auditors' Report (Cont'd)

To the members of Pinehill Pacific Berhad

Report on the Audit of the Financial Statements (cont'd)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

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 (cont'd):-

- 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 Company or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the Director, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other Matter

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



GRANT THORNTON MALAYSIA PLT
(201906003682 & LLP0022494-LCA)
CHARTERED ACCOUNTANTS (AF 0737)



ANTONY LEONG WEE LOK
(NO: 03381/06/2024 J)
CHARTERED ACCOUNTANT

List of Properties of the Group

Location	Description/ Land Area	Existing Use (Approx. age of Building & Right-Of-Use Assets)	Tenure	Net Book Value RM'000	Date of Last Revaluation ("DLR")/ Date of Acquisition ("DA")
PERAK, PENINSULAR MALAYSIA					
Pinehill Plantations (Malaysia) Sdn Bhd					
Lot 9365 Mukim of Durian Sebatang District of Hilir Perak, Perak	A freehold land with land area of 5,502 sq. ft. with a single storey semi- detached house	Rental (Age of Building: 41 years)	Freehold	34.8	DLR: 18.05.2016
KABUPATEN SINTANG, KALIMANTAN BARAT, INDONESIA					
P.T. Inma Jaya Group					
Kecamatan Ketungau Hulu	A leasehold with land area of 5,057.78 hectares	Oil palm estate	60-year lease pending application of title	5,217	DA : 12.09.2005
P.T. Inma Makmur Lestari					
Kecamatan Ketungau Hulu	A leasehold with land area of 1,254.65 hectares	Oil palm estate	60-year lease pending application of title	2,264	DA : 12.09.2005
P.T. Indomal Sawit Jaya					
Kecamatan Ketungau Hulu	A leasehold with land area of 6,371.87 hectares	Oil palm estate	60-year lease pending application of title	6,121	DA : 12.09.2005
P.T. Makmur Jaya Malindo					
Kecamatan Ketungau Tengah	A leasehold with land area of 7,981.61 hectares	Oil palm estate	60-year lease pending application of title	6,128	DA: 12.09.2005

5 Years' Statistics

	2022	2021	2020	2019	2018 (restated)
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
Plantation	1,367	1,105	1,766	16,483	24,188
	1,367	1,105	1,766	16,483	24,188
Earnings					
(Loss)/Profit Before Taxation	(9,642)	(12,491)	101,486	(33,822)	(33,117)
(Loss)/Profit After Taxation and Non-controlling interests	(7,884)	(9,882)	96,123	(29,042)	(26,417)
Assets Employed					
Property, Plant and Equipment	19,857	19,683	20,421	20,678	261,880
Replanting Expenditure	-	-	-	-	12,268
Plantation Development Expenditure	64,210	65,212	70,508	72,932	93,008
Other Investment	29,556	59,619	-	-	-
Long Term Borrowings	(50)	-	-	(131)	(247)
Deferred Taxation	(1,568)	(1,568)	(1,568)	(56,814)	(59,696)
Non-controlling Interests	9,310	6,935	4,867	10,418	6,558
Amount Due To A Corporate Shareholder	-	-	-	(26,660)	(26,660)
Advance From A Director	-	-	-	(7,632)	(7,632)
Net Current Assets/(Liabilities)	71,810	49,349	119,593	51,360	(189,331)
Net Assets	193,125	199,230	213,821	64,151	90,148
Financed By					
Issued Capital	74,902	74,902	74,902	74,902	74,902
Reserves	118,223	124,328	138,919	(10,751)	15,246
Shareholders Funds	193,125	199,230	213,821	64,151	90,148

Per Share Unit Statistics

	2022	2021	2020	2019	2018 (restated)
	Sen	Sen	Sen	Sen	Sen
Market Price	32.5	39	29	31	16
(Loss)/Earnings Per Share	(5.26)	(6.60)	64.17	(19.38)	(17.64)
Net Tangible Assets	129	133	143	43	60

Notes

- Earnings per share unit are based on profit after taxation and minority interest.
- Net tangible assets comprise issued share capital and reserves less intangible assets, if any.
- The market prices are based on the prices of the share units quoted on the last trading day of June.

Estate Status

			2022	2021	2020	2019	2018
AGRICULTURAL - OIL PALM							
Mature Area Harvested							
Peninsular Malaysia		('000 hectares)	-	-	3.19	3.19	3.19
Kalimantan Barat, Indonesia		('000 hectares)	8.02	8.01	8.01	8.01	7.97
			8.02	8.01	11.20	11.20	11.16
FFB Crop Harvested							
Peninsular Malaysia		('000 tonnes)	-	-	2.2	35.3	39.0
Kalimantan Barat, Indonesia		('000 tonnes)	1.8	2.6	2.1	1.6	1.4
			1.8	2.6	4.3	36.9	40.4
Yield per Mature Hectare							
Peninsular Malaysia		(tonnes)	-	-	0.7	11.1	12.2
Kalimantan Barat, Indonesia		(tonnes)	0.2	0.3	0.3	0.2	0.2
			0.2	0.3	1.0	11.3	12.4
Mill Production							
Peninsular Malaysia		('000 tonnes)					
		Palm Oil	-	-	-	7	7
Peninsular Malaysia		Palm Kernel	-	-	-	2	2
Average Selling Price							
Peninsular Malaysia	Palm Oil	Net of Duty	-	-	2,065	2,018	2,558
Peninsular Malaysia	Palm Kernel	(Ex-Mill)	-	-	1,312	1,435	2,257
Peninsular Malaysia	FFB	(Ex-Estate)	-	-	321	407	556
Kalimantan Barat	FFB	(Ex-Estate)	773	283	-	-	-
Operating Surplus							
Peninsular Malaysia		(RM/mature hectare)	-	-	(444)	3,391	5,212
AREA STATEMENT							
Peninsular Malaysia							
			-	-	-	3,191	3,191
		Mature Oil Palm	-	-	-	247	247
		Immature Oil Palm	-	-	-		
		Planted area	-	-	-	3,438	3,438
		Mill, Office, Housing, etc	-	-	-	149	149
			-	-	-	3,587	3,587
Kalimantan Barat, Indonesia							
			8,022	8,008	8,008	8,008	7,970
		Mature Oil Palm	-	-	-	-	38
		Immature Oil Palm	-	-	-	-	
		Planted area	8,022	8,008	8,008	8,008	8,008

Analysis of Shareholdings

As at 30 September 2022

Issued and Paid-Up Share Capital	: RM74,902,067.50
Class of Share	: Ordinary Shares
No. of Shareholders	: 7,304 Shareholders
Voting Rights	: One (1) vote per ordinary share on a poll

ANALYSIS OF SHAREHOLDINGS

Size of Holdings	No. of Holders	% of Holders	No. of Shares	% of Shares
1 - 99	62	0.85	1,184	0.00
100 - 1,000	2,472	33.84	2,057,325	1.37
1,001 - 10,000	3,859	52.83	15,763,625	10.52
10,001 - 100,000	808	11.06	24,940,077	16.65
100,001 - 7,490,205 (*)	101	1.38	58,609,400	39.12
7,490,206 and above (**)	2	0.03	48,432,524	32.33
Total	7,304	100.00	149,804,135	100.00

REMARKS:

- * Less Than 5% of Issued Holdings
 ** 5% and above of Issued Holdings

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS

Size of Holdings	Direct Interest		Indirect Interest	
	No. of Holders	%	No. of Shares	%
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam	-	-	48,432,524 ⁽¹⁾	32.33
Allgrow Capital Holdings Sdn Bhd	34,132,524	22.78	-	-
Puan Sri Datin Vivienne Ketheeswaran	14,300,000	9.55	34,132,524 ⁽²⁾	22.78

- ⁽¹⁾ Indirect interest by virtue of spouse and deemed interest by virtue of the spouse's interest in Allgrow Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.
⁽²⁾ Deemed interest by virtue of the interest in Allgrow Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

DIRECTORS' SHAREHOLDING ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDING

Director	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam	-	-	48,432,524 ⁽¹⁾	32.33
Dato' Ong Kim Hoay	21,000	0.01	-	-

- ⁽¹⁾ Indirect interest by virtue of spouse and deemed interest by virtue of the spouse's interest in Allgrow Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings (Cont'd)

As at 30 September 2022

THIRTY (30) LARGEST SHAREHOLDERS

	Name of Shareholders	No. of Shares	% of Shares
1	ALLGROW CAPITAL HOLDINGS SDN BHD	34,132,524	22.78
2	VIVIENNE KETHEESWARAN	14,300,000	9.55
3	GOH TEN FOOK	7,480,000	4.99
4	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SEOW LUN HOO @ SEOW WAH CHONG (12021520) (434618)	4,224,400	2.82
5	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' SRI KER CHERK YEE	4,196,100	2.80
6	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,702,300	2.47
7	S'NG HOOI SEAH	3,426,000	2.29
8	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	3,300,000	2.20
9	RESCOM INTERNATIONAL LIMITED	2,800,000	1.87
10	NICAN ASIA LIMITED	2,630,000	1.76
11	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,096,900	1.40
12	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SEOW VOON PING (PW-M0 0400) (410083)	1,500,000	1.00
13	MAYBANK SECURITIES NOMINEES (ASING) SDN BHD MAYBANK SECURITIES PTE LTD FOR TAN AH SENG	1,115,000	0.74
14	AFFIN HWANG NOMINEES (ASING) SDN BHD PHILLIP SECURITIES PTE LTD FOR NG YEW CHUAN	1,000,000	0.67
15	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LESLIE ANNE SCULLY (E-SS2)	667,000	0.45
16	YONG KIM FUJ	636,500	0.42
17	CHEN ENG SIAN	603,000	0.40
18	TONG FONG REALTY SDN. BERHAD	561,400	0.37
19	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOR SOW KUEN (E-KPG)	530,000	0.35
20	KHOO TEW CHOON	505,000	0.34
21	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KON HING (E-KPG)	501,400	0.33
22	LOW GUAN HONG	450,000	0.30
23	THEE WOEI CHERNG	450,000	0.30
24	OOI SIEW LOOI	446,000	0.30
25	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN PET HUAN (E-PKG)	406,000	0.27
26	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO TEW CHOON	400,000	0.27
27	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR NICHOLAS FANG CHERN LEE	400,000	0.27
28	TAN KHEAK GEAI	400,000	0.27
29	INTER-PACIFIC EQUITY NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KON HING (AY0036)	396,700	0.26
30	CHUN LAY KWANG @ CHENG TECK KWANG	359,000	0.24



191701000026 (000222-D)

No. of Shares Held	CDS Account No.

FORM OF PROXY

*I/We _____ NRIC/Passport/Company No. _____
 (FULL NAME IN BLOCK LETTERS)

of _____
 (FULL ADDRESS)

Telephone No. _____ Email Address: _____ being a Member
 of **PINEHILL PACIFIC BERHAD** hereby appoint _____
 (FULL NAME IN BLOCK LETTERS)

NRIC/Passport/Company No. _____ of _____
 (FULL ADDRESS)

Telephone No. _____ Email Address: _____ or failing whom

_____ NRIC/Passport/Company No. _____
 (FULL NAME IN BLOCK LETTERS)

of _____
 (FULL ADDRESS)

Telephone No. _____ Email Address: _____

or failing *him/her, the *Chairman of the Meeting, as *my/our proxy to attend and vote for *me/us and on *my/our behalf at the One-Hundredth Annual General Meeting of the Company to be conducted on a virtual basis through live streaming via an online platform using remote facilities at the Broadcast Venue at Meeting Room of Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur, Wilayah Persekutuan on Monday, 19 December 2022, at 11.00 a.m. and at any adjournment thereof, in respect of my/our shareholdings in the manner indicated below:-

1.	To receive the Audited Financial Statements for the financial year ended 30 June 2022 together with the Reports of the Directors and the Auditors thereon.			
	Resolutions		For	Against
2.	To approve the payment of a single tier first and final dividend of 3.0 sen per ordinary share in respect of the financial year ended 30 June 2022.	(Resolution 1)		
3.	To approve the payment of Directors' Fees of RM192,000/- for the financial year ended 30 June 2022.	(Resolution 2)		
4.	To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM88,000/- from 1 July 2022 until the conclusion of the next Annual General Meeting of the Company.	(Resolution 3)		
5.	To re-elect Dato' Nik Mohd Amin Bin Nik Abu Bakar who retires pursuant to Clause 100 of the Company's Constitution.	(Resolution 4)		
6.	To re-elect Bala Krishnan Ponniah who retires pursuant to Clause 100 of the Company's Constitution.	(Resolution 5)		
7.	To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2023 and to authorise the Directors to fix their remuneration.	(Resolution 6)		
8.	Authority for Dato' Ong Kim Hoay to Continue in Office as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance 2021.	(Resolution 7)		
9.	Authority for Dato' Nik Mohd Amin Bin Nik Abu Bakar to Continue in Office as Independent Non-Executive Director pursuant to the Malaysian Code on Corporate Governance 2021.	(Resolution 8)		
10.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	(Resolution 9)		

Please indicate with an "X" in the spaces provided below how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

* Strike out whichever not applicable.

Signed this _____ day of _____ 2022.

In the event that more than one proxy are appointed, the percentage of shareholdings to be represented by each proxy is as follows:

Name of Proxies	%

Signature of Member/Common Seal of Shareholder

- Notes:**
1. The One-Hundredth Annual General Meeting of the Company ("AGM") will be conducted on a virtual basis through live streaming via the remote participation and voting (RPV) facilities provided by the SS E Solutions at <https://sshsb.net.my>.
 2. The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairperson of the Meeting to be present at the main venue of the AGM. **No members or proxies/corporate representatives/attorneys appointed/authorised shall be physically present at the AGM (in the Broadcast Venue).**
 3. Members of the Company whose names appear in the Record of Depositors as at 9 December 2022 shall be entitled to participate and vote remotely at the AGM through <https://sshsb.net.my/>. In this context, the terms participate aforesaid shall include the right to raise questions to the Board via real time submission of typed texts at the portal specified above.
 4. Members and all proxies/corporate representatives/attorneys duly appointed/authorised who wish to participate and vote remotely at the AGM shall firstly register at <https://sshsb.net.my/> **no later than cut-off date/time** as per the **AGM Administrative Guide** in accordance with the relevant procedures therein.
 5. Each member is entitled to appoint not more than 2 proxies to participate and vote remotely on their behalf. A proxy may but need not be a member of the Company. Any member who appoints more than 1 proxy without specifying in the Proxy Form the proportion of the shareholdings by each proxy, such appointment shall be invalid.
 6. A member who is an authorised nominee, may appoint not more than 2 proxies in respect of each securities account held. A member who is an exempt authorised nominee holding ordinary shares in the Company for multiple beneficial owners in a securities account ("Omnibus Account"), there is no limit to the number of proxies such member may appoint in respect of each Omnibus Account held.
 7. Appointment of proxy(ies) may be made as follows **no later than 11.00 a.m. on Saturday, 17 December 2022**, as more particularly described in the **AGM Administrative Guide:-**
 - (i) **Appointment of proxy electronically**
Individual members may appoint a proxy electronically through <https://sshsb.net.my/>; **or**
 - (ii) **Hard copy Proxy Form**
Members may also appoint a proxy by way of a duly executed hard copy Proxy Form which must be deposited at Securities Services (Holdings) Sdn Bhd, Level 7, Menara Milenium, Jalan Damanlela, Pusat Bandar Damansara, Damansara Heights, 50490 Kuala Lumpur.The Proxy Form shall be completed with all the appropriate information required and signed with a date inserted thereon. Appointment of proxy by any corporate member, its Proxy Form must be executed under its common seal or under the hand of its attorney duly authorised in writing or in accordance with the applicable laws for the time being in force.
 8. Any authority to appoint a proxy which is made by way of power of attorney and for any corporate members who appoint representatives to participate and vote remotely, shall adhere to the documents submission requirement no later than the cut-off date/time as per the AGM Administrative Guide in accordance with the relevant procedures therein.
 9. The **AGM Administrative Guide** aforesaid is available at the Company's website at www.pinepac.com.my.
 10. You are advised to read and understand the contents of the Personal Data Protection Statement which is annexed with the Notice of AGM before providing any relevant personal data for the appointment of proxy(ies).
 11. All resolutions as set out herein will be put to vote by way of poll pursuant to the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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AFFIX
STAMP

SECURITIES SERVICES (HOLDINGS) SDN BHD
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Level 7, Menara Milenium
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