



FUTURE FOCUSED

Annual Report 2023

101st

Annual
General
Meeting



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



Wednesday, 6 December 2023,
at 11.00 a.m.

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Please scan the QR code to
get a direct link to Pinehill
Pacific Berhad's website.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the One-Hundredth and First 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 Wednesday, 6 December 2023, at 11.00 a.m. for the following purposes:

AGENDA

- | | | |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 30 June 2023 together with the Reports of the Directors and the Auditors thereon. | <i>Explanatory Note 1</i> |
| 2. | To approve the payment of Directors’ Fees of RM192,000/- for the financial year ended 30 June 2023. | Ordinary Resolution 1 |
| 3. | To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM95,000/- from 1 July 2023 until the conclusion of the next Annual General Meeting of the Company. | Ordinary Resolution 2
<i>Explanatory Note 2</i> |
| 4. | 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’ Ong Kim Hoay
(ii) Dato’ Shahrom Bin Abdul Majid | Ordinary Resolution 3 & 4 |
| 5. | To re-elect the following Director who retires by rotation pursuant to Clause 107 of the Company’s Constitution, and who being eligible, has offered herself for re-election.

(i) Puan Sri Datin Vivienne Ketheeswaran | Ordinary Resolution 5 |
| 6. | To re-appoint Messrs Grant Thornton Malaysia PLT as Auditors of the Company for the financial year ending 30 June 2024 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 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; 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.

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”. | Ordinary Resolution 7
<i>Explanatory Note 3</i> |
| 8. | To transact any other ordinary business of which due notice shall have been given. | |

By Order of the Board

Wong Youn Kim (MAICSA 7018778) (SSM PC 201908000410)
Company Secretary

Puchong, Selangor Darul Ehsan
31 October 2023

Notice of Annual General Meeting (Cont'd)

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 2

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 Resolution 7

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

The proposed Resolution 7, 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 One-Hundredth Annual General Meeting held on 19 December 2022. 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 One-Hundredth Annual General Meeting held on 19 December 2022, which will lapse at the conclusion of the One-Hundredth and First Annual General Meeting.

The approval of 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 and 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.

Notes:

1. The One-Hundredth and First 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/>.
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 28 November 2023 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.

Notice of Annual General Meeting (Cont'd)

Notes: (Cont'd)

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://sshbsb.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 Monday, 4 December 2023**, as more particularly described in **the AGM Administrative Guide**:-

(i) Appointment of proxy electronically

Individual members may appoint a proxy electronically through <https://sshbsb.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 our Share Registrar, 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.

STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

1. One-Hundredth and First 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 Wednesday, 6 December 2023, at 11.00 a.m.
2. The Directors standing for re-election at the One-Hundredth and First AGM of the Company pursuant to Clause 100 of the Constitution of the Company are:-
 - (i) Dato' Ong Kim Hoay
 - (ii) Dato' Shahrom Bin Abdul Majid

The Director standing for re-election at the One-Hundredth and First AGM of the Company pursuant to Clause 107 of the Constitution of the Company is:-

- (i) Puan Sri Datin Vivienne Ketheeswaran

The details of the above Directors seeking for re-election are set out in the Profile of Directors as disclosed on pages 24 to 25 of this Annual Report.

3. The details of attendance of the Directors of the Company at Board of Directors' Meetings held during the financial year ended 30 June 2023 are disclosed in the Corporate Governance Overview Statement set out on page 37 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 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

Non-Independent Non-Executive Chairman

Dato' Ong Kim Hoay

Non-Independent Non-Executive Directors

Dato' Nik Mohd Amin Bin Nik Abu Bakar

Puan Sri Datin Vivienne Ketheeswaran

Independent Non-Executive Directors

Dato' Shahrom Bin Abdul Majid

Bala Krishnan Ponniah

Executive Director

K. Selveswaran Kanagaratnam

AUDIT COMMITTEE

Chairman

Bala Krishnan Ponniah

Members

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

Tuan Haji Abdul Latip Bin Mohd Zain

Ragesh Rajendran

COMPANY SECRETARY

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 2023 ("FY 2023").

PERFORMANCE REVIEW

FY 2023 was a continuation of the previous year's unprecedented challenges facing countries, communities and businesses across all industries. Rising inflationary pressures and the slowing global economy continue to be a burden on businesses. 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 RM13.6 million in FY 2023. The higher loss in FY 2023 was contributed by higher rehabilitation cost, lower revenue and fair value loss on a bond fund (under a renowned licensed Asset Management Company) we previously invested. The loss of RM1.8 million on the bond fund was incurred upon its redemption. Overall, the investment in the bond fund resulted in a loss of only RM20,000 after including the interest earned over the years since November 2020. Despite this, the Group still maintained a strong financial position throughout FY 2023 with Net Tangible Assets ("NTA") per share of RM1.14 (FY 2022: RM1.23) and total equity of RM170.5 million (FY 2022: RM183.8 million).

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

PROSPECTS

The global economic growth is still slow and is expected to be lower this year compared to last year according to the World Bank. 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. We are looking forward to a much better year in the next financial year as we continue our rehabilitation programme and take more effective steps to improve our existing yield.

The Group also recognise that the adoption of economic, environmental and social sustainability (ESG) practices as an integral part of achieving its long-term commercial goals. The Group has formed a working committee on ESG and has started initiating some steps on the ground in our plantation in Indonesia to comply with ESG requirements. Any proposed new plantation to be acquired would also need to take into account the ESG requirements. The detail undertakings by the Group are reported in the Sustainability Statement in this Annual Report.

DIVIDEND

The Board of Directors do not recommend any dividend in respect of FY 2023.

APPRECIATION

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

I would also like to thank Tan Sri (Dr) Keetheswaran M. Kanagaratnam who resigned from the Board on 31 May 2023, for his valuable contributions to the Board throughout his tenure as a Board member and welcome Puan Sri Datin Vivienne Ketheeswaran to the Board (appointed on 22 June 2023).

My heartfelt thanks are also extended to shareholders, business partners and all other stakeholders. We 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 2023 ("FY 2023").

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 2023 ("FY 2023"), the Group is focused on dual objectives, namely to complete its on-going Indonesia plantation rehabilitation programme which has been affected by the Covid-19 lockdown (2020-2022) and its ongoing regularization exercise which entails the evaluation of suitable oil palm plantations to improve the financial position of the Group.



The Group is considered as an Affected Listed Issuer under Chapter 8.03A of The Main Market Listing Requirements of Bursa Malaysia Securities Berhad. During the year the Company has submitted two Extension of Time (EOT) applications on 24 February 2023 and 21 August 2023 respectively and was subsequently approved by Bursa Malaysia on 31 March 2023 and 4 October 2023 respectively. The latest EOT is until 2 March 2024.

The Company has decided to explore a self-regularisation plan in order to regularize itself as advised by the investment banker. 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 elevated prices that plantation owners are asking besides slow local economic recovery due to high inflation and a slowing global economy, coupled with the effects of prolonged Russia-Ukraine war.

During the financial year crude palm oil ("CPO") prices have hovered between RM4,200 and RM3,500 per metric tonne, translating to average price of RM3,900 per metric tonne. Our discussion with potential sellers of oil palm plantations continues despite their demand for a premium for their assets. 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

FFB selling price has been on a declining trend in the past one year and has declined 30% in FY 2023 vs FY 2022. The Group recorded revenues of RM0.91 million in FY 2023, which were from its plantation activities in Indonesia, reflecting a decrease of 33% as compared to the revenues in the financial year ended 30 June 2022 ("FY 2022") of RM1.37 million, mainly due to lower FFB average selling price (-30%) and lower FFB sales volume (-5%) as a result of lack of workers. The Group recorded a loss before taxation of RM13.61 million in FY 2023 as compared to a loss before taxation of RM9.64 million in FY 2022, with the increase in the loss mainly due to higher plantation rehabilitation cost in Indonesia, lower revenue and the fair value loss on a bond fund (under a renowned licensed Asset Management Company) we invested previously. The loss of RM1.8 million on the bond fund was incurred upon its redemption. Overall, the investment in the bond fund resulted in a loss of only RM20,000 after including the interest earned over the years since November 2020.

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 2023, the total short-term deposits is RM89.44 million and the Group has earned RM2.22 million (average interest yield of 2.76%) interest income during FY 2023 vs RM1.86 million in FY 2022 (average interest yield of 1.55%).

Management Discussion and Analysis (Cont'd)

Indonesian Operations

The Group has developed 8,022 hectares of oil palm plantations at Kalimantan Barat, Indonesia. Out of the 8,022 hectares of oil palm plantation, the Group owns 4,734 hectares while the remaining 3,288 hectares was developed by the Group for the smallholders scheme. The harvestable area is now at 2,662 hectares compared to 2,397 hectares a year ago.

The original programme for the rehabilitation of the Indonesia plantation was to commence in January 2020 - December 2022. This however, was hampered by the Covid-19 pandemic lockdown (March 2020 - June 2022) resulting a revision in the timeline to September 2022 - August 2025. Despite borders re-opening and lifting of travel restrictions in 2H 2022, the company is facing challenges to get skilled workers to fill the void left by the workers exodus during the Covid-19 lockdowns. These factors are compounded by supply chain and rising operational costs for fuel, fertilizers, chemicals, logistics and rental of machineries. Based on internal assessment, current rehabilitation programme would require up to approximately 400 workers. Our Indonesian plantation is considered as a Tier 2 area (Kalimantan province) therefore it has been difficult to obtain sufficient workers as they prefer to go to plantations based at Tier 1 area (Sumatra, Java, Bali and Madura provinces).

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.

The Group has proposed some initiatives on the ground to comply with the Environmental, Social and Governance (ESG) requirements like installing solar panels at the estate workers' quarters to conserve energy usage. The Group has also formed an ESG Committee.

RISK FACTORS



Our plantation operations are predominantly dependent on the availability of sufficient labour for harvesting and plantation operational works. Any shortage of labour due to travel restrictions or other issues may cause adverse impact to the operations of the estates. In mitigation, since the upliftment of travel restriction 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 still facing challenges and is expected to slow down in 2023 on the back of a slowing global economy due to high inflation and rising interest rates especially in the US. These external headwinds including the ongoing conflict in Ukraine and global economic uncertainties pose a challenge and add to the country's downside risks.

In view of the above, the Group remain cautious and place emphasize on more prudent spending and evaluation of viable plantation businesses whilst continuing to complete the rehabilitation programme in Indonesia. The CPO price has also trended down to approximately RM3,700 per metric tonne in September 2023. 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 could meet the Environmental, Social and Governance (ESG) criteria.

DIVIDEND



The Board of Directors do not recommend any dividend in respect of FY 2023.

SUSTAINABILITY STATEMENT

BOARD STATEMENT AND ASSURANCE

“ Dear Shareholders,

The Board is pleased to present Pinehill Pacific Berhad (“the Company”)’s Sustainability Report 2023 (“SR”). The company is dedicated to creating a robust governance framework for effectively overseeing and addressing sustainability concerns, ultimately leading to the attainment of their objectives. This, in turn, will function as an enduring strategy for upholding a harmonious equilibrium among economic, environmental, social responsibilities, and governance (“EESG”) aspects, all in the best interest of stakeholders.



Board Assurance and ESG

Environmental advocates have raised concerns about the sector’s impact, including issues like land-grabbing, deforestation, and human rights exploitation. Thus, the Company is dedicated to consistently seeking practical and viable solutions to address these concerns.

As part of its commitment to advancing its business while safeguarding the ecosystem, the Company is actively involved in integrating streamlined workflows and processes. This integration aims to align environmental impact with company productivity, with the ultimate goal of ensuring sustained success over the long term. The Company firmly believes that operating with integrity is crucial for securing the enduring sustainability of its core principles.

To further demonstrate our commitment to complying with ESG, the Company adapts the following measures:

For the environment	For the governance
<ul style="list-style-type: none"> a) Zero burning techniques b) Gradual phasing out of chemical fertiliser and adoption of bio-fertiliser on a wider scale c) Proposed pilot project on the following: <ul style="list-style-type: none"> i. Installation of Solar Panel on Operations Base Camp ii. Enhancement of filtration processes on existing water supplies iii. Enhancement of existing waste management system 	<ul style="list-style-type: none"> a) Adoption of Anti-Bribery Corruption (ABC) initiatives at Head Office and Indonesia Operations b) Training for head office operations staff on health and safety issues

The establishment of a strong sustainability governance is also acknowledged in managing and monitoring sustainability issues to achieve their goals and objectives. The Board assumes a pivotal role in identifying and evaluating the EESG factors that hold significance for the Company. It also supervises the management and performance related to these factors. This Sustainability Report is in accordance with the listing requirements of Bursa Malaysia Securities Berhad of the Main Market Listing Requirement and draws on the globally acknowledged Integrated Reporting Framework for reference.

Sustainability Initiatives

As a socially responsible organisation, Pinehill acknowledges the importance of maintaining sustainability in every aspect of our business operations. We are fully aware of the potential impact that our business operations can have on Environmental, Social, and Governance (ESG) factors. Consequently, we are firmly dedicated to establishing a comprehensive sustainability framework to effectively address these concerns.

The Company is dedicated to tackling the pressing issue of climate change by implementing zero-burning techniques in our operations and progressively transitioning away from chemical fertilisers and expanding the utilisation of bio-fertilisers. Simultaneously, we are advancing our proposed pilot projects centred on the utilisation of solar energy, as well as improving both water and waste management systems.

Sustainability Statement (Cont'd)

Sustainability Initiatives (Continued)

At Pinehill, we firmly believe that our team is the cornerstone of our success. The Company acknowledges its responsibility to prioritise the safety, health, and overall well-being of our employees, while also fostering their professional growth. Additionally, we are dedicated to instilling a culture of sustainability through continuous participation in awareness initiatives focused on education and collaboration. We are committed to equipping our employees with the essential skills and knowledge required to excel in their roles, achieved through a variety of training and development programs conducted throughout the year. In our unwavering commitment to safeguarding the well-being of our employees, we have implemented Anti-Bribery and Corruption (ABC) policies and commitments in both the head office and Indonesia Operations. Furthermore, we have adopted an Anti-Sexual Harassment policy in the head office to ensure a secure working environment for all.

In FYE June 2023, we have reinforced our dedication to cultivating a diverse and fair working environment by working towards the appointment of Female Director to the Board in compliance with diversity requirements as per Malaysia Code of Corporate Governance (MCCG 2021). In addition to prioritising the well-being of our employees, we also understand the significance of giving back to society. As an integral part of our corporate social responsibility strategy, we extended support to the local community through various CSR programs, including contributions to orphanages and elderly care homes. Our ongoing efforts reflect our dedication to making a positive impact on the lives of individuals in our communities.

Moving forward, we will continue to seamlessly incorporate sustainability into our day-to-day operations. We remain dedicated to sharing updates on our sustainability progress as we persist in generating enduring value for our stakeholders in the years ahead.



ABOUT THE REPORT

Pinehill is dedicated to cultivating a sustainable future through the utilisation of sound business fundamentals, a strategic focus, and efficient operational practices. This statement demonstrates our best practices, initiatives, and efforts that the Company has invested in addressing the impact on the local economy, society, environment, and governance.

Scope of Reporting

The reporting period aligns with our financial year from 1st July 2022 to 30th June 2023 and focuses on our on-going operational activities and future projects involving in the development of natural resources and other viable commercial activities, which include venturing into oil palm plantations in Malaysia and Indonesia.

Sustainability Statement (Cont'd)

ABOUT THE REPORT (CONTINUED)

Scope of Reporting (Continued)

Details of the Company's facilities 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 PT. Inma Makmur Lestari PT. Indomal Sawit Jaya	Oil palm cultivation	Republic of Indonesia

Reporting Framework

This report is prepared in accordance with the Bursa Malaysia Sustainability Reporting Guide 3rd Edition and is adopted in line with the internationally recognised Integrated Reporting <IR>. The Company also decided to adopt the TCFD recommendations and Sustainable Development Goals ("SDGs") as part of the report as well.

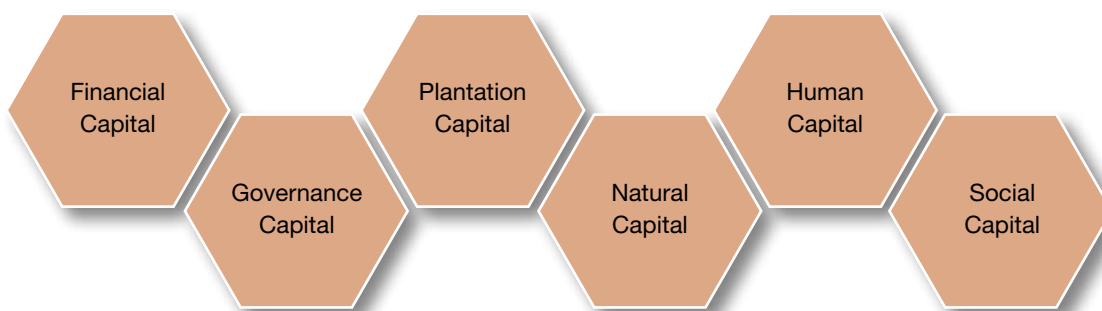
DEFINING OUR SUSTAINABILITY STRATEGY

The Company strongly emphasises on achieving a balanced approach that encompasses economic, social, and environmental responsibilities, with a deep commitment to the well-being of our stakeholders for a more promising future. Our primary focus lies in making a positive impact on society by consistently seeking opportunities to integrate sustainability into our long-term growth and development objectives.

The enduring success of Pinehill has underscored the significance of striking a balance between value and growth. This underscores that the Company's long-term goals extend beyond profit generation to encompass the interests and value creation of all our stakeholders. In response to the dynamic business landscape, the company has chosen to adopt the framework developed by the International Integrated Reporting Council ("IIRC") to effectively integrate sustainability performance into financial considerations using the Six Capitals model.







This model enables us to create sustained value for our business and stakeholders, while fortifying our sustainability strategy, policies, and practices, aligning with global best standards including the UN SDGs. The six capitals represent the reservoirs of value that form the foundation of the Company's value creation.

The six capitals are defined as per below:



Sustainability Statement (Cont'd)

DEFINING OUR SUSTAINABILITY STRATEGY (CONTINUED)

Financial	Plantation	Governance
Funds available to firm from operations and financing	Agriculture plantation objects used in value creation	Governance, internal control system and procedures
Financial Highlight  Resources to support the Group's operation and implement other Capitals	Marketplace  Implementing sustainability through product quality and compliance	Governance  Board engagement on strategy, internal control to enhance the sustainability initiative
Human	Social	Natural
Skills, motivation, alignment with organisational goals	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 firm now or in the past or future, and impact of firm on them
Workplace  Creating a safe and supportive working environment, training, and self-development	Community  Contributing to the local community, lending a hand to those in need	Environment  Improving our environment by utilising greener alternatives

SUSTAINABILITY GOVERNANCE

In Pinehill, sustainability is highly regarded and represents an inherent element of the Company. Thus, the Company have formed a systematic and comprehensive governance framework to effectively achieve our sustainability targets and goals.

The Board of Directors plays a crucial role in promoting sustainability within the organisation, overseeing the Company's sustainability strategy. They are further supported by the ESG Committee, which aids the Board in fulfilling its oversight duties concerning the Company's objectives, policies, and practices related to sustainability or ESG matters. This encompasses the development of sustainability strategies, identification of sustainability-related risks, assessment of sustainability performance and goals, and monitoring the execution of sustainability-related policies and practices. Demonstrating unwavering dedication to their responsibilities, the Board and Committee hold meetings on a quarterly basis.

For the effective integration of sustainability across the Company, the ESG Committee regularly receives reports and guidance from the following sources:

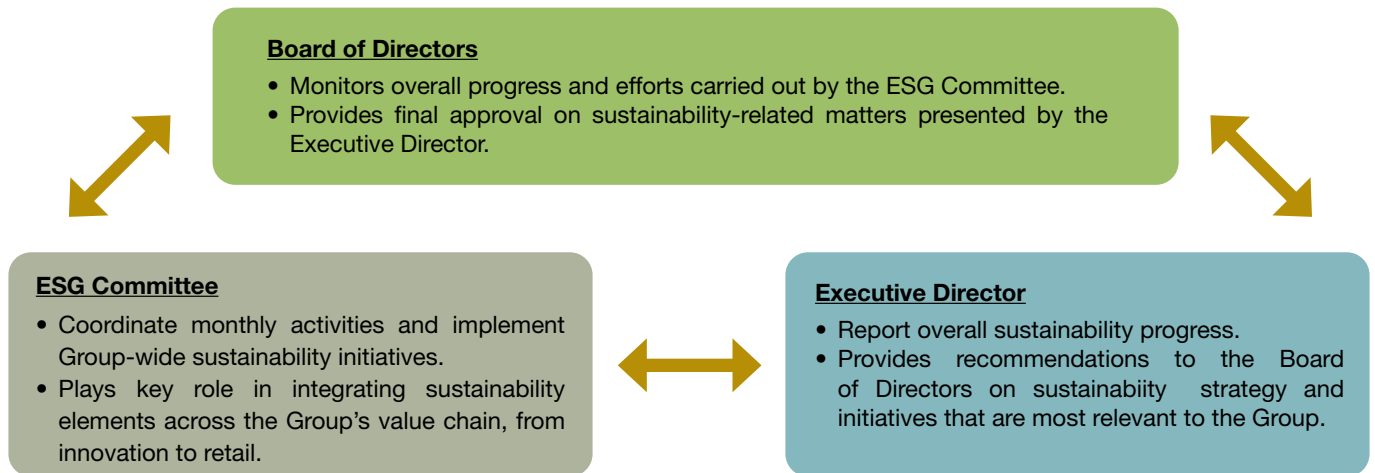
ESG TEAM	INDEPENDENT ESG ADVISORY
Led by the Executive Director (ED) with assistance from the Plantation Director and receives support from members across all internal departments and operational units.	Composed of independent ESG experts and distinguished individuals. They work closely with our ESG Team to offer hands-on assistance in executing and evaluating the implementation of our ESG policies. Their role extends to providing advice and recommendations related to external stakeholder expectations and global sustainability trends.

Sustainability Statement (Cont'd)

SUSTAINABILITY GOVERNANCE (CONTINUED)

The Company has implemented a two-tier governance structure, with the Executive Director reporting directly to the Board of Directors. The Board of Directors holds a leadership role in shaping sustainability direction and supervising the implementation of sustainability initiatives across the Company.

Additionally, we have established a dedicated ESG Committee as part of the governance framework, tasked with a pivotal role in formulating and executing the Group's sustainability strategy.



STAKEHOLDER ENGAGEMENT TABLE

As a part of our unwavering dedication to building a sustainable business, we strive to foster positive relationships with our stakeholders. These valued partners provide us with invaluable perspectives on our operations, enabling us to identify areas for enhancements and seize opportunities. Thus, it is crucial for us to engage with them regularly to gather their input and address any concerns raised.

The Company has identified specific stakeholder groups and employs a variety of methods and channels to engage with them, as outlined in the table below:

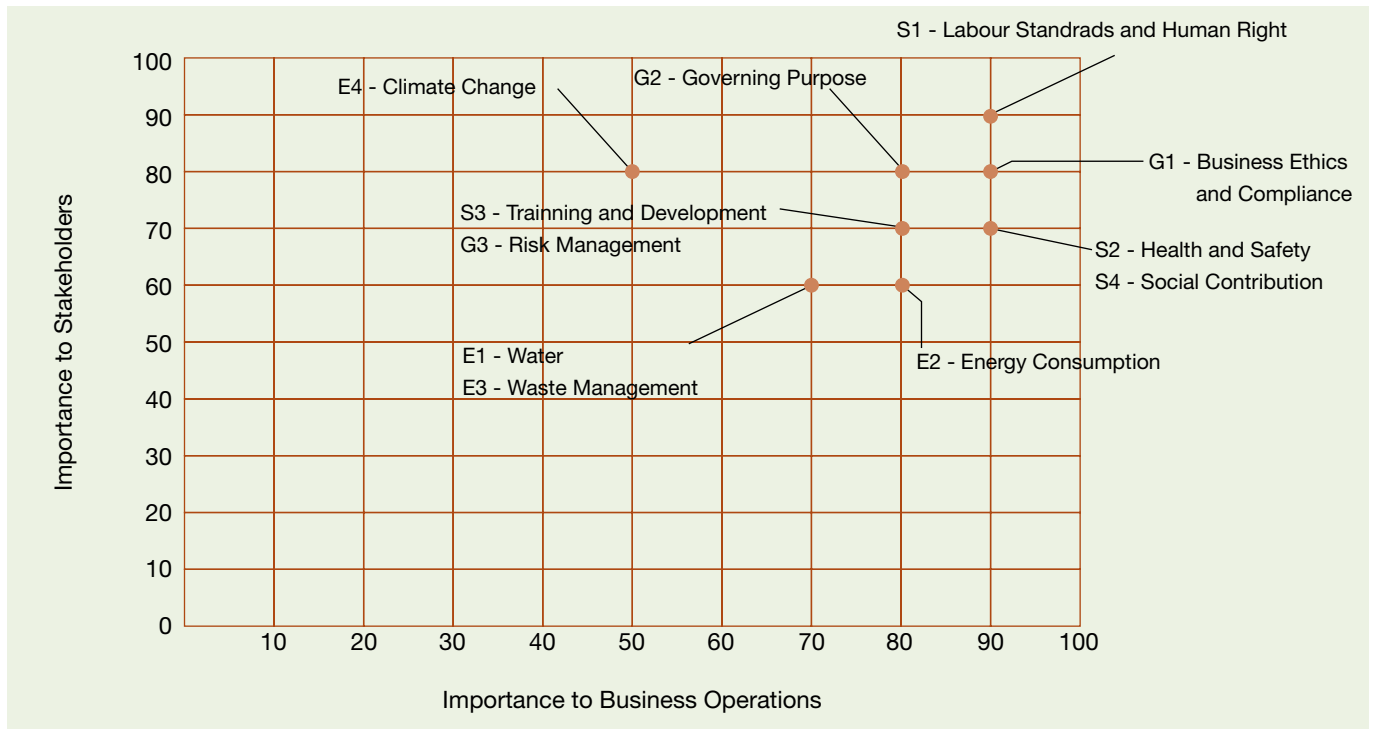
Stakeholder	Area of Concern/Interest	Engagement Approach
Customer	<ul style="list-style-type: none"> • Product Quality & Safety • Product Competitiveness • Product Certification • Traceability 	<ul style="list-style-type: none"> • Site Visits • Customer Survey • Meetings & Seminars • Engagements with local community
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 has performed a comprehensive materiality assessment to identify the sustainability events that hold significant relevance to both the business and its stakeholders. While conducting the review, we assessed the trends and developments within the industry as well as global and local sustainability issues.

The following table lists the material topics in FY2023:



Material Sustainability Matter	Relevant Stakeholders
E1 – Water	Regulatory Agencies and Local Communities
E2 – Energy Consumption	Regulatory Agencies and Local Communities
E3 – Waste Management	Regulatory Agencies and Local Communities
E4 – Climate Change	Regulatory Agencies and Local Communities
S1 – Labour Standards and Human Right	Employees and Regulatory Agencies
S2 – Healthy and Safety	Employees and Regulatory Agencies
S3 – Training and Development	Employees and Regulatory Agencies
S4 – Social Contribution	Investors
G1 – Business Ethics and Compliance	Regulatory Agencies and Local Communities
G2 – Governing Purpose	Regulatory Agencies and Local Communities
G3 – Risk Management	Regulatory Agencies and Local Communities

Sustainability Statement (Cont'd)

FINANCIAL HIGHLIGHT

Resources to support the Group's operation and implement other Capitals

In FY2023, the Company has generated a revenue of RM913,000, marking a 33.21% decrease compared to the previous year's corresponding period (FY2022: RM1,367,000). This decrease was primarily attributed to lower average selling prices in Indonesia (-30%) and a reduced volume of Fresh Fruit Bunches ("FFB") by 5%, mainly due to a shortage of workers.

During the same period, the Loss After Tax ("LAT") amounted to RM13.61 million, indicating an increase of RM3.97 million compared to the figures in June 2022. This was primarily influenced by a fair value loss of RM1.8 million on other investments, along with lower revenue and an increase in rehabilitation costs in Indonesia. The fair value loss of RM1.8 million on other investments was a result of a decrease in bond value, stemming from the company's prior investment in a Bond Fund. In total, the investment in the Bond Fund resulted in a loss of only RM20,000, once the interest earned since November 2020 was considered.

MARKETPLACE

Implementing sustainability through product quality and compliance

Pinehill recognises the vital importance of incorporating sustainability principles into our product quality and safety protocols. This integration guarantees that our products not only meet high safety standards for our customers but also adhere to environmentally friendly practices throughout every stage of production. Our commitment to providing top-tier products and services remains a paramount focus, and we continuously strive to elevate our standards, procedures, and controls to maintain steadfast quality and sustainability measures.

Supply Chain Management

The Company recognises that a reliable and sustainable supply chain is essential to support our business operations, which rely on a network of suppliers. Despite the inherent social and governance risks associated with supplier engagement, we are dedicated to upholding sound governance principles.

In pursuit of our objective to maintain high-quality standards within our supply chain, Pinehill exclusively partners with approved and reputable suppliers. For any new procurement exceeding RM500.00 or Rp1,700,000, we require a minimum of three quotations. Engaging established suppliers is mandatory to mitigate potential risks of fraud and corruption.

Additionally, we maintain close collaboration with our Indonesian suppliers for sourcing materials used in plantation work. Moreover, we ensure multiple suppliers for each item to guarantee a seamless and sufficient supply of materials. Any recommendations for new suppliers from Indonesia would be forwarded to our headquarters in Malaysia by the Head of Company in Indonesia.

Sustainable Operation Management

At Pinehill, we place great emphasis on delivering and creating long-term value in our sustainability journey and business growth. Thus, our ESG Committee's roles would include identifying material matters that are relevant to the Company's business operations and makes recommendations to the Board for endorsement before implementation.

Whilst acknowledging the performance of existing operations is not only based on financial indicators and non-financial indicators, the ESG Committee is also committed to adopt the best sustainable practice via a gradual learning curve within the company. These measures taken are to ensure a comprehensive approach towards identifying, executing, and monitoring business decisions and strategies for long-term value creation. In FYE June 2023, several techniques have also been implemented to enhance sustainable operations, including zero-burning, a gradual reduction in the use of chemical fertilisers, and the widespread adoption of bio-fertilisers.

Product Quality and Safety Management

As a responsible and reliable organisation, we take great care to ensure that our health and safety measures adhere to both local and international operating standards. This unwavering commitment ensures that the well-being of our employees, customers, and local communities is never compromised. At the same time, we ensure that the quality of our products remains exceptional.

Sustainability Statement (Cont'd)

GOVERNANCE

Board engagement on strategy, internal control to enhance the sustainability initiative



At Pinehill, we place a strong emphasis on practicing good governance. The critical importance of robust risk management framework and internal control system in promoting sound corporate governance is acknowledged by the Board. Through the disclosure of pertinent sustainability-related information, we aim to augment the transparency of our management practices. This endeavour builds greater trust among our customers, stakeholders, and the wider public.

In our dedication to upholding ethical business standards, we have embraced a stringent stance of zero tolerance towards activities such as fraud, bribery, corruption, money laundering, and insider trading. To support this commitment, we have put into effect both an Anti-Bribery and Corruption Policy and a Whistleblowing Policy. These measures serve not only to amplify the transparency of our group but also to cultivate an atmosphere conducive to improved governance. The Company is also a member of the Malaysian Employers Federation.

WORKPLACE

Creating a safe and supportive working environment, training, and self-development

Pinehill holds the belief that our employees serve as the foundation for the ongoing growth and success of our organisation. Consequently, we are deeply dedicated to nurturing the well-being and overall satisfaction of our stakeholders, considering it a fundamental component of our management strategy.

Training and Development

In Pinehill, we are highly dedicated to investing in human capital to support our employees' development and meeting the evolving business needs. Following the Covid-19 pandemic, staff training is gradually resuming, starting with health and safety courses and CPR training at the head office. The company is also currently in the process of selecting courses for re-skilling and upskilling our employees, making use of HRD Corporation Claimable Courses, in which the company provides a contribution.

The table below details the types of training participated by all employees:

No.	Types of Training & Certifications
1	Basic Occupational First Aid, CPR & AED
2	Shares and Capital Maintenance
3	Contract Basics for Non-Lawyers
4	Companies Act 2016. Directors Statutory Disclosures
5	Pathway For Beginners Series: Company Secretary & Getting Started with Companies
6	AGM, Accounts, Annual Returns Under Companies Act 2016
7	Key Provisions and Compliance Requirements Under Companies Act 2016
8	Online Meetings: Security Challenges & Solutions
9	Resolving Boardroom and Shareholders Disputes
10	Onboarding Programme for First-Time Directors. Statutory Roles and Corporate Governance Matters
11	The Revisions Made to the Malaysian Code on Corporate Governance 2021
12	Corporate Liability on Corruption - Defence Mechanisms for Directors, Executives & The Company

Sustainability Statement (Cont'd)

WORKPLACE (CONTINUED)

Training and Development (Continued)

In FYE June 2023, the employees received a total of 106 training hours. We hold a strong belief that investing in the development of our workforce enables the Company to not only attract but also retain top talent, ultimately contributing to improved financial performance. Moreover, providing employees with the essential skills and knowledge to execute their responsibilities proficiently and safely fosters operational and safety excellence.

Employees' Well-being

As an organisation that places a high priority on employee health and safety, we also deeply value their mental well-being. We firmly believe in the direct link between the health and well-being of our employees and their overall job satisfaction and performance. Therefore, we are dedicated to arranging events like birthday celebrations and team-building activities to promote a strong spirit of teamwork in the workplace. Moreover, the company has implemented an Anti-Sexual Harassment policy to ensure that all employees work in a secure and protected environment. In line with our commitment to protecting their well-being, the Company also provides various employment benefits, such as life insurance, medical insurance, disability insurance, and maternity leave.

Employment

The Company's current employment terms adhere to standard industry practices, and we are dedicated advocates for cultivating a workplace environment that strongly opposes any form of unlawful discrimination. This stance holds true regardless of factors such as race, colour, gender, religion, age, disability, or any other legally protected classification. Our resolute commitment extends to nurturing a culture that champions inclusivity and equal opportunities for all our employees, allowing them to thrive and excel to the best of their abilities.

As of FYE June 2023, our workforce comprised a total of 30 employees, with 19 being male and 11 being female.

COMMUNITY

Contributing to the local community, lending a hand to those in need

At Pinehill, we recognise the invaluable contributions of our customers and the community to our business's success. Therefore, we make it a priority to maintain regular engagement with these stakeholders. This not only helps in cultivating a positive brand image and reputation but also allows us to address any concerns they may have. Our dedication to the community extends beyond ensuring their satisfaction with our products and services. We also make it a point to keep them informed about our business processes, fostering trust in our operations.

Community Engagement

As a responsible corporate citizen, we understand the significance of contributing to society and supporting the local community. Thus, the Company is dedicated to actively engaging with the local community through a range of initiatives and programs, primarily aimed at providing assistance and support to those facing adversity and hardship.



In FYE June 2023, the Company took an active role in CSR endeavours, including contributions to orphanages and elderly care homes. As part of our ongoing commitment to CSR, Pinehill also organised a community event with the objective of uniting communities to celebrate the launching of the Sepiluk Bridge at PT Inma Jaya Group Sintang.

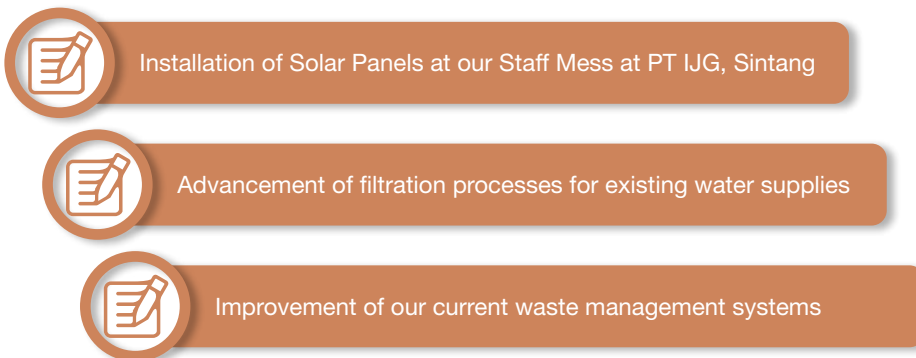
Sustainability Statement (Cont'd)

ENVIRONMENT

Improving our environment by utilising greener alternatives

In response to the constantly evolving environmental challenges and the increasing urgency of climate change, Pinehill is fully committed to spearheading and advocating for eco-friendly initiatives that resonate with our core values and contribute to a more environmentally conscious and sustainable future.

As a result, the Company has adapted several techniques to promote sustainability, including the adoption of Zero Burning, a gradual reduction in the use of chemical fertilisers, and the widespread adoption of bio-fertilisers. Furthermore, the Company is actively engaged in dedicated efforts and substantial investments in new pilot projects centred around sustainability. These projects include:



These initiatives represent our dedication to minimising our environmental footprint and fostering a more sustainable operation. Thus, we are committed to make progress consistently with these projects, aiming to bring them to fruition within the next five years. We understand that these initiatives are vital in our collective responsibility to address environmental challenges and pave the way for a more sustainable future for generations to come. Through these initiatives, our goal is to not only meet regulatory requirements but also exceed them, demonstrating our dedication to environmental stewardship.

LOOKING FORWARD

As a company listed on the public market, we hold transparency and integrity as significant values in our business operations. Thus, our Sustainability Statement plays a pivotal role in our communication with stakeholders, offering a comprehensive overview of our sustainability practices and initiatives. In line with this commitment, we are proud to share that we have made progress in FYE June 2023 on the following:

- 1) Implementation of Anti-Bribery and Corruption (ABC) policies and pledges in the head office and Indonesia Operations
- 2) Adoption of Anti-Sexual Harassment policy in head office
- 3) Appointment of Female Director to the Board in compliance with diversity requirements as per Malaysia Code of Corporate Governance (MCCG 2021)
- 4) Proposed pilot project on the following:
 - i. Installation of Solar Panel at Staff Mess at PT IJG, Sintang
 - ii. Enhancement of filtration processes on existing water supplies
 - iii. Enhancement of existing waste management systems

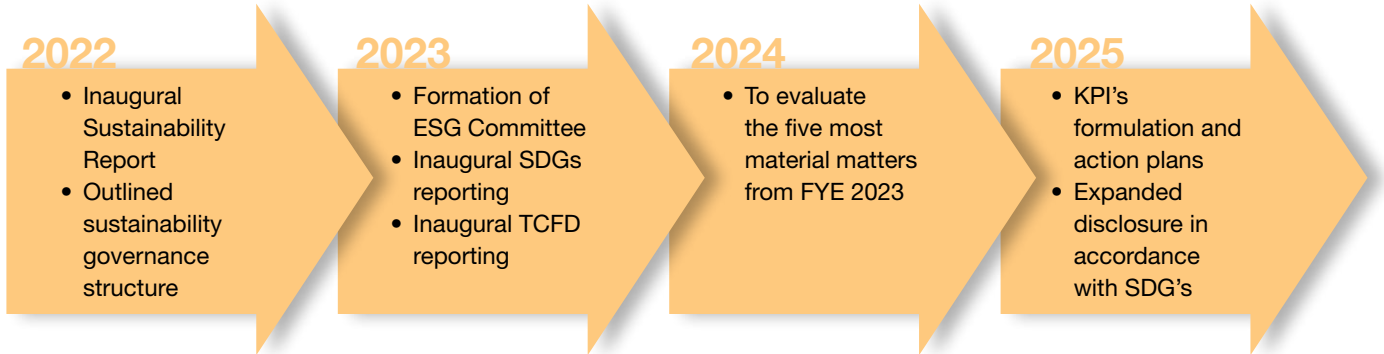
Our immediate goals revolve around implementing the above initiatives and closely monitoring their effectiveness in aligning with ESG best practices. The Company is presently in a learning phase, embracing ESG best practices in line with the Bursa Malaysia Listing Requirements' Enhanced Sustainability Reporting Requirements. We are confident that our dedicated efforts represent a long-term strategy that will yield significant benefits in the future.

As we maintain our focus on sustainability, we have established a sustainability road map that outlines our initiatives through 2025.








Sustainability Statement (Cont'd)

LOOKING FORWARD (CONTINUED)

Sustainability Road Map - Initiatives (Continued)



RELATIONSHIP WITH SDGS

Sustainable Development Goals	Main Activity	Detailed Information	
 <p>1 NO POVERTY</p>	No Poverty	Providing equal work opportunities	<ul style="list-style-type: none"> Governance Community
 <p>2 ZERO HUNGER</p>	Zero Hunger	Providing equal work opportunities	<ul style="list-style-type: none"> Governance Community
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Good Health and Well-being	Pinehill provides a safe working environment	<ul style="list-style-type: none"> Governance Marketplace Workplace
 <p>4 QUALITY EDUCATION</p>	Quality Education	Training and development for staff	<ul style="list-style-type: none"> Workplace
 <p>5 GENDER EQUALITY</p>	Gender Equality	Employment policy of no discrimination	<ul style="list-style-type: none"> Workplace
 <p>6 CLEAN WATER AND SANITATION</p>	Clean Water and Sanitation	Enhancing water filtration process	<ul style="list-style-type: none"> Environment Looking Forward
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Affordable and Clean Energy	Installation of solar panel	<ul style="list-style-type: none"> Environment Looking Forward

Sustainability Statement (Cont'd)

RELATIONSHIP WITH SDGS (CONTINUED)

Sustainable Development Goals		Main Activity	Detailed Information
	Decent Work and Economic Growth	Quality control and management	<ul style="list-style-type: none"> • Marketplace
	Industry, Innovation, and Infrastructure	Enhancing waste management system	<ul style="list-style-type: none"> • Environment • Looking Forward
	Reducing Inequality	Employment policy of no discrimination	<ul style="list-style-type: none"> • Workplace
	Sustainable Cities and Communities	Community relationship and engagement	<ul style="list-style-type: none"> • Community
	Responsible Consumption and Production	Transparency in procurement process	<ul style="list-style-type: none"> • Marketplace
	Climate Action	Reduce CO2 emission	<ul style="list-style-type: none"> • Environment • Looking Forward
	Life Below Water	-	-
	Life On Land	Zero burning techniques	<ul style="list-style-type: none"> • Environment
	Peace, Justice, and Strong Institutions	Compliance with governance laws	<ul style="list-style-type: none"> • Governance • Workplace
	Partnerships for the Goals	Sustainability report initiative	<ul style="list-style-type: none"> • Governance • Environment

Sustainability Statement (Cont'd)

TCFD – ALIGNED DISCLOSURES

TCFD Recommendation	Pinehill Disclosure	Reference
Governance – Disclose the organisation's governance around climate-related risks and opportunities		
a) Describe the Board's oversight of climate - related risks and opportunities	<ul style="list-style-type: none"> • Risk management Board skills and experience - climate change • ESG Team - role and focus 	<ul style="list-style-type: none"> • Chairman Statement • Governance
b) Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> • Risk management Climate change - managing risk and opportunity • ESG Team - role and focus FYE 2023 	<ul style="list-style-type: none"> • Governance • Supply Chain Management • Environment
Strategy – Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	<ul style="list-style-type: none"> • Risk management - Risk factors (climate change, greenhouse gas emissions and energy) • Climate change - managing risk and opportunity 	<ul style="list-style-type: none"> • Materiality Matrix
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	<ul style="list-style-type: none"> • Risk management - Risk factors (climate change, greenhouse gas emissions and energy) • Climate change - managing risk and opportunity 	<ul style="list-style-type: none"> • Materiality Matrix
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> • Climate change - evaluating the resilience of our portfolio 	<ul style="list-style-type: none"> • Environment (To be implemented within five years)
Risk management – Disclose how the organisation identifies, assesses, and manages climate-related risks		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> • Risk management 	<ul style="list-style-type: none"> • Materiality Matrix
b) Describe the organisation's processes for managing climate-related risks.	<ul style="list-style-type: none"> • Risk management - Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> • Materiality Matrix • Environment (To be implemented within five years)
c) Describe how processes for identifying, assessing, and managing climate related risks are integrated into the organisation's overall risk management. <ul style="list-style-type: none"> • Risk management Non-financial KPIs – sustainability KPIs 	<ul style="list-style-type: none"> • Risk management - Risk factors (climate change, greenhouse gas emissions and energy) 	<ul style="list-style-type: none"> • Materiality Matrix • Environment (To be implemented within five years)

Sustainability Statement (Cont'd)

TCFD – ALIGNED DISCLOSURES (CONTINUED)

TCFD Recommendation	Pinehill Disclosure	Reference
Metrics and targets – Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability • KPIs Climate change – Operational emissions • Climate change – Scope 3 emissions 	<ul style="list-style-type: none"> • Environment (To be implemented within five years)
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance • Climate change – Scope 3 emissions performance Climate change data 	<ul style="list-style-type: none"> • Environment (To be implemented within five years)
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	<ul style="list-style-type: none"> • Non-financial KPIs – sustainability KPIs • Climate change – operational emissions performance FY 2022 performance outcomes 	<ul style="list-style-type: none"> • Environment (To be implemented within five years)

DIRECTORS' PROFILE

Y. BHG. DATO' ONG KIM HOAY

NON-INDEPENDENT NON-EXECUTIVE CHAIRMAN

Malaysian

Aged 89

Male

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 and resigned as a member in Audit Committee on 21 November 2022. Dato' Ong was redesignated as Non-Independent Non-Executive Chairman on 21 June 2023.

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 six (6/6) Board Meetings of the Company held during the financial year ended 30 June 2023.

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

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian

Aged 87

Male

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 was redesignated as Non-Independent Non-Executive Director on 21 June 2023.

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 all six (6/6) Board Meetings of the Company held during the financial year ended 30 June 2023.

Directors' Profile (Cont'd)

Y. BHG. DATO' SHAHROM BIN ABDUL MAJID

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian

Aged 82

Male

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 six (6/6) of Board Meetings of the Company held during the financial year ended 30 June 2023.

Y. BHG. PUAN SRI DATIN VIVIENNE KETHEESWARAN

NON-INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian

Aged 67

Female

Y. Bhg. Puan Sri Datin Vivienne, had her early education in Singapore from 1964 to 1975 whereby she completed her Higher Secondary Certificate. She continued her education at Raja College Singapore and completed the Diploma in Private Secretarial in the year 1977. In the 1978, Puan Sri completed her Diploma in Music and also Diploma in Beauty Therapist in Singapore. Puan Sri Datin was appointed to the Board on 22 June 2023.

Puan Sri served various organisations in Singapore from 1978 to 1980. In 1983, she mooted various entrepreneurial ventures in Singapore related to her passion for arts and cultural activities. At the same time, Puan Sri also ventured into children's early education programs.

In 1991, she ventured into the business world with the appointment as the Director of Best World Plaza Sdn Bhd and several other companies. She is currently a Director and sole shareholder of Allgrow Capital Holdings Sdn Bhd, the controlling shareholder of Pinehill Pacific Berhad. Therefore, Puan Sri is deemed as a substantial shareholder of Pinehill Pacific Berhad.

She has experience involving in the area of property development, investment holdings and various other fields.

Puan Sri with keen interest in ceramic and folk-art painting is also a member of several social bodies and actively participates in various social and welfare activities for the benefit of the underprivileged.

Puan Sri is the sister-in-law of Mr. K. Selveswaran Kanagaratnam, the Executive Director of the Company.

She 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.

Puan Sri who was appointed on 22 June 2023 had not attended any Board Meeting held during the financial year ended 30 June 2023.

Directors' Profile (Cont'd)

BALA KRISHNAN PONNIAH

INDEPENDENT NON-EXECUTIVE DIRECTOR

Malaysian

Aged 71

Male

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 six (6/6) of Board Meetings of the Company held during the financial year ended 30 June 2023.

K. SELVESWARAN KANAGARATNAM

EXECUTIVE DIRECTOR

Malaysian

Aged 60

Male

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 is 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 October 2019.

Mr. K. Selveswaran is the brother-in-law of Puan Sri Datin Vivienne Ketheeswaran, the Non-Independent Non-Executive Director.

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 six (6/6) of Board Meetings of the Company held during the financial year ended 30 June 2023.

KEY SENIOR MANAGEMENT'S PROFILE

K. SELVESWARAN KANAGARATNAM

EXECUTIVE DIRECTOR

Malaysian

Aged 60

Male

Date of Appointment :

20 November 1995

Working Experience :

For more information, please visit the Directors' Profile on page 26.

TUAN HAJI ABD LATIP BIN MOHD ZAIN

PLANTATION DIRECTOR

Malaysian

Aged 74

Male

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.

AMARUTION NADARAJA

VICE PRESIDENT - PLANTATION OPERATIONS

Malaysian

Aged 69

Male

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.

Key Senior Management's Profile (Cont'd)

RAGESH RAJENDRAN

GROUP FINANCIAL CONTROLLER

Malaysian

Aged 56

Male

Date of Appointment :

15 May 2023

Qualification :

- Master of Business Administration from RMIT University, Australia
- Chartered Management Accountant with The Chartered Institute of Management Accountants (CIMA)
- Member of Malaysian Institute of Accountants (MIA)

Working Experience :

Ragesh Rajendran has extensive experience in overall finance and accounting function, financial reporting and project financing. He is also a certified HRDF trainer and has a practising certificate to act as a Company Secretary.

He started his career in 1989 with Tradium Group of Companies. In 1997, he joined Star Media Group Berhad as a Management Accountant. He was subsequently promoted to Finance Manager and Head of Finance Department, Senior Manager, Finance, Chief Financial Officer and Group Chief Financial Officer in 2007, 2009, 2010 and 2011 respectively. During his tenure with Star Media Group Berhad, he was responsible for the overall finance and accounting function of the whole group including quarterly reporting to Bursa Malaysia, risk management and investor relations.

In February 2020, he left Star Media Group Berhad and was subsequently involved in conducting some training programmes for SME Corp. He joined Ukay Builders Sdn Bhd in January 2021 as Chief Financial Officer and was overall responsible for the finance function and project financing for the Company. He left Ukay Builders Sdn Bhd on 30 April 2023.

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.
- d) None of the Key Senior Management hold any directorship in any other public listed companies.

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' Nik Mohd Amin Bin Nik Abu Bakar
(Member, Non-Independent Non-Executive Director)
3. Dato' Shahrom Bin Abdul Majid
(Member, Independent Non-Executive Director)
4. Dato' Ong Kim Hoay – *Resigned as a Member on 21 November 2022*
(Member, Non-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.

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

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.

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.

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

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.

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;

Audit Committee Report (Cont'd)

TERMS OF REFERENCE (CONT'D)

9. Duties and Responsibilities (Cont'd)

- (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;
- (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 2023. 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' Nik Mohd Amin Bin Nik Abu Bakar	5 meetings	5 meetings
Dato' Shahrom Bin Abdul Majid	5 meetings	5 meetings
Dato' Ong Kim Hoay <i>(resigned as a Member of Audit Committee on 21 November 2022)</i>	2 meetings	2 meetings

Audit Committee Report (Cont'd)

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 2022, 31 December 2022, 31 March 2023 and 30 June 2023 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 2022 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 2023 (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 2023 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, IBDC (Malaysia) Sdn. Bhd. 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 2023:

- (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 2023 amounted to RM37,400.

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 2023. This Overview and Corporate Governance Report was approved by the Board on 24 October 2023.

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 Non-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 Non-Independent Non-Executive Chairman represents the Board to the shareholders. The Non-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 Non-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.

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.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

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 Secretary.

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 Secretary who is 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 Secretary on new statutory requirements relating to her duties and responsibilities.

The Board is supported by the Company Secretary in the discharge of its functions. The Company Secretary plays 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 Secretary ensures 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 Secretary on the follow-up or implementation of its decisions and/or recommendations by the Management until the closure of such matter.

The Company Secretary constantly keeps herself 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 24-26).

The Board currently consists of six (6) members and is made up of one (1) Non-Independent Non-Executive Chairman, two (2) Independent Non-Executive Directors, two (2) Non-Independent Non-Executive Directors 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 Non-Independent Non-Executive Chairman/Directors and the Independent Non-Executive 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 June 2023, 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 2023, 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.

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.

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.

Overview on Corporate Governance (Cont'd)

A. BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

Board Composition (Cont'd)

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 21 June 2023, the RNC carried out the annual assessment required under the RNC's TOR in respect of the financial year ended 30 June 2023. 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.

On 22 June 2023, Puan Sri Datin Vivienne Ketheeswaran has been appointed as a Director of the Company.

The Board is aware of the importance of boardroom diversity and is indeed supportive of the recommendation of MCGG 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 six (6) 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	6/6	100%
Dato' Nik Mohd Amin Bin Nik Abu Bakar	6/6	100%
Dato' Shahrom Bin Abdul Majid	6/6	100%
Mr. Bala Krishnan Ponniah	6/6	100%
Mr. K. Selveswaran Kanagaratnam	6/6	100%
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam (Resigned on 31 May 2023)	4/5	80%
Puan Sri Datin Vivienne Ketheeswaran (Appointed on 22 June 2023)	Not Applicable	Not Applicable

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	Sustainability Reporting Awareness & Latest Development 2023
Dato' Nik Mohd Amin Bin Nik Abu Bakar	Sustainability Reporting Awareness & Latest Development 2023
Dato' Shahrom Bin Abdul Majid	Sustainability Reporting Awareness & Latest Development 2023
Puan Sri Datin Vivienne Ketheeswaran	Sustainability Reporting Awareness & Latest Development 2023
Mr. Bala Krishnan Ponniah	Sustainability Reporting Awareness & Latest Development 2023
Mr. K. Selveswaran Kanagaratnam	Sustainability Reporting Awareness & Latest Development 2023

Throughout the financial year, the Directors also received updates from time to time, particularly, on developments of the Main LR from the Company Secretary. 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 NRC 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 June 2023, the Board approved the RNC's recommendation to maintain a similar quantum of Directors' fees for the financial year 2023, 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 101st AGM to be held on 6 December 2023 for shareholders' 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 2023, distinguishing between Non-Independent Non-Executive Chairman ("NINEC"), 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
Dato' Nik Mohd Amin Bin Nik Abu Bakar	36,000	-	13,000	-	49,000
Dato' Shahrom Bin Abdul Majid	36,000	-	13,500	-	49,500
Bala Krishnan Ponniah	42,000	-	13,500	-	55,500
K. Selveswaran Kanagaratnam	360,000	43,200	-	718	403,918
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam (Resigned on 31 May 2023)	33,000	-	6,000	-	39,000
Puan Sri Datin Vivienne Ketheeswaran (Appointed on 22 June 2023)	3,000	-	-	-	3,000

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 29 to 33 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, IBDC (Malaysia) Sdn. Bhd., reports directly to the Audit Committee and is independent of the activities it audits. The internal audit function is headed by Mr. Wong Een Joon who is assisted by a manager and supported by several staff members. Mr. Wong Een Joon is a Fellow Member of Association of Chartered Accountants, a Member of Malaysia Institute of Accountants, a Chartered Member of the Institute of Internal Auditors Malaysia and a Certified Fraud Examiner. 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:

Ragesh Rajendran
Group Financial Controller
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) was also 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 organisational 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, IBDC (Malaysia) Sdn. Bhd., 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 2023. 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 24 October 2023.

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, Grant Thornton Malaysia PLT and their affiliates by the Group and the Company respectively for the financial year ended 30 June 2023 are as follows:-

	Group RM	Company RM
Audit services rendered	112,000	43,500
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 2023, the Company did not enter into any recurrent related party transactions of revenue/trading nature.

4. Utilisation of proceeds

The status of the utilization of proceed from the disposal of plantation assets in Malaysia ("the Disposal") in 2019 of RM413,574 million as at 30 June 2023 was as follows:-

	Proposed utilisation as per circular to shareholder dated 27/12/2018 RM'000	Actual utilisation as at 30/06/2023 RM'000	Proceeds balance as at 30/06/2023 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	(24,625)	26,375
- 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
Supplementary agreements as announced on 11 June 2019	12,500	(12,500)	-
Estimated expenses in relation to proposed Disposal	46,000	(45,988)	12
Interest income	-	4,541	4,541
Dividends Paid (**)	-	(4,494)	(4,494)
	413,574	(323,827)	89,747

(**) Dividend paid to Pinehill Pacific Berhad's shareholders as approved at the Company's AGM on 19 December 2022.

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 24 October 2023.

FINANCIAL STATEMENTS

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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 2023.

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)/Profit for the financial year, net of tax	(13,609,355)	19,490,187
Attributable to:-		
Owners of the Company	(11,063,339)	19,490,187
Non-controlling interests	(2,546,016)	-
	(13,609,355)	19,490,187

DIVIDENDS

Dividend paid since the end of the previous financial year are as follows:

	RM
Single tier first and ordinary dividend of 3.0sen per ordinary share, on 149,804,135 ordinary share in respect of the financial year ended 30 June 2023 on 6 January 2023	4,494,124

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.

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.

Directors' Report (Cont'd)

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

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:-

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
 Puan Sri Datin Vivienne Ketheeswaran (appointed on 22 June 2023)
 Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam (resigned on 31 May 2023)

* 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

Directors' Report (Cont'd)

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

	At 1.7.2022	Number of ordinary shares		At 30.6.2023
		Bought	Sold	
Direct interests				
Dato' Ong Kim Hoay	21,000	-	-	21,000
Puan Sri Datin Vivienne Ketheeswaran (Appointed w.e.f 22/6/2023)	14,300,000	-	-	14,300,000
Indirect/deemed interests				
Tan Sri (Dr.) Ketheeswaran A/L M. Kanagaratnam ⁽¹⁾⁽²⁾ (Resigned w.e.f 31/5/2023)	48,432,524	-	-	48,432,524
Puan Sri Datin Vivienne Ketheeswaran ⁽³⁾	34,132,524	-	-	34,132,524

⁽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

⁽³⁾ Deemed interested by virtue of her direct interest in Allgrow Capital Holdings Sdn. Bhd. pursuant to Section 8 of the Companies Act 2016 in Malaysia - 34,132,524 ordinary shares

(b) Interests in non-wholly owned subsidiaries

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

	At 1.7.2022	Number of ordinary shares		At 30.6.2023
		Bought	Sold	
Indirect interests				
K. Selveswaran A/L Kanagaratnam	1	-	-	1
Puan Sri Datin Vivienne Ketheeswaran	47,627,175	-	-	47,627,175

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

	At 1.7.2022	Number of ordinary shares		At 30.6.2023
		Bought	Sold	
Indirect interest				
K. Selveswaran A/L Kanagaratnam	1	-	-	1
Puan Sri Datin Vivienne Ketheeswaran	2,191,990	-	-	2,191,990

Directors' Report (Cont'd)

DIRECTORS' INTERESTS (CONT'D)**(b) Interests in non-wholly owned subsidiaries (Cont'd)**

(iii) PT Makmur Jaya Malindo

	At 1.7.2022	Number of ordinary shares		At 30.6.2023
		Bought	Sold	
Indirect interest				
Puan Sri Datin Vivienne Ketheeswaran	8,000	-	-	8,000

(iv) PT Inma Jaya Group

	At 1.7.2022	Number of ordinary shares		At 30.6.2023
		Bought	Sold	
Indirect interest				
Puan Sri Datin Vivienne Ketheeswaran	760	-	-	760

By virtue of her interests in the ordinary shares of the Company and pursuant to Section 8 of the Companies Act 2016 in Malaysia, Puan Sri Datin Vivienne Ketheeswaran 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

During the financial year, the fees and other benefits received and receivable by the Directors of the Company are as follows:-

	Group RM	Company RM
Executive Directors		
Salaries and other emoluments (Note 23)	360,000	-
Defined contribution plans (Note 23)	43,918	-
	403,918	-
Non-executive Directors		
Fees	192,000	192,000
Allowances	56,000	56,000
	248,000	248,000
	651,918	248,000

During and at the end of the financial year, no arrangements subsisted to which the Group is a party, with the object or objects of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, other than the share options granted pursuant to the Employee Share Option Scheme.

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.

AUDITORS' REMUNERATION

The amount of audit and other fee paid or payable to the external auditors and its local affiliate by the Group and the Company for the financial year ended 30 June 2023 amounting to RM117,000 and RM48,500 respectively. Further details are disclosed in Note 22 to the financial statements.

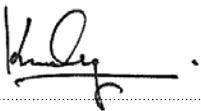
INDEMNITY TO AUDITORS

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 2023.

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: 24 October 2023

STATEMENTS OF FINANCIAL POSITION

As At 30 June 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
ASSETS					
Non-current assets					
Property, plant and equipment	5	64,148,360	64,209,724	-	-
Right-of-use assets	6	22,570,836	19,856,486	-	-
Investment in subsidiaries	7	-	-	68,608,456	68,608,456
Other investment	8	-	29,556,476	-	-
Total non-current assets		86,719,196	113,622,686	68,608,456	68,608,456
Current assets					
Biological assets	9	14,587	3,594	-	-
Inventories	10	832,872	808,721	-	-
Trade and other receivables	11	1,026,278	816,429	15,470	6,070
Amount owing by subsidiaries	12	-	-	15,083,739	70,843
Tax recoverable		33,580	33,237	-	-
Cash and short-term deposits	13	89,943,784	76,561,424	6,405	2,777
Total current assets		91,851,101	78,223,405	15,105,614	79,690
TOTAL ASSETS		178,570,297	191,846,091	83,714,070	68,688,146
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	13,521,594	6,788,411	-	-
Retained earnings/(Accumulated losses)		95,877,046	111,434,509	8,513,185	(6,482,878)
		184,300,707	193,124,987	83,415,252	68,419,189
Non-controlling interests		(13,792,057)	(9,310,165)	-	-
TOTAL EQUITY		170,508,650	183,814,822	83,415,252	68,419,189
Non-current liabilities					
Lease liability	6	104,860	50,121	-	-
Deferred tax liabilities	16	1,567,839	1,567,839	-	-
Total non-current liabilities		1,672,699	1,617,960	-	-
Current liabilities					
Trade and other payables	17	6,362,099	6,398,639	298,818	268,957
Lease liability	6	26,849	14,670	-	-
Total current liabilities		6,388,948	6,413,309	298,818	268,957
TOTAL LIABILITIES		8,061,647	8,031,269	298,818	268,957
TOTAL EQUITY AND LIABILITIES		178,570,297	191,846,091	83,714,070	68,688,146

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 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Revenue	18	912,896	1,366,778	20,017,781	476,272
Cost of sales	19	(9,768,730)	(8,172,276)	-	-
Gross (loss)/profit		(8,855,834)	(6,805,498)	20,017,781	476,272
Other income	20	175,806	1,213,520	-	-
Administrative expenses		(5,308,702)	(5,908,288)	(523,056)	(659,053)
Loss on sale of investment at fair value through other comprehensive income ("FVOCI")		(1,827,665)	-	-	-
Net impairment losses on financial instruments		-	-	(4,538)	(31,611)
Operating (loss)/profit before tax		(15,816,395)	(11,500,266)	19,490,187	(214,392)
Finance income	21(a)	2,218,060	1,864,313	-	-
Finance costs	21(b)	(11,020)	(6,252)	-	-
(Loss)/Profit before tax	22	(13,609,355)	(9,642,205)	19,490,187	(214,392)
Income tax expense	24	-	(832)	-	-
(Loss)/Profit for the financial year		(13,609,355)	(9,643,037)	19,490,187	(214,392)
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 FVOCI		423,129	(721,264)	-	-
Realised loss transferred to statement of profit or loss on disposal		1,580,078	-	-	-
Foreign currency translation		3,959,523	1,911,733	-	-
Other comprehensive income for the financial year		5,962,730	1,190,469	-	-
Total comprehensive (loss)/income for the financial year		(7,646,625)	(8,452,568)	19,490,187	(214,392)
(Loss)/Profit attributable to:-					
Owners of the Company		(11,063,339)	(7,883,739)	19,490,187	(214,392)
Non-controlling interests		(2,546,016)	(1,759,298)	-	-
		(13,609,355)	(9,643,037)	19,490,187	(214,392)
Total comprehensive (loss)/income attributable to:-					
Owners of the Company		(4,753,285)	(6,104,868)	19,490,187	(214,392)
Non-controlling interests		(3,316,469)	(2,347,700)	-	-
		(8,069,754)	(8,452,568)	19,490,187	(214,392)
Loss per share:-	25				
Basic loss per share (sen)		(7.39)	(5.26)		
Diluted loss per share (sen)		(7.39)	(5.26)		

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

STATEMENTS OF CHANGES IN EQUITY

For the Financial Year Ended 30 June 2023

Group	← Attributable to owners of the Company →				Sub-total RM	Non- controlling interests RM	Total equity RM
	Share capital RM	Translation reserve RM	Fair value adjustment reserve RM	Retained earnings 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
At 1 July 2022	74,902,067	8,915,411	(2,127,000)	111,434,509	193,124,987	(9,310,165)	183,814,822
Total comprehensive income/ (loss) for the financial year							
Other comprehensive loss for the financial year	-	-	-	(11,063,339)	(11,063,339)	(2,546,016)	(13,609,355)
- Foreign currency translation difference for foreign operation	-	4,606,183	-	-	4,606,183	(646,660)	3,959,523
- Net change in fair value of investments designated at FVOCI	-	-	423,129	-	423,129	-	423,129
- Realised loss transferred to statement of profit or loss on disposal	-	-	1,703,871	-	1,703,871	(123,793)	1,580,078
Total comprehensive income/(loss)	-	4,606,183	2,127,000	(11,063,339)	(4,330,156)	(3,316,469)	(7,646,625)
Transactions with owners of the Company:-							
Dividend paid (Note 26)	-	-	-	(4,494,124)	(4,494,124)	-	(4,494,124)
Dividend paid to non-controlling interests	-	-	-	-	-	(1,165,423)	(1,165,423)
At 30 June 2023	74,902,067	13,521,594	-	95,877,046	184,300,707	(13,792,057)	170,508,650

Company	Share capital RM	Accumulated losses RM	Total RM
At 1 July 2021	74,902,067	(6,268,486)	6,633,581
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
Transactions with owners of the Company			
Dividend paid (Note 26)	-	(4,494,124)	(4,494,124)
Profit for the financial year, representing total comprehensive income for the financial year	-	19,490,187	19,490,187
At 30 June 2023	74,902,067	8,513,185	83,415,252

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

STATEMENTS OF CASH FLOWS

For the Financial Year Ended 30 June 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from operating activities					
(Loss)/Profit before tax		(13,609,355)	(9,642,205)	19,490,187	(214,392)
Adjustments for:-					
Amortisation of right-of-use assets	6	330,596	268,558	-	-
Depreciation of property, plant and equipment	5	3,510,654	3,462,370	-	-
Fair value (gain)/loss on biological assets	9	(10,332)	23,898	-	-
Loss on sales of investment at FVOCI		1,827,665	-	-	-
Impairment loss on amount due from subsidiary		-	-	4,538	31,611
Interest expense	21	11,020	6,252	-	-
Gain on disposal of property, plant and equipment		(16,973)	(138,009)	-	-
Interest income	21	(2,218,060)	(1,864,313)	-	-
Net unrealised foreign exchange loss		-	919	-	-
Waiver of debts		(31,569)	(881,286)	-	-
Reversal of overprovision of accruals in prior years		-	(86,836)	-	-
Operating (loss)/profit before changes in working capital					
		(10,206,354)	(8,850,652)	19,494,725	(182,781)
Changes in working capital:-					
Inventories		(24,151)	(168,034)	-	-
Trade and other receivables		(209,849)	(69,732)	(9,400)	10,000
Trade and other payables		(4,971)	104,243	29,861	(75,113)
Income tax paid		(343)	(1,532)	-	-
Interest received		2,218,060	1,205,053	-	-
Net cash (used in)/from operating activities		(8,227,608)	(7,780,654)	19,515,186	(247,894)
Cash flows from investing activities					
Proceeds from disposal of property, plant and equipment		16,974	138,009	-	-
Purchase of property, plant and equipment	5	(256,243)	(129,179)	-	-
Purchase of right-of-use assets	(a)	(2,187,425)	(441,813)	-	-
Withdrawal of other investment		29,979,605	-	-	-
Disposal/(Additions) of other investment		-	30,000,000	-	-
Net cash from investing activities		27,552,911	29,567,017	-	-

Statement of Cash Flows (Cont'd)

For the Financial Year Ended 30 June 2023

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Cash flows from financing activities	(b)				
Repayment from/(advances to) a subsidiary		-	-	(15,017,434)	248,282
Repayment of lease liability					
- Principal		(15,685)	(8,488)	-	-
- Interest		(11,020)	(6,252)	-	-
Dividend paid	26	(4,494,124)	-	(4,494,124)	-
Dividend paid to non-controlling interest		(1,165,423)	(27,728)	-	-
Net cash (used in)/from financing activities		(5,686,252)	(42,468)	(19,511,558)	248,282
Net increase in cash and cash equivalents		13,639,051	21,743,895	3,628	388
Cash and cash equivalents at beginning of financial year		76,561,424	55,165,215	2,777	2,389
Effect of exchange rate changes on cash and cash equivalents		(256,691)	(347,686)	-	-
Cash and cash equivalents at end of financial year	13	89,943,784	76,561,424	6,405	2,777

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

The Group acquired right-of-use assets with an aggregate cost of RM2,267,425 (2022: RM514,567) of which RM80,000 (2022:RM72,754) was acquired by means of lease arrangement. Cash payment of RM2,187,425 (2022: RM441,813) was made to purchase of right-of-use assets.

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

Group	1 July 2022 RM	Addition RM	Cash flows RM	Accretion of Interest RM	Others RM	30 June 2023 RM
Lease liability	64,791	80,000	(26,705)	11,020	2,603*	131,709
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.

* others include exchange differences.

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 24 October 2023.

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 2022.

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 intend 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 2023:-

Effective for financial periods beginning on or after 1 January 2023

- MFRS 17 Insurance Contracts and Amendments to MFRS 17 Insurance Contracts*
- Amendments to MFRS 17 - Initial Application of MFRS 17 and MFRS 9 - Comparative Information*
- Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates
- Amendments to MFRS 112 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- Amendments to MFRS 112 Income Taxes - International Tax Reform: Pillar Two Model Rules*

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)

Effective for the financial period on or after 1 January 2024

- Amendments to MFRS 16 Leases - Lease Liability in a Sale and Leaseback*
- Amendments to MFRS 101 Presentation of Financial Statements - Non-Current Liabilities with Covenants
- Amendments to MFRS 101 Presentation of Financial Statements - Classification of Liabilities as Current or Non-Current
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements

Effective for financial period beginning on or after 1 January 2025

- Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability

Amendments to MFRSs effective for a date yet to be confirmed

- Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128* Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* Not applicable to the Group and the Company's operation

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 in future periods.

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.

The Company has extension until 2 March 2024 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.

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.

Notes to the Financial Statements (Cont'd)

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.

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.

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)

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	60 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 60 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 60 years and reviews the useful lives of depreciable assets at each end of the reporting period. As at 30 June 2023, 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 (CONT'D)

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
2023							
Cost							
At 1 July 2022	1,233,924	747,894	809,315	2,959,665	5,541,193	88,087,451	99,379,442
Additions	213,697	-	9,011	28,740	-	4,795	256,243
Disposals	-	-	-	(172,929)	-	-	(172,929)
Exchange differences	71,595	37,918	32,419	179,464	280,938	3,493,053	4,095,387
At 30 June 2023	1,519,216	785,812	850,745	2,994,940	5,822,131	91,585,299	103,558,143
Accumulated depreciation and impairment losses							
At 1 July 2022	1,062,068	676,168	582,937	2,856,047	5,539,140	24,453,358	35,169,718
Depreciation charge for the financial year	55,208	9,303	50,074	9,911	653	3,385,505	3,510,654
Disposals	-	-	-	(172,928)	-	-	(172,928)
Exchange differences	57,260	34,316	29,590	135,680	280,864	364,629	902,339
At 30 June 2023	1,174,536	719,787	662,601	2,828,710	5,820,657	28,203,492	39,409,783
Analysed as:-							
At 30 June 2023							
- Accumulated depreciation	1,174,536	719,787	662,601	2,828,710	5,820,657	27,655,297	38,861,588
- Accumulated impairment losses	-	-	-	-	-	548,195	548,195
	1,174,536	719,787	662,601	2,828,710	5,820,657	28,203,492	39,409,783
Carrying amount							
At 30 June 2023	344,680	66,025	188,144	166,230	1,474	63,381,807	64,148,360
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

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

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:-

Group	Leasehold land RM	Motor vehicle RM	Total RM
Cost			
At 1 July 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
Addition	2,094,745	172,680	2,267,425
Exchange differences	1,021,633	7,139	1,028,772
At 30 June 2023	27,488,732	320,613	27,809,345
Accumulated depreciation			
At 1 July 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
Charge for the financial year	299,440	31,156	330,596
Exchange differences	249,229	2,022	251,251
At 30 June 2023	5,191,252	47,257	5,238,509
Carrying amount			
At 30 June 2023	22,297,482	273,356	22,570,836
At 30 June 2022	19,729,771	126,715	19,856,486

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"). All the lands have been issued with Persetujuan Pemanfaatan Kesesuaian Kegiatan Pemanfaatan Ruang ("PKKPR") in year 2022.

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 60 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 - 7 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	
	2023 RM	2022 RM
At 1 July	64,791	-
Additions	80,000	72,754
Accretions on interest	11,020	6,252
Payments	(26,705)	(14,740)
Exchange difference	2,603	525
At 30 June	131,709	64,791
Current	26,849	14,670
Non-current	104,860	50,121
	131,709	64,791

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

	Group	
	2023 RM	2022 RM
Depreciation of right of use assets	330,596	268,558
Accretions of interest	11,020	6,252
Expense relating to short-term leases	268,020	268,020
Expense relating to lease of low-value assets	450	1,800
Total amount recognised in profit or loss	610,986	544,630

The Group had total cash outflows for lease of RM295,175 (2022: RM284,560). The Group also had non-cash additions to right-of-use asset and lease liability of RM80,000 (2022: RM72,754).

7. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 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	
			2023 %	2022 %
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
2023	
NCI proportion of ownership interest and voting rights	5.50%
Carrying amount of NCI	(13,792,057)
Loss allocated to NCI	(2,546,016)
Total comprehensive loss allocated to NCI	(3,316,469)
Dividend paid to NCI	(1,165,423)
2022	
NCI proportion of ownership interest and voting rights	5.50%
Carrying amount of NCI	(9,310,165)
Loss allocated to NCI	(1,759,298)
Total comprehensive loss allocated to NCI	(2,347,700)
Dividend paid to NCI	(27,728)

(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	
	2023 RM	2022 RM
Summarised statements of financial position		
Current assets	91,829,226	78,214,591
Non-current assets	86,719,196	113,622,686
Current liabilities	(21,171,869)	(6,212,803)
Non-current liabilities	(1,672,699)	(1,617,960)
Net assets	155,703,854	184,006,514
Non-controlling interests	(23,656,501)	(20,561,366)
Summarised statements of profit or loss and other comprehensive income		
Revenue	912,896	1,366,778
Loss for the financial year	(13,082,185)	(8,979,843)
Total comprehensive loss	(7,119,456)	(7,789,373)
Summarised cash flows information		
Cash flows used in operating activities	(7,720,474)	(7,024,878)
Cash flows from investing activities	27,552,911	29,567,017
Cash flows used in financing activities	(6,197,013)	(798,663)
Net increase in cash and cash equivalents	13,635,424	21,743,506

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

	2023	Group	2022
	RM		RM
Non-current			
Other investment designated at fair value through other comprehensive income	-		29,556,476

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

9. BIOLOGICAL ASSETS

	2023	Group	2022
	RM		RM
Produce growing on bearer plants			
At 1 July	3,594		26,745
Change in fair value gain/(loss) less costs to sell	10,332		(23,898)
Exchange differences	661		747
At 30 June	14,587		3,594

(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 1,678 metric tonnes ("MT") of FFB (2022: 1,767 FFB). The quantity of unharvested FFB of the Group as at 30 June 2023 included in the fair valuation of FFB was 80 MT (2022: 53 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

	2023	Group	2022
	RM		RM
At cost			
Consumable inventories	832,872		808,721

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 RM9,768,730 (2022: RM8,172,276).

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Third parties		308,846	227,868	-	-
Less: Impairment losses for trade receivables	(a)	-	-	-	-
		<u>308,846</u>	<u>227,868</u>	<u>-</u>	<u>-</u>
Non-trade					
Other receivables		248,391	225,807	-	-
Less: Impairment losses for other receivables	(b)	(43,286)	(41,197)	-	-
		<u>205,105</u>	<u>184,610</u>	<u>-</u>	<u>-</u>
Advances to suppliers and contractors		47,581	45,285	-	-
Deposits		159,204	154,236	5,350	5,350
Prepayments		135,650	103,617	10,120	720
Service tax receivable		169,892	100,813	-	-
		<u>717,432</u>	<u>588,561</u>	<u>15,470</u>	<u>6,070</u>
Total trade and other receivables		<u>1,026,278</u>	<u>816,429</u>	<u>15,470</u>	<u>6,070</u>

(a) Trade receivables

Trade receivables are non-interest bearing and normal credit terms offered by the Group ranging from 7 to 45 days (2022: 7 to 45 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	
	2023 RM	2022 RM
At 1 July	-	128,103
Written off	-	(128,103)
At 30 June	<u>-</u>	<u>-</u>

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	
	2023 RM	2022 RM
At 1 July	41,197	39,795
Written off	-	(88)
Exchange differences	2,089	1,490
At 30 June	<u>43,286</u>	<u>41,197</u>

Notes to the Financial Statements (Cont'd)

11. TRADE AND OTHER RECEIVABLES (CONT'D)**(b) Other receivables (Cont'd)**

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	
	2023	2022
	RM	RM
Amount due from subsidiary	15,146,153	128,719
Less: Impairment loss		
Brought forward	(57,876)	(26,265)
Recognised	(4,538)	(31,611)
Carried forward	(64,414)	(57,876)
	15,083,439	70,843

13. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2023	2022	2023	2022
	RM	RM	RM	RM
Cash and bank balances	502,325	273,271	6,405	2,777
Short-term deposits	89,441,459	76,288,153	-	-
	89,943,784	76,561,424	6,405	2,777

14. SHARE CAPITAL

	Group and Company			
	Number of ordinary shares		← Amount →	
	2023	2022	2023	2022
	Units	Units	RM	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	
		2023 RM	2022 RM
Fair value adjustment reserve	(a)	-	(2,127,000)
Translation reserve	(b)	13,521,594	8,915,411
		<u>13,521,594</u>	<u>6,788,411</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	
	2023 RM	2022 RM
At 1 July/30 June	1,567,839	1,567,839

Deferred tax liabilities relate to the following:-

	Group	
	2023 RM	2022 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	
	2023 RM	2022 RM	2023 RM	2022 RM
Unutilised capital allowances	22,070	-	-	-
Unutilised tax losses	46,253,638	48,365,481	4,168	-
	<u>46,275,708</u>	<u>48,365,481</u>	<u>4,168</u>	<u>-</u>

The comparative figures of the Group and the Company have been revised to reflect the previous year final tax submission.

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 2022 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	
	2023 RM	2022 RM	2023 RM	2022 RM
YA 2023	-	15,694,832	-	-
YA 2024	10,842,481	10,709,177	-	-
YA 2025	5,110,228	5,047,399	-	-
YA 2026	9,913,650	9,791,766	-	-
YA 2027	6,204,086	6,127,810	-	-
YA 2028	9,019,734	-	-	-
YA 2030	994,497	994,497	4,168	-
YA 2033	4,168,962	-	-	-
	46,253,638	48,365,481	4,168	-

17. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2023 RM	2022 RM	2023 RM	2022 RM
Trade					
Trade payables	(a)	1,044,680	1,533,941	-	-
Non-trade					
Other payables		96,481	105,208	2,780	5,996
Accruals and provision		5,093,461	4,587,293	296,038	262,961
Deposit received		12,062	-	-	-
Dividend payables		39,736	67,464	-	-
Service tax payable		75,679	104,733	-	-
		5,317,419	4,864,698	298,818	268,957
Total trade and other payables		6,362,099	6,398,639	298,818	268,957

(a) Trade payables

Trade payables are non-interest bearing and the normal credit terms granted to the Group ranging from 30 to 90 days (2022: 30 to 90 days).

Notes to the Financial Statements (Cont'd)

18. REVENUE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue from contract customers:-				
Sales of fresh fruit bunches	912,896	1,366,778	-	-
Dividend income	-	-	20,017,781	476,272
	912,896	1,366,778	20,017,781	476,272

(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	
	2023 RM	2022 RM	2023 RM	2022 RM
Revenue by segment:-				
Plantation	912,896	1,366,778	-	-
Others	-	-	20,017,781	476,272
Timing of revenue recognition:-				
At a point in time	912,896	1,366,778	20,017,781	476,272
Primary geographical market:-				
Malaysia	-	-	20,017,781	476,272
Indonesia	912,896	1,366,778	-	-
	912,896	1,366,778	20,017,781	476,272

(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	
	2023 RM	2022 RM
Plantation operations	9,768,730	8,172,276

20. OTHER INCOME

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Rental income	3,600	3,600	-	-
Gain on disposal of property, plant and equipment	16,973	138,009	-	-
Other income – fees on plasma FFB	-	19	-	-
Waiver of debts	31,569	881,286	-	-
Reversal of overprovision of accruals in prior years	-	86,836	-	-
Fair value gain on produce growing bearer plants	10,332	-	-	-
Miscellaneous income	113,331	103,770	-	-
	175,806	1,213,520	-	-

Notes to the Financial Statements (Cont'd)

21. FINANCE INCOME AND FINANCE COSTS**(a) Finance income**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Interest income from cash and cash equivalents	2,218,060	1,205,053	-	-
Interest income from other investment at FVTOCI	-	659,260	-	-
Interest income	2,218,060	1,864,313	-	-

(b) Finance costs

	Group	
	2023 RM	2022 RM
Interest expense on:-		
- Lease liability	11,020	6,252

22. (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	
	2023 RM	2022 RM	2023 RM	2022 RM
Auditors' remuneration:-				
Grant Thornton Malaysia PLT				
- Statutory audit				
- current year	112,000	108,000	43,500	40,000
- under provision in prior year	3,912	500	3,500	-
- Non-statutory audit	5,000	5,000	5,000	5,000
Other auditors				
- Statutory audit				
- current year	89,612	82,152	-	-
- under provision in prior year	(5,435)	47,154	-	-
Expenses relating to low-value assets lease				
- photocopier machine	450	1,800	-	-
Expenses relating to short-term leases				
- buildings	268,020	268,020	-	-
Net unrealised foreign exchange loss	-	919	-	-
Fair value (gain)/loss on biological asset	(10,332)	23,898	-	-
Net realised foreign exchange loss	26	789	-	-

23. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Wages, salaries and allowance	4,040,569	3,891,826	-	-
Defined contribution plans	366,163	428,600	-	-
Other employee benefits	872,792	634,222	248,000	237,500
	5,279,524	4,954,648	248,000	237,500

Notes to the Financial Statements (Cont'd)

23. EMPLOYEE BENEFITS EXPENSE (CONT'D)

Included in employee benefits expenses are:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Directors of the Company				
Executive Director				
- Salaries and other emoluments	360,000	360,000	-	-
- Defined contribution plans	43,918	43,793	-	-
	403,918	403,793	-	-
Non-executive Directors				
- Salaries and other emoluments*	-	617,933	-	-
- Defined contribution plans*	-	74,152	-	-
- Fees	192,000	192,000	192,000	192,000
- Allowances	56,000	45,500	56,000	45,500
	248,000	929,585	248,000	237,500
Total Directors' remuneration	651,918	1,333,378	248,000	237,500

*In lieu of annual leave pay

24. INCOME TAX EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current income tax:-				
- Adjustment in respect of prior year	-	832	-	-

Domestic income tax is calculated at the Malaysian statutory income tax rate of 24% (2022: 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	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(13,609,355)	(9,642,205)	19,490,187	(214,392)
Tax at the Malaysian statutory income tax rate of 24% (2022: 24%)	(3,266,245)	(2,314,129)	4,677,645	(51,454)
Tax effect on non-deductible expenses	394,201	87,883	125,622	97,268
Effect of different tax rate in foreign jurisdiction	(90,284)	(61,494)	-	-
Income not subject to tax	(302,886)	(416,949)	(4,804,267)	(114,305)
Movement of deferred tax assets not recognised during the financial year	(501,546)	(8,166)	1,000	68,491
Unutilised tax losses expired	3,766,760	2,712,855	-	-
Adjustment in respect of prior years				
- current income tax	-	832	-	-
Income tax expense	-	832	-	-

Notes to the Financial Statements (Cont'd)

25. 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	
	2023	2022
	RM	RM
Loss attributable to owners of the Company:-	(11,063,339)	(7,883,739)
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)	(7.39)	(5.26)

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.

26. DIVIDEND

During the financial year, the following dividends have been paid by the Company to the owners of the Company:

	Group and Company
	2023
	RM
In respect of the financial year ended:	
A first and final tax exempt dividend of 3.0sen per ordinary share on 6 January 2023	4,494,124

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	AC	FVTOCI
	RM	RM	RM
2023			
Financial assets			
Group			
Trade and other receivables #	673,155	673,155	-
Cash and short-term deposits	89,943,784	89,943,784	-
	90,616,939	90,616,939	-
Company			
Trade and other receivables #	5,350	5,350	-
Amount owing by a subsidiary	15,083,739	15,083,739	-
Cash and short-term deposits	6,405	6,405	-
	15,095,494	15,095,494	-

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

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

	Carrying amount RM	AC RM	FVTOCI RM
2023			
Financial liabilities			
Group			
Trade and other payables*	6,286,420	6,286,420	-
Company			
Trade and other payables	298,818	298,818	-

excluding prepayments, advances to suppliers and service tax receivable
* excluding service tax payable

	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	-
	106,684,614	77,128,138	29,556,476
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	-
	78,970	78,970	-
Financial liabilities			
Group			
Trade and other payables*	6,293,906	6,293,906	-
Company			
Trade and other payables	268,957	268,957	-

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.

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:-

(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.

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:-

	2023		2022	
	RM	% of total	RM	% of total
By country:-				
Republic of Indonesia	308,846	100%	227,868	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 2023 and 30 June 2022 are as follows:-

	Gross carrying amount RM	ECL allowance RM	Net balance RM
Group			
2023			
Current (not past due)	181,275	-	181,275
1 to 30 days past due	46,096	-	46,096
61 to 90 days past due	15,242	-	15,242
More than 121 days past due	66,233	-	66,233
	308,846	-	308,846
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

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					
2023					
Trade and other payables*	6,286,420	6,286,420	6,286,420	-	-
Lease liability	131,709	205,668	38,950	105,155	61,563
Total	6,418,129	6,492,088	6,325,370	105,155	61,563
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

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):-

(ii) Liquidity risk (cont'd)

	Carrying amount RM	Contractual cash flows RM	Within 1 year RM	1 to 2 years RM	2 to 5 years RM
Company					
2023					
Trade and other payables	298,818	298,818	298,818	-	-
2022					
Trade and other payables	268,957	268,957	268,957	-	-

* excluding service tax payable

(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:-

	2023 RM	2022 RM
Group		
USD/RM		
Cash and short-term deposits	140,258	56,363
IDR/RM		
Cash and short-term deposits	42,961	125,197

Sensitivity analysis for foreign currency risk

An average of 0.38% (2022: 0.24%) 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.

Notes to the Financial Statements (Cont'd)

27. FINANCIAL INSTRUMENTS (CONT'D)

(b) Financial risk management (cont'd)

(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.

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	
	2023 RM	2022 RM
Fixed rate instrument		
Lease liability	131,709	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
2022		
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:-

	Company	
	2023 RM	2022 RM
Dividend income received from subsidiary	20,017,781	476,272
Dividend paid to non-controlling interest	1,165,423	27,728

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	
	2023 RM	2022 RM	2023 RM	2022 RM
Executive Director remuneration:-				
- short-term employee benefits	360,000	360,000	-	-
- post-employment benefits	43,918	43,793	-	-
	403,918	403,793	-	-
Non-executive Directors' remuneration:-				
- short-term employee benefits*	-	617,933	-	-
- post-employment benefits*	-	74,152	-	-
- fee and other emoluments	248,000	237,500	248,000	237,500
	248,000	929,585	248,000	237,500
Total Directors' remunerations	651,918	1,333,378	248,000	237,500
Other key management personnel				
- short-term employee benefits	1,023,407	1,555,283	-	-
- post-employment benefits	69,314	134,907	-	-
	1,092,721	1,690,190	-	-
	1,744,639	3,023,568	248,000	237,500

* 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 2023 and 30 June 2022 are as follow:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Trade and other payables	6,362,099	6,398,639	299,818	268,957
Lease liability	131,709	64,791	-	-
Less: Cash and short-term deposits	(89,943,784)	(76,561,424)	(6,405)	(2,777)
Net (cash)/debt	(83,449,976)	(70,097,994)	293,413	266,180
Equity attributable to the owners of the Company, representing total capital	184,300,707	193,124,987	83,415,252	68,419,189
Capital and net debt	100,850,731	123,026,993	83,708,665	68,685,369
Gearing ratio	N/A*	N/A*	0.4%	0.4%

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
2023					
Revenue					
External customers		912,896	-	-	912,896
Inter-segment	A	-	20,017,781	(20,017,781)	-
Total revenue		912,896	20,017,781	(20,017,781)	912,896

Results

*Included in the measure of
segment (loss)/profit are:-*

Depreciation of property, plant and equipment		3,510,654	-	-	3,510,654
Amortisation of right-of-use assets		330,596	-	-	330,596
Segment loss	B	(15,289,225)	(19,486,073)	(20,017,781)	(15,820,933)

Notes to the Financial Statements (Cont'd)

30. SEGMENT INFORMATION (CONT'D)

	Note	Plantation RM	Investment holding RM	Adjustments and eliminations RM	Total RM
2023 (cont'd)					
Assets:-					
Additions to non-current assets other than financial instruments and deferred tax asset	C	2,523,668	-	-	2,523,668
Segment assets	D	178,547,715	68,630,331	(68,608,456)	178,570,297
Liabilities:-					
Segment liabilities		22,844,568	300,818	(15,083,739)	8,061,647
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
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

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:-

	2023 RM	2022 RM
Finance income	2,218,060	1,864,313
Finance costs	(11,020)	(6,252)
	2,207,040	1,858,061

Notes to the Financial Statements (Cont'd)

30. SEGMENT INFORMATION (CONT'D)

C Additions to non-current assets consist of:-

	2023	2022
	RM	RM
Property, plant and equipment	256,243	129,179
Right-of-use assets	2,267,425	514,567
	<u>2,523,668</u>	<u>643,746</u>

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

	2023	2022
	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	
	2023	2022	2023	2022
	RM	RM	RM	RM
Malaysia	-	-	285,241	29,708,999
Republic of Indonesia	912,896	1,366,778	86,433,955	83,913,687
	<u>912,896</u>	<u>1,366,778</u>	<u>86,719,196</u>	<u>113,622,686</u>

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

	2023	2022
	RM	RM
Property, plant and equipment	64,148,360	64,209,724
Right-of-use assets	22,570,836	19,856,486
Other investment	-	29,556,476
	<u>86,719,196</u>	<u>113,622,686</u>

Information about major customers

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

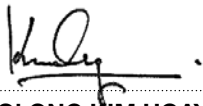
	Revenue		Segment
	2023	2022	
	RM	RM	
Customer A	464,517	-	Plantation
Customer B	-	742,269	Plantation
Customer C	-	582,295	Plantation
Customer D	348,345	-	Plantation

STATEMENT BY DIRECTORS

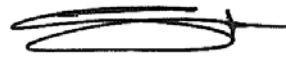
(Pursuant to Section 251(2) of the Companies Act 2016)

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 51 to 97 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 2023 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: 24 October 2023

STATUTORY DECLARATION

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

I, **RAGESH A/L RAJENDRAN**, 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 51 to 97 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.



RAGESH A/L RAJENDRAN
MIA Membership No.: 10232

Subscribed and solemnly declared by the abovenamed at Seri Kembangan, Selangor on 24 October 2023.

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 2023 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 51 to 97.

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 2023, 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 and right-of-use assets on sampling basis 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

Key Audit Matter (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: 42 years)	Freehold	34	DLR: 18.05.2016
KABUPATEN SINTANG, KALIMANTAN BARAT, INDONESIA					
P.T. Inma Jaya Group					
Kecamatan Ketungau Hulu	Land area of 4,676.00 hectares	Oil palm estate	60-year lease Hak Guna Usaha "HGU" title application in progress (2,081.85 hectares)	5,855	DA : 12.09.2005
P.T. Inma Makmur Lestari					
Kecamatan Ketungau Hulu	Land area of 1,261.76 hectares	Oil palm estate	60-year lease Hak Guna Usaha "HGU" title application in progress (416.67 hectares)	2,533	DA : 12.09.2005
P.T. Indomal Sawit Jaya					
Kecamatan Ketungau Hulu	Land area of 5,817.35 hectares	Oil palm estate	60-year lease Hak Guna Usaha "HGU" title application in progress (2,064.73 hectares)	6,801	DA : 12.09.2005
P.T. Makmur Jaya Malindo					
Kecamatan Ketungau Tengah	Land area of 7,461.35 hectares	Oil palm estate	60-year lease Hak Guna Usaha "HGU" title application in progress (2,513.33 hectares)	7,108	DA: 12.09.2005

Note:

All the above properties excluding the property located in Malaysia have been issued with *Persetujuan Pemanfaatan Kesesuaian Kegiatan Pemanfaatan Ruang ("PKKPR")* in October 2022.

5 YEARS' STATISTICS

	2023	2022	2021	2020	2019
	RM'000	RM'000	RM'000	RM'000	RM'000
Turnover					
Plantation	913	1,367	1,105	1,766	16,483
	913	1,367	1,105	1,766	16,483
Earnings					
(Loss)/Profit Before Taxation	(13,609)	(9,642)	(12,491)	101,486	(33,822)
(Loss)/Profit After Taxation and Non-controlling interests	(11,063)	(7,884)	(9,882)	96,123	(29,042)
Assets Employed					
Fixed Assets	22,571	19,857	19,683	20,421	20,678
Replanting Expenditure	-	-	-	-	-
Plantation Development Expenditure	64,148	64,210	65,212	70,508	72,932
Other Investment	-	29,556	59,619	-	-
Long Term Borrowings	(105)	(50)	-	-	(131)
Deferred Taxation	(1,568)	(1,568)	(1,568)	(1,568)	(56,814)
Minority Interest	13,792	9,310	6,935	4,867	10,418
Amount due to a Corporate Shareholder	-	-	-	-	(26,660)
Advance from a Director	-	-	-	-	(7,632)
Net Current Assets/(Liabilities)	85,463	71,810	49,349	119,593	51,360
Net Assets	184,301	193,125	199,230	213,821	64,151
Financed By					
Issued Capital	74,902	74,902	74,902	74,902	74,902
Reserves	109,399	118,223	124,328	138,919	(10,751)
Shareholders Funds	184,301	193,125	199,230	213,821	64,151

Per Share Unit Statistics

	2023	2022	2021	2020	2019
	Sen	Sen	Sen	Sen	Sen
Market Price	31.0	32.5	39	29	31
(Loss)/Earnings Per Share	(7.39)	(5.26)	(6.60)	64.17	(19.38)
Net Tangible Assets	123	129	133	143	43

Notes

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

ESTATE STATUS

			2023	2022	2021	2020	2019
AGRICULTURAL - OIL PALM							
Mature Area Harvested							
Peninsular Malaysia		('000 hectares)	-	-	-	3.19	3.19
Kalimantan Barat, Indonesia	Company Owned	('000 hectares)	4.73	8.02	8.01	8.01	8.01
Kalimantan Barat, Indonesia	Develop for smallholders	('000 hectares)	3.29	-	-	-	-
			8.02	8.02	8.01	11.20	11.20
FFB Crop Harvested							
Peninsular Malaysia		('000 tonnes)	-	-	-	2.2	35.3
Kalimantan Barat, Indonesia	Company Owned	('000 tonnes)	1.7	1.8	2.6	2.1	1.6
			1.7	1.8	2.6	4.3	36.9
Yield per Mature Hectare							
Peninsular Malaysia		(tonnes)	-	-	-	0.7	11.1
Kalimantan Barat, Indonesia	Company Owned	(tonnes)	0.4	0.2	0.3	0.3	0.2
			0.4	0.2	0.3	1.0	11.3
Mill Production							
Peninsular Malaysia		(‘000 tonnes)					
		Palm Oil	-	-	-	-	7
Peninsular Malaysia		Palm Kernel	-	-	-	-	2
Average Selling Price							
Peninsular Malaysia	Palm Oil	(RM/tonne)					
		Net of Duty	-	-	-	2,065	2,018
Peninsular Malaysia	Palm Kernel	(Ex-Mill)	-	-	-	1,312	1,435
Peninsular Malaysia	FFB	(Ex-Estate)	-	-	-	321	407
Kalimantan Barat	FFB	(Ex-Estate)	544	773	283	-	-
Operating (Deficit)/Surplus							
Peninsular Malaysia		(RM/mature hectare)	-	-	-	(444)	3,391
AREA STATEMENT							
Peninsular Malaysia							
			-	-	-	-	3,191
			-	-	-	-	247
			-	-	-	-	3,438
			-	-	-	-	149
			-	-	-	-	3,587
Kalimantan Barat, Indonesia							
			8,022	8,022	8,008	8,008	8,008
			8,022	8,022	8,008	8,008	8,008

Note:

The company was able to get the breakdown between the owned and smallholders due to the issued of Persetujuan Pemanfaatan Kesesuaian Kegiatan Ruang ("PKKPR") in October 2022 and HGU application has been initiated.

ANALYSIS OF SHAREHOLDINGS

As at 29 September 2023

Issued and Paid-Up Share Capital	:	RM74,902,067.50
Class of Share	:	Ordinary Shares
No. of Shareholders	:	7,105 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	72	1.01	1,284	0.00
100 - 1,000	2,439	33.33	2,008,325	1.34
1,001 - 10,000	3,715	52.29	15,127,025	10.10
10,001 - 100,000	782	11.00	24,325,777	16.24
100,001 - 7,490,205 (*)	95	1.34	59,909,200	39.99
7,490,206 and above (**)	2	0.03	48,432,524	32.33
Total	7,105	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	%
Allgrow Capital Holdings Sdn Bhd	34,132,524	22.78	-	-
Puan Sri Datin Vivienne Ketheeswaran	14,300,000	9.55	34,132,524 ⁽¹⁾	22.78
Tan Sri (Dr.) Ketheeswaran M. Kanagaratnam	-	-	48,432,524 ⁽²⁾	32.33
Goh Ten Fook	7,484,000	5.00	-	-

⁽¹⁾ Deemed interest by virtue of the interest in Allgrow Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

⁽²⁾ 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.

DIRECTORS' SHAREHOLDING ACCORDING TO THE REGISTER OF DIRECTORS' SHAREHOLDING

Director	Direct Interest		Deemed Interest	
	No. of Shares Held	%	No. of Shares Held	%
Dato' Ong Kim Hoay	21,000	0.01	-	-
Puan Sri Datin Vivienne Ketheeswaran	14,300,000	9.55	34,132,524 ⁽¹⁾	22.78

⁽¹⁾ Deemed interest by virtue of the interest in Allgrow Capital Holdings Sdn Bhd pursuant to Section 8 of the Companies Act 2016.

Analysis of Shareholdings (Cont'd)

As at 29 September 2023

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	7,484,000	5.00
4	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED (HBAP-SGDIV-ACCL)	5,580,000	3.72
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SEOW LUN HOO @ SEOW WAH CHONG (12021520) (434618)	4,224,400	2.82
6	RHB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR DATO' SRI KER CHERK YEE	4,196,100	2.80
7	S'NG HOOI SEAH	3,867,000	2.58
8	HSBC NOMINEES (ASING) SDN BHD EXEMPT AN FOR CREDIT SUISSE (SG BR-TST-ASING)	3,702,300	2.47
9	CITIGROUP NOMINEES (ASING) SDN BHD EXEMPT AN FOR UBS AG SINGAPORE (FOREIGN)	3,300,000	2.20
10	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,095,900	1.40
11	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR SEOW VOON PING (PW-M0 0400) (410083)	1,500,000	1.00
12	OOI SIEW LOOI	1,212,600	0.81
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	KHOO TEW CHOON	736,300	0.49
16	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR LESLIE ANNE SCULLY (E-SS2)	667,000	0.45
17	YONG KIM FUI	636,500	0.42
18	CHEN ENG SIAN	603,000	0.40
19	TAN SUAN WEN	567,000	0.38
20	TONG FONG REALTY SDN. BERHAD	561,400	0.37
21	TAN KHEAK GEAI	540,000	0.36
22	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KOR SOW KUEN (E-KPG)	530,000	0.35
23	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP KON HING (E-KPG)	501,400	0.33
24	LOW GUAN HONG	450,000	0.30
25	THEE WOEI CHERNG	450,000	0.30
26	PUBLIC NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR TAN PET HUAN (E-BSA/PKG)	406,000	0.27
27	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR KHOO TEW CHOON	400,000	0.27
28	KENANGA NOMINEES (TEMPATAN) SDN BHD RAKUTEN TRADE SDN BHD FOR NICHOLAS FANG CHERN LEE	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 ENG JU	379,000	0.25



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)

_____ (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 and First 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 Wednesday, 6 December 2023, 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 2023 together with the Reports of the Directors and the Auditors thereon.			
	Resolutions		For	Against
2.	To approve the payment of Directors' Fees of RM192,000/- for the financial year ended 30 June 2023.	(Resolution 1)		
3.	To approve the payment of benefits payable to the Non-Executive Directors of up to an amount of RM95,000/- from 1 July 2023 until the conclusion of the next Annual General Meeting of the Company.	(Resolution 2)		
4.	To re-elect Dato' Ong Kim Hoay who retires pursuant to Clause 100 of the Company's Constitution.	(Resolution 3)		
5.	To re-elect Dato' Shahrom Bin Abdul Majid who retires pursuant to Clause 100 of the Company's Constitution.	(Resolution 4)		
6.	To re-elect Puan Sri Datin Vivienne Ketheeswaran who retires pursuant to Clause 107 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 2024 and to authorise the Directors to fix their remuneration.	(Resolution 6)		
8.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act 2016.	(Resolution 7)		

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.

In the event that more than one proxy are appointed, the percentage of shareholdings to be represented by each proxy is as follows:

Signed this _____ day of _____ 2023.

Name of Proxies	%

Signature of Member/Common Seal of Shareholder

- Notes:**
1. The One-Hundredth and First 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 28 November 2023 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 Monday, 4 December 2023**, 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 our Share Registrar, 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

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