



# Annual Report 2023

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Proxy Form

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

**DATO' HAJI ARPAN SHAH  
BIN SATU**

*Independent  
Non-Executive Chairman*

**DATO' LIM KANG POH**

*Deputy Executive Chairman*

**MR LIM GUAN SHIUN**

*Managing Director*

**TAN SRI DATO'  
LIM KANG YEW**

*Executive Director*

**DATO' SUHAIMI BIN  
MOHD YUNUS**

*Non-Independent  
Non-Executive Director*

**TUAN HAJI KHALIT BIN  
KASMOIN**

*Independent Non-Executive Director*

**MS LEE SIEW CHEN**

*Independent Non-Executive Director*

**MR LIM DIAN HOONG**

*Alternate Director to  
Tan Sri Dato' Lim Kang Yew*

#### COMPANY SECRETARY

Ms Chua Hoon Ping, ACIS  
Ms Ng Chen Khim, MIA

#### AUDIT COMMITTEE

Ms Lee Siew Chen  
*(Chairman)*  
Dato' Haji Arpan Shah Bin Satu  
*(Member)*  
Tuan Haji Khalit Bin Kasmoin  
*(Member)*

#### NOMINATION COMMITTEE

Tuan Haji Khalit Bin Kasmoin  
*(Chairman)*  
Dato' Haji Arpan Shah Bin Satu  
*(Member)*  
Ms Lee Siew Chen  
*(Member)*

#### REMUNERATION COMMITTEE

Ms Lee Siew Chen  
*(Chairman)*  
Dato' Haji Arpan Shah Bin Satu  
*(Member)*  
Tuan Haji Khalit Bin Kasmoin  
*(Member)*

#### REGISTERED OFFICE

Level 12, Menara TSR  
No. 12, Jalan PJU 7/3,  
Mutiar Damansara,  
47810 Petaling Jaya,  
Selangor Darul Ehsan  
Tel : 603-7717 5588  
Fax : 603-7717 5599

#### WEBSITE

[www.astralasia.com](http://www.astralasia.com)

#### SHARE REGISTRAR

Sectrars Management Sdn Bhd  
Lot 9-7, Menara Sentral Vista  
No. 150, Jalan Sultan Abdul Samad,  
Brickfields  
50470 Kuala Lumpur  
Tel : 603-2276 6138  
Fax : 603-2276 6131

#### AUDITORS

Grant Thornton Malaysia PLT  
(Member of Grant Thornton  
International Ltd)  
Chartered Accountants  
Level 11, Sheraton Imperial Court,  
Jalan Sultan Ismail,  
50250 Kuala Lumpur  
Tel : 603-2692 4022  
Fax : 603-2691 5229

#### PRINCIPAL BANKERS

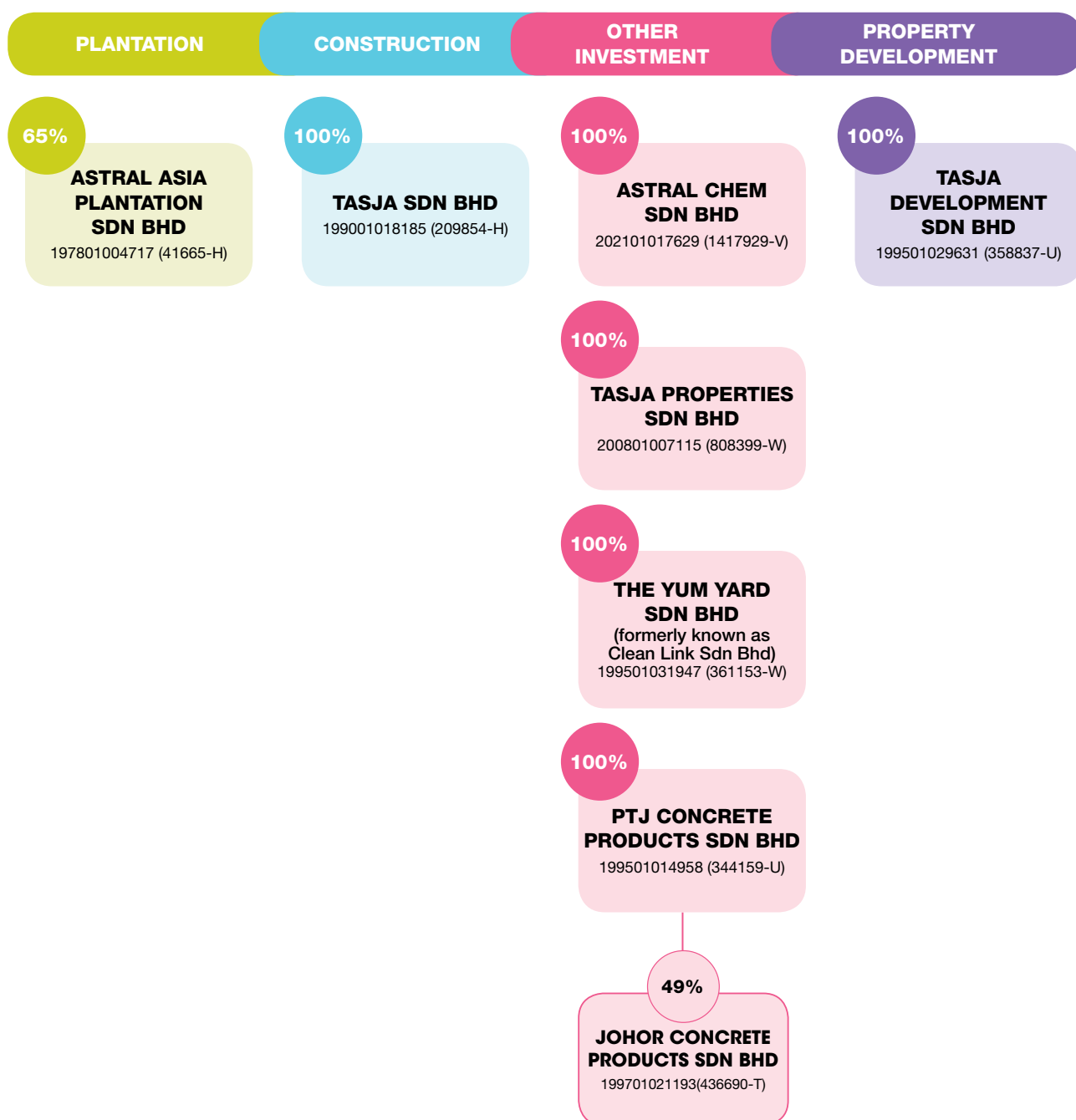
Malayan Banking Berhad  
Public Bank Berhad  
CIMB Bank Berhad  
RHB Bank Berhad  
RHB Islamic Bank Berhad

#### STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia  
Securities Berhad  
Stock Name : AASIA  
Stock Code : 7054  
Stock Sector : Plantation



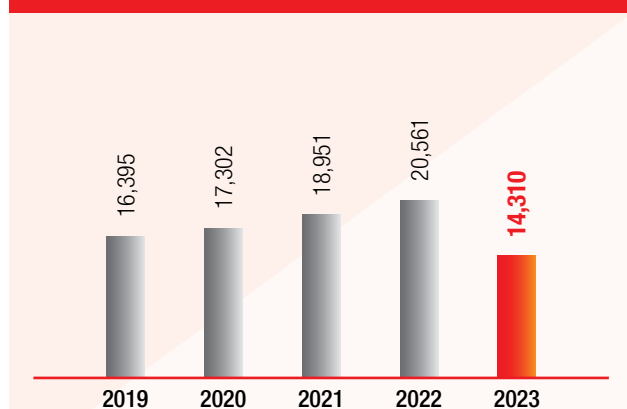
## GROUP CORPORATE STRUCTURE



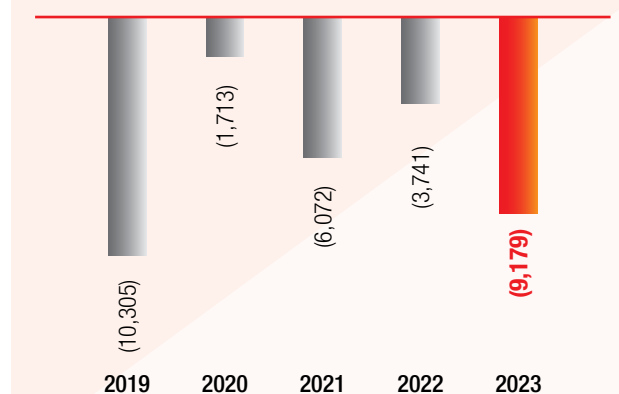
## 5-YEARS FINANCIAL HIGHLIGHTS

		2019	2020	2021	2022	2023
Revenue	RM'000	16,395	17,302	18,951	20,561	14,310
Loss Before Taxation	RM'000	(11,842)	(6,351)	(7,225)	(1,928)	(13,472)
Loss attributable to Owners of the Parent	RM'000	(10,305)	(1,713)	(6,072)	(3,741)	(9,179)
Paid-up Capital	RM'000	131,997	131,997	131,997	131,997	131,997
Shareholders' Funds	RM'000	185,915	184,202	178,130	174,389	165,210
Total number of shares in issue	'000	659,984	659,984	659,984	659,984	659,984
Loss Per Share	sen	(1.56)	(0.26)	(0.92)	(0.57)	(1.39)
Net Assets Per Share	RM	0.28	0.28	0.27	0.26	0.25
Fresh Fruit Bunches ("FFB") Production	Tonne	38,651	28,637	18,478	18,250	17,411
Prices of Crude Palm Oil realised	RM/Mt	2,071	2,675	4,451	4,992	3,817

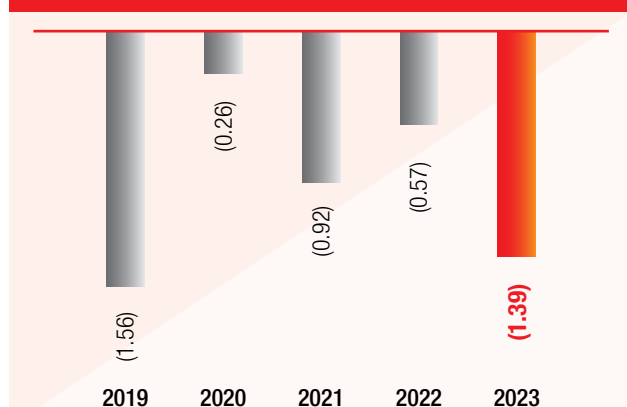
**REVENUE**  
(RM'000)



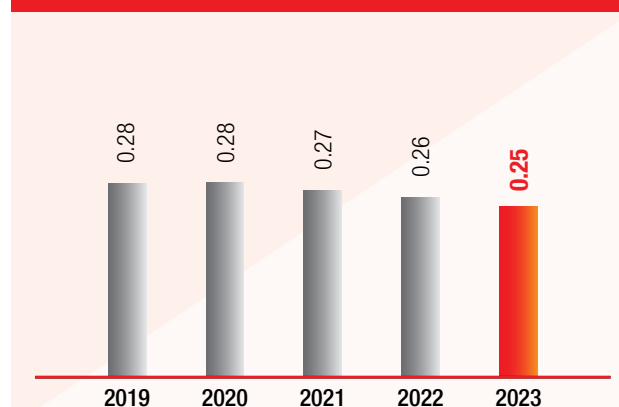
**LOSS ATTRIBUTABLE TO OWNERS OF THE PARENT**  
(RM'000)



**EARNINGS PER SHARE**  
(SEN)



**NET ASSETS PER SHARE**  
(RM)



DIRECTORS'  
PROFILE**DATO' HAJI ARPAN SHAH BIN SATU***Independent Non-Executive Chairman***68 | Male | Malaysian**

Dato' Haji Arpan Shah Bin Satu was appointed as an Independent Non-Executive Chairman on 13 October 2020. He is also a member of the Audit, Nomination and Remuneration Committees.

Dato' Haji Arpan graduated with a Bachelor of Agricultural Science from Universiti Pertanian Malaysia in 1978 and Master of Business Administration ("MBA") from Universiti Kebangsaan Malaysia in 1998.

He has held various positions in the government sector. He was appointed as the Director General of Farmers Organization Authority ("FOA") in 2010 and has more than 37 years working experience with the FOA at the FOA Headquarters at State of Perak/Kelantan.

Dato' Haji Arpan does not hold any directorship in other public companies. He has no direct or indirect shareholdings in the Company nor having any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Dato' Haji Arpan had attended all the four (4) Board meetings held in the financial year ended 31 December 2023.

**DATO' LIM KANG POH***Deputy Executive Chairman***67 | Male | Malaysian**

Dato' Lim Kang Poh was appointed to the Board on 8 December 1995. He was subsequently re-designated as Managing Director of Astral Asia Berhad on 27 October 1997 and Deputy Executive Chairman on 1 December 2003. Dato' Lim is also the Chairman of the Risk Management Committee.

Dato' Lim is one of the founder members of Tasja Sdn Bhd and was appointed to the Board on 8 December 1995. He started his career in the construction industry in 1976. He has been appointed as Managing Director of Astral Asia Plantation Sdn Bhd since April 2005. He is a director of several other private limited companies. His experience in the construction and plantation industries has strengthened the management of the Group.

Dato' Lim has a direct shareholdings of 95,228,289 ordinary shares in the Company. He is a brother of Tan Sri Dato' Lim Kang Yew and father to Mr Lim Guan Shiun. He is also an uncle to Mr Lim Dian Hoong. Save as disclosed, Dato' Lim does not have any family relationship with any other director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Dato' Lim had attended all the four (4) Board meetings held in the financial year ended 31 December 2023.

## DIRECTORS' PROFILE (CONT'D)

### MR LIM GUAN SHIUN

*Managing Director*

37 | Male | Malaysian

Mr Lim Guan Shiun was appointed to the Board as Executive Director on 15 April 2013 and re-designated as Managing Director on 2 November 2016. Mr Lim is also the member of the Risk Management Committee.

Mr Lim graduated with a Bachelor of Engineering (Hons) in Civil Engineering and Master of Science in Management of Projects from University of Manchester. He is currently an Executive Director of Astral Asia Plantation Sdn Bhd, a position he has held since 2011. He is currently also the General Manager of Tasja Development Sdn Bhd.

Mr Lim has no direct or indirect shareholdings in the Company. He is a son of Dato' Lim Kang Poh and nephew to Tan Sri Dato' Lim Kang Yew. He is also a cousin to Mr Lim Dian Hoong. Save as disclosed, Mr Lim does not have any family relationship with any other director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Mr Lim had attended all the four (4) Board meetings held in the financial year ended 31 December 2023.

### TAN SRI DATO' LIM KANG YEW

*Executive Director*

67 | Male | Malaysian

Tan Sri Dato' Lim Kang Yew was appointed to the Board as Executive Director on 16 July 2020.

Tan Sri Dato' Lim is a businessman with over 40 years of experience in the construction, property development and plantations related industries. His vast experience in this field have proven to be invaluable to the Group as he established good rapport with some government agencies.

Currently, Tan Sri Dato' Lim is also the Managing Director of PLS Plantations Berhad and Deputy Executive Chairman of TSR Capital Berhad. He is also a director of several other private limited companies.

Tan Sri Dato' Lim has a direct shareholdings of 89,552,289 ordinary shares in the Company. He is a brother of Dato' Lim Kang Poh and father to Mr Lim Dian Hoong. He is also an uncle to Mr Lim Guan Shiun. Save as disclosed, Tan Sri Dato' Lim does not have any family relationship with any other director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Tan Sri Dato' Lim had attended three (3) out of the four (4) Board meetings held in the financial year ended 31 December 2023.

DIRECTORS' PROFILE  
(CONT'D)**TUAN HAJI KHALIT BIN KASMOIN***Independent Non-Executive Director***66 | Male | Malaysian**

Tuan Haji Khalit Bin Kasmoin was appointed to the Board as Independent Non-Executive Director on 1 March 2018. He serves as the Chairman of the Nomination Committee. He is also a member of the Audit and Remuneration Committees.

Tuan Haji Khalit graduated with a Bachelor of Social Science, majoring in Anthropology and Sociology from University Science of Malaysia in 1992, Master in Sociology Industry from Universiti Kebangsaan Malaysia in 2000 and Master of Philosophy Anthropology Sociology Economy from Universiti Kebangsaan Malaysia in 2004.

He started his career as an Administrative Officer in 1993 at Pusat Khidmat Kontraktor (PKK). From 1997 to 2008 he was involved in policy making at Ministry of Entrepreneur Development and Cooperative. In 2009 he was appointed as Diplomatic Administrative Officer ("PTD") in the Ministry of Agriculture with a title of Head of Assistant Secretary until his retirement on 12 January 2018. He has a wide range of experience in developing and administrating the entrepreneurs and also the government policy maker.

Tuan Haji Khalit has no direct or indirect shareholdings in the Company. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Tuan Haji Khalit had attended all the four (4) Board meetings held in the financial year ended 31 December 2023.

**DATO' SUHAIMI BIN MOHD YUNUS***Non-Independent Non-Executive Director***58 | Male | Malaysian**

Dato' Suhaimi Bin Mohd Yunus was appointed to the Board as Non-Independent Non-Executive Director on 8 August 2019.

Dato' Suhaimi graduated with a Master of Science in Land Administration and Development from University Technology of Malaysia.

He started his career in 1995 as Administration and Diplomatic Officer in Transport Ministry. Later, he moved to Public Service Department. In 1997, he was transferred back to Transport Ministry as Assistant Secretary and in 1999 he assumed the post as Assistant District Officer of Rompin, Pahang. Dato' Suhaimi was promoted as Chief Assistant Secretary in 2003 and he served in a few Ministries i.e. Agriculture and Natural Resources and Environment till 2005. He was appointed as Director of Pahang Sport Council until 2010 and later was promoted as Division Secretary and had served the Economy Planning Unit and Pahang State Secretary Office. In 2012 to 2014 he was appointed as a Secretary Division of Human Resources of Pahang State Secretary Office. In 2014, he was appointed as Deputy State Secretary (Development) of Pahang State Secretary Office till May 2019. Effective from 10 May 2019, he was appointed as a Chief Executive Officer of Perbadanan Kemajuan Pertanian Negeri Pahang.

Currently, Dato' Suhaimi is also a Non-Independent Non-Executive Director of Far East Holdings Berhad and Tanah Makmur Berhad.

Dato' Suhaimi has no direct or indirect shareholdings in the Company. He does not have any family relationship with any director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Dato' Suhaimi attended two (2) out of the four (4) Board meetings held in the financial year ended 31 December 2023.



## DIRECTORS' PROFILE (CONT'D)

### MS LEE SIEW CHEN

*Independent Non-Executive Director*

52 | Female | Malaysian

Ms Lee was appointed to the Board as Independent Non-Executive Director on 7 April 2023. She serves as the Chairman of Audit and Remuneration Committees. She is also a member of the Nomination Committee.

Ms Lee graduated with a Degree in Bachelor of Accounting from University Malaya. She is a member of the Malaysian Institute of Accountants ("MIA"). She had more than 15 years of extensive tax experience in public listed company with diversified businesses and 7 years of tax experience in an audit firm.

Ms Lee has no direct or indirect shareholdings in the Company. She does not have any family relationship with any director and/or major shareholders of the Company. She has no conflict of interest in any business arrangement involving the Company. She has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

Ms Lee had attended three (3) out of the three (3) Board meetings held in the financial year ended 31 December 2023.

### MR LIM DIAN HOONG

*Alternate Director to Tan Sri Dato' Lim Kang Yew*

36 | Male | Malaysian

Mr Lim Dian Hoong was appointed to the Board as Alternate Director to Tan Sri Dato' Lim Kang Yew on 24 September 2020.

Mr Lim graduated with a Master of Engineering in Civil Engineering from Imperial College London, UK. He has started his career with TSR Bina Sdn Bhd, a wholly-owned subsidiary of TSR Capital Berhad in 2011. He has been involved in the building construction and infrastructure projects managed by the group. He also has an active role in helping TSR group to expand its property development and hospitality business.

Currently, Mr Lim is also an Executive Director in TSR Capital Berhad.

Mr Lim has no direct or indirect shareholdings in the Company. He is a son of Tan Sri Dato' Lim Kang Yew and nephew to Dato' Lim Kang Poh. He is also a cousin to Mr Lim Guan Shiun. Save as disclosed, Mr Lim does not have any family relationship with any other director and/or major shareholders of the Company. He has no conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGERMENTS' PROFILE

The Group is managed by a team of experienced and diversified Managers and Executives led by our Deputy Executive Chairman, Dato' Lim Kang Poh, Managing Director, Mr Lim Guan Shiun and Executive Director, Tan Sri Dato' Lim Kang Yew, whose profiles are disclosed in the Directors' profiles.

### MR LIM KUAN HWANG

*Director of Tasja Development Sdn Bhd and The Yum Yard Sdn Bhd (Formerly known as Clean Link Sdn Bhd)*

36 | Male | Malaysian

Mr Lim Kuan Hwang was appointed as Director of Tasja Development Sdn Bhd, a position he has held since 2018 and manages the new startup initiative selling food and beverage under The Yum Yard Sdn Bhd (formerly known as Clean Link Sdn Bhd). He is also the member of the Risk Management Committee.

Mr Lim graduated with a Bachelor of Arts (Hons) degree from University College London, United Kingdom. He had served in various managerial positions for several businesses relating to digital and physical retail, trade distribution, food and beverage, as well as in property management. He was involved in the innovation and operation of new businesses and to date, he has founded and operated more than five new business ventures outside the Group.

Mr Lim, has been identified as the key management personnel to plan, lead and oversee the operations pertaining to the Group's business and related activities.

Mr Lim is also a Non-Independent Non-Executive Director of TSR Capital Berhad.

Mr Lim has no direct or indirect shareholdings in the Company. Mr Lim is the son of Dato' Lim Kang Poh, the Deputy Executive Chairman and a substantial shareholder of AAB, a brother to Mr Lim Guan Shiun, the Managing Director of AAB, a nephew to Tan Sri Dato' Lim Kang Yew, the Executive Director and a substantial shareholder of AAB and a cousin to Mr Lim Dian Hoong, the Alternate Director to Tan Sri Dato' Lim Kang Yew. He does not hold any directorship in other public companies. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

### DATO' IR HOW POOI GEN

*Project Director, Construction and Properties Development Segments*

62 | Male | Malaysian

Dato' Ir How Pooi Gen joined Astral Asia Berhad Group in 1995 as a General Manager, Construction. He is currently the Project Director of Astral Asia Berhad Group overseeing the Construction and Properties Development Segments. He is also the member of the Risk Management Committee.

Dato' Ir How graduated from University of Auckland, New Zealand with a Bachelor of Engineering (1st Class Hons) in 1985 and was subsequently admitted as a member of the Institution of Engineers in New Zealand and Malaysia. He is also a Professional Engineer registered with the Board of Engineers Malaysia. After graduation, he served for a year as Project Engineer in Ang Yoke Lin Construction Sdn Bhd. In 1987, he went to New Zealand and worked there for 4 years. He started as a Structural Engineer in a consulting firm for a year and later joined Auckland City Council from 1988 to 1991 where he was subsequently promoted to Project Manager. He returned to Malaysia in 1991 and joined Kiara Development Sdn Bhd as a Resident Manager cum Assistant Project Manager. In 1994 he joined Pembinaan Limbongan Setia Sdn Bhd, a civil engineering and construction company as Senior Manager prior to joining Astral Asia Berhad Group in 1995. He was an Executive Director of Astral Asia Plantation Sdn Bhd from 2005 to 2008.

Dato' Ir How has no direct or indirect shareholdings in the Company. He does not have any family relationship with any Directors and/or major shareholders of the Group nor any conflict of interest in any business arrangement involving the Company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

## KEY SENIOR MANAGEMENT (CONT'D)

### MR NG HIAP HUAT

*General Manager of Astral Asia Plantation Sdn Bhd*

72 | Male | Malaysian

Mr Ng joined Tasja Sdn Bhd in 1997 as a Project Manager and subsequently promoted as Senior Project Manager. He is currently the General Manager of Astral Asia Plantation Sdn Bhd.

Mr Ng graduated with a Master in Business & Industrial Management from Asia e University. He is also prescribed by American Industrial Certification Institute for the title of Certified Business Manager (CBM) as an Industrial Professional Manager.

Mr Ng has no direct or indirect shareholdings in the company. He does not have any family relationship with any Directors and/or major shareholders of the Group nor any conflict of interest in any business arrangement involving the company. He has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

### MS JEDRENNIE NG

*Group Accountant*

46 | Female | Malaysian

Ms Ng joined Astral Asia Berhad in October 2021. She started her accounting career in commercial sector as an Affiliate Member of the Associate of Chartered Certified Accountants ("ACCA") and obtained her ACCA full membership in year 2006 as a Chartered Accountant by profession. She is also a member of the Malaysia Institute of Accountants ("MIA"). In year 2011, she was promoted to Fellow Member of Association of Chartered Accountants ("FCCA").

Ms Ng has extensive exposure in financial management with working experience of over 15 years which covers the principal area of auditing, accounting, corporate affairs and finances

Ms Ng has no direct or indirect shareholdings in the company. She does not have any family relationship with any Directors and/or major shareholders of the Group nor any conflict of interest in any business arrangement involving the company. She has no convictions for any offences within the past 5 years, and have not been subjected to any public sanctions and/or penalties imposed by any relevant regulatory bodies during the financial year.

## CHAIRMAN'S STATEMENT



***On behalf of the Board of Directors of Astral Asia Berhad ("AAB"), I am pleased to present the Annual Report and Audited Financial Statements of AAB and its subsidiaries (hereinafter referred to as the "Group") for the financial year ended 31 December 2023***

### OPERATING RESULTS

For the financial year under review, the Group recorded a 30.4% decrease in revenue from RM20.6 million in the previous financial year to RM14.3 million in this financial year, a decrease of RM6.3 million.

At the operations level, the Group recorded a loss after tax of RM12.0 million for the current financial year compared to a lower loss after tax of RM3.5 million in the previous financial year. This was mainly due to written off of the previously capitalized bearer plant cost in the financial year under review.

The financial performance and prospects of the Group are further explained in the Management Discussion and Analysis section of this annual report.

### DIVIDEND

The Board of Directors does not recommend any dividend payment in respect of the current financial year.

### CORPORATE DEVELOPMENT

There are no corporate proposals that are pending completion as of the date of this report.

### ACKNOWLEDGEMENTS

On behalf of the Board of Directors, I would like to thank our customers, business partners, financiers and regulatory authorities and shareholders of AAB for your utmost commitment, contribution and support to the Group.

To the management and staff of various segments within the Group, I would like to express my sincere appreciation for your hard work, commitment and dedication towards achieving our business objectives.

On behalf of the Board, I would like to express our gratitude to Mr Tan En Chong, who retired as our Senior Independent Non-Executive Director on 7 April 2023. The Board and I wish to extend our appreciation for his valuable contributions to the Group throughout his years of service. In addition, we extend our warm welcome to our newly appointed Independent Non-Executive Directors, Ms Lee Siew Chen, who assumed her roles on the same day.

Last but not least, my deep appreciation to my fellow members of the Board for your support, leadership and valuable contribution and I look forward to work with all of you as a team in the coming year.

**Dato' Haji Arpan Shah Bin Satu**  
Chairman

## MANAGEMENT DISCUSSION AND ANALYSIS

### PLANTATION SEGMENT

The plantation arm of the Group is Astral Asia Plantation Sdn Bhd (“hereinafter referred to as “AAP”). AAP started oil palm cultivation business since 1981 and currently owns and manages 4,019 hectares of oil palm plantation located in the state of Pahang Darul Makmur.

For the financial year under review, the harvested fresh fruit bunches (“FFB”) production of 17,411 m/t was 4.6% slightly lower compared with the harvested FFB in the previous financial year (2022: 18,250 m/t). The decrease in FFB production was mainly due to the on-going replanting programme and also the ageing oil palm at both the Kertau and Pejing estates. As at the FYE 2023, a total of 2,140 hectares have been replanted. Bukit Kuin estate registered a lower 19.2% to 12.53 m/t per hectare compared to the last financial year (2022 : 15.51 m/t) and this was consistent with the palm oil industry trend.

Malaysia’s average FFB yield in year 2023 had slight increased by 1.9% to 15.79 m/t per hectare (2022:15.49 m/t per hectare). However, state of Pahang Darul Makmur, the Malaysian Palm Oil Board had also reported a 7% lower annual average yield of 15.22 m/t per hectare (2022:16.37 m/t per hectare).

At present, the Group’s FFB sales are conducted through appointed agents and palm oil millers. The realised Crude Palm Oil (“CPO”) and Palm Kernel Oil (“PK”) prices are based on the Malaysian Palm Oil Board monthly average prices. The Group has yet to engage in the trading of commodity future but may do so in the near future to take advantage of the prevailing strong CPO prices.

For the financial year under review, the Group’s realised CPO was 23.5% lower and at an average price of RM3,817 per m/t (2022: RM4,992 per m/t). The average realised price of PK decreased by 33.8% to RM2,017 per m/t (2022: RM3,046 per m/t).

The plantation segment had registered a loss after tax of RM8.02 million during the financial year under review compared to a slight profit after tax of RM0.6 million in the previous financial year. This was mainly attributed to the following factors:

	RM'000
Unfavourable CPO and PK prices variance	(4,995)
Lower FFB production variance	(1,157)
Lower cost due to lower FFB production	(923)
Bearer Plants written off	(7,095)
Pineapple project's net expenses	1
Fair Value gain on bearer biological assets	347
Other operation items	2,048
Over provision of tax and deferred tax	3,074
	(8,700)

The Management will continue to monitor and manage all risks inherent to oil palm operations. The Management will also continue with the replanting of the remaining 600 hectares of old oil palm at both the Kertau and Pejing estates.

To enhance best agriculture practices and environmental protection, the Group is supportive of the Malaysian Sustainable Palm Oil (“MSPO”) standards since its inception and the Group will continue to be a MSPO certified planter. Our specific contribution to the United Nation’s sustainable development goals are as set out in our Sustainability Report.



## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### CONSTRUCTION SEGMENT

The construction arm of the Group is Tasja Sdn Bhd (hereinafter referred to as "Tasja"). Tasja was established in 1990 and registered with the Construction and Development Board as a Grade G7 contractor. It is also a registered "Class A" contractor with the Malaysian Government Contractor Services Centre ("Pusat Khidmat Kontraktor Malaysia").

During the financial year under review, Tasja had not been successful to secure any new jobs. Nevertheless, Tasja will continue to look for new construction work opportunities in the near future.

### PROPERTY SEGMENT

#### Kuantan Hi-Tech Park

The Management team will continue its efforts to implement and promote Kuantan Hi-Tech Park amidst the on-going local economic uncertainty and weak industrial property climate. The Group is exploring other innovative development concepts that may be suitable for this property. In the meantime, this property with an area of 2,434 acres is planted with mature oil palm and is known as Bukit Kuin estate.

### PROSPECTS

Oil palm cultivation will remain the core business of Astral Asia Berhad in the near future. The Group's performance in 2024 will likely to be affected by crucial factors such as lower FFB output, higher production costs and lower commodities prices.

We expect a lower FFB production for the Group during the FYE 2024 due to the on-going oil palm replanting programme at the Kertau and Pejing estates. In the construction segment, the Group has secured a sub-contract development project amounted to RM35 million for the duration of 30 months. The Group is of the opinion that the contract will improve the Group's operating results.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

### FFB PRODUCTION, PERFORMANCE AND AREA STATEMENT

FFB PRODUCTION, PERFORMANCE AND AREA STATEMENT									
Year	2015	2016	2017	2018	2019	2020	2021	2022	2023
Fresh Fruit Bunches ("FFB") Production (m/t)	46,020	37,238	43,492	40,872	38,651	28,636	18,478	18,250	17,411
Average mature area harvested (hectare)	3,274	3,127	3,314	3,647	3,152	2,752	2,238	2,237	1,765
Average yield m/t per hectare	14.1	11.9	13.1	11.2	12.3	10.4	8.3	8.2	9.9
Average prices of Crude Palm Oil realised RM per m/t	2,149	2,643	2,761	2,248	2,071	2,675	4,451	4,992	3,817
Average prices of Palm Kernel Oil realised RM per m/t	1,580	2,573	2,444	1,791	1,223	1,557	2,857	3,046	2,017
Plantation revenue RM'000	23,171	23,924	29,903	19,284	15,724	15,788	18,010	20,157	13,883
Plantation profit / (loss) before tax RM'000	3,511	6,478	11,452	(3,746)	(7,283)	(5,553)	(3,769)	1,834	(9,556)
Plantation profit / (loss) after tax RM'000	1,441	6,814	7,889	(4,482)	(8,675)	(2,119)	(3,889)	648	(8,020)

	Planted area as at 31.12.2023			FFB Production (m/t)								
	Immature (ha)	Mature (ha)	Total (ha)	2015	2016	2017	2018	2019	2020	2021	2022	2023
Estate												
Bukit Kuin 1 (BK 1)	0	601	601	3,417	3,777	5,514	7,777	9,011	8,619	7,047		
Bukit Kuin 2 (BK 2)	0	191	191	4,320	4,023	4,308	4,278	4,931	4,062	2,566		
Bukit Kuin (Total)		792	792	7,737	7,800	9,822	12,055	13,942	12,681	9,613	12,284	9,921
Kertau	1,040	573	1,613	20,300	16,093	17,929	15,509	12,433	6,609	4,284	3,233	3,468
Pejing	735	400	1,135	17,983	13,345	15,741	13,308	12,276	9,346	4,581	2,733	4,022
	1,775	1,765	3,540									
Buildings, roads and others			479									
Total area ( in hectare)			4,019									

<b>Total FFB Production</b>	<b>46,020</b>	<b>37,238</b>	<b>43,492</b>	<b>40,872</b>	<b>38,651</b>	<b>28,636</b>	<b>18,478</b>	<b>18,250</b>	<b>17,411</b>
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#### Age profile for oil palm as at 31.12.2023

Palm Age (Yrs)	Percentage	Area (Ha)
Immature	50.1%	1,775
Young & Prime (4-20 yrs)	34.0%	1,205
Old (21 yrs & above)	15.8%	560
	100.0%	3,540

## SUSTAINABILITY STATEMENT

At Astral Asia Berhad (“AAB”) and its subsidiaries (“the Group”), we pledge to create lasting value by proactively responding to global changes and implementing sustainable business strategies across our operations. We adapt to ever-changing stakeholder demands by ensuring that Economic, Environmental, Social and Governance (“EESG”) matters take precedence at all layers of management. Since Malaysian Sustainable Palm Oil (“MSPO”) certifications became mandatory in 2019, we have developed a clear view of how our palm oil will continue to be the most sustainable vegetable oil by making an effort to adopt the best practices across our supply chain.

### ABOUT THIS REPORT

The Group is committed to create meaningful value through intertwined strategies focused on EESG dimensions. We have prepared this report to convey to our stakeholders how we embed sustainability in our business and operations.

#### Scope and Boundary

This report covers the core business activity, in oil palm plantation business of AAB, of which AAB has direct control and holds a majority stake in Astral Asia Plantation Sdn. Bhd. (“AAP”).

**Reporting Period:** This Sustainability Report is a record of our progress and challenges in managing our most critical sustainability topics from 1 January 2023 to 31 December 2023. Three (3) years of historical data have been included to illustrate trends and provide a basis of comparison.

**Reporting Cycle:** Annually, coinciding with our financial year-end.

#### Reporting Guidelines:

Bursa Malaysia Sustainability Reporting Guide (3rd Edition)  
Malaysian Code on Corporate Governance 2021 (“MCCG”)

#### Feedback:

If you have any comments or suggestions regarding this Report, please do not hesitate to contact us at [sustainability@astralasia.com](mailto:sustainability@astralasia.com)

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR APPROACH TO SUSTAINABILITY

#### SUSTAINABILITY GOVERNANCE



<b>BOARD</b>	<ul style="list-style-type: none"> <li>Chiefly responsible for oversight of the Group's sustainability matters, including but not limited to the sustainability direction, strategies and implementation.</li> <li>Assesses the Group's overall sustainability performance.</li> </ul>
<b>GMC</b>	<ul style="list-style-type: none"> <li>Consists of the Key Senior Management Team</li> <li>Approves sustainability strategies and targets, policies, materiality assessment and outcome.</li> <li>Monitors the implementation of sustainability strategies and policies as well as the achievement of performance targets.</li> <li>Resolves critical or major sustainability issues that may impact AAB.</li> <li>Reports to the Board about the status of implemented sustainability initiatives and any new regulations.</li> </ul>
<b>SSC</b>	<ul style="list-style-type: none"> <li>Consists of the Department Heads.</li> <li>Develops sustainability strategies and policies and recommends revisions to the GMC.</li> <li>Applies constant improvements to the management system to meet MSPO standard.</li> <li>Responsible for implementing sustainability initiatives, tracking performance, engaging with stakeholders and managing their sustainability issues.</li> </ul>
<b>SWC</b>	<ul style="list-style-type: none"> <li>Assists the SSC in executing sustainability activities and monitoring performance against targets.</li> <li>Submits periodic reports to the SSC on the progress of sustainability implementation at the plantations.</li> <li>Oversees stakeholder engagement and materiality assessment.</li> </ul>

#### Stakeholder Engagement

AAB continuously strives to maintain consistent stakeholder engagement, because we see it as a productive way to understand our stakeholders and identify their needs. In the year under review, we communicated with our stakeholders as regards sustainability material matters and other relevant topics of interest that can impact our operations and society in general.

We believe that open communication with our stakeholders enables the Management to address their needs more effectively and build stronger relationships. The table below presents our seven (7) key stakeholder groups, their issues and our solutions to concerns and engagement platforms.

SUSTAINABILITY STATEMENT  
(CONT'D)

## OUR APPROACH TO SUSTAINABILITY (CONT'D)

## SUSTAINABILITY GOVERNANCE (CONT'D)

## Stakeholder Engagement (Cont'd)

Stakeholders	Issues	Responses and Engagement Platforms
<b>Community</b>	Road Access Grievance Procedure Local Purchasing & Employment Human Rights	<ul style="list-style-type: none"> <li>- Granted the community access to company-built roads</li> <li>- Established grievance procedures</li> <li>- Prioritised local purchasing and employment whenever</li> </ul>
<b>NGOs</b>	Accreditation & Best Practices	<ul style="list-style-type: none"> <li>- Obtained MSPO Certification and adopted its principles</li> </ul>
<b>Investors</b>	Transparent Information & Communication	<ul style="list-style-type: none"> <li>- Provided accurate, timely, consistent and fair disclosure of corporate information</li> </ul>
<b>Employees</b>	Health & Safety Remuneration & Benefits Clear Policy	<ul style="list-style-type: none"> <li>- Complied with Occupational Safety &amp; Health Administration ("OSHA") and conduct,</li> <li>- Conducted performance reviews and complied with labour laws and regulations</li> <li>- Established policies and communicated them to all employees</li> </ul>
<b>Customers</b>	Quality & Traceability of Fresh Fruit Bunches ("FFB") Buying Price Food & Health Safety	<ul style="list-style-type: none"> <li>- Attended training on ripeness standard organised by the Malaysian Palm Oil Board (MPOB)</li> <li>- Established a traceability Standard Operating Procedure ("SOP") and appointed an estate supervisor in charge of the traceability system</li> </ul>
<b>Government</b>	Compliance Environmental Protection	<ul style="list-style-type: none"> <li>- Engaged with the Department of Wildlife &amp; Natural Parks ("DWNP")</li> <li>- Complied with Department of Environment ("DOE") regulations</li> <li>- Updated all necessary permits and licences</li> </ul>
<b>Suppliers</b>	Payment & Pricing Timely Delivery Health & Safety	<ul style="list-style-type: none"> <li>- Fair payment terms and conditions</li> <li>- Transparent tender management</li> <li>- Delivery schedule management</li> </ul>

## MATERIAL MATTERS

In 2023, we performed a materiality analysis to reassess our sustainability matters in light of emerging sustainability challenges. This process ensures that we can generate positive value through our business activities by addressing the most important matters to the Group and our stakeholders.

## Materiality Review

Identify and Prioritise	Stakeholder Input	Analysis	Review	Approval & Validation
Listed all the stakeholder groups and sustainability issues and ranked them according to their importance.	Collected insights from all stakeholder group representatives about the sustainability matters and their areas of interest	Plotted the sustainability themes on a matrix to illustrate their importance with respect to one another	The matrix was reviewed by the GMC subsequently validated and approved by the Board of Directors of AAB.	The approval from the BOD indicates a clear unified tone from the company's leadership and guarantees that the material sustainability matters will be addressed in a group-wide scale



## SUSTAINABILITY STATEMENT (CONT'D)

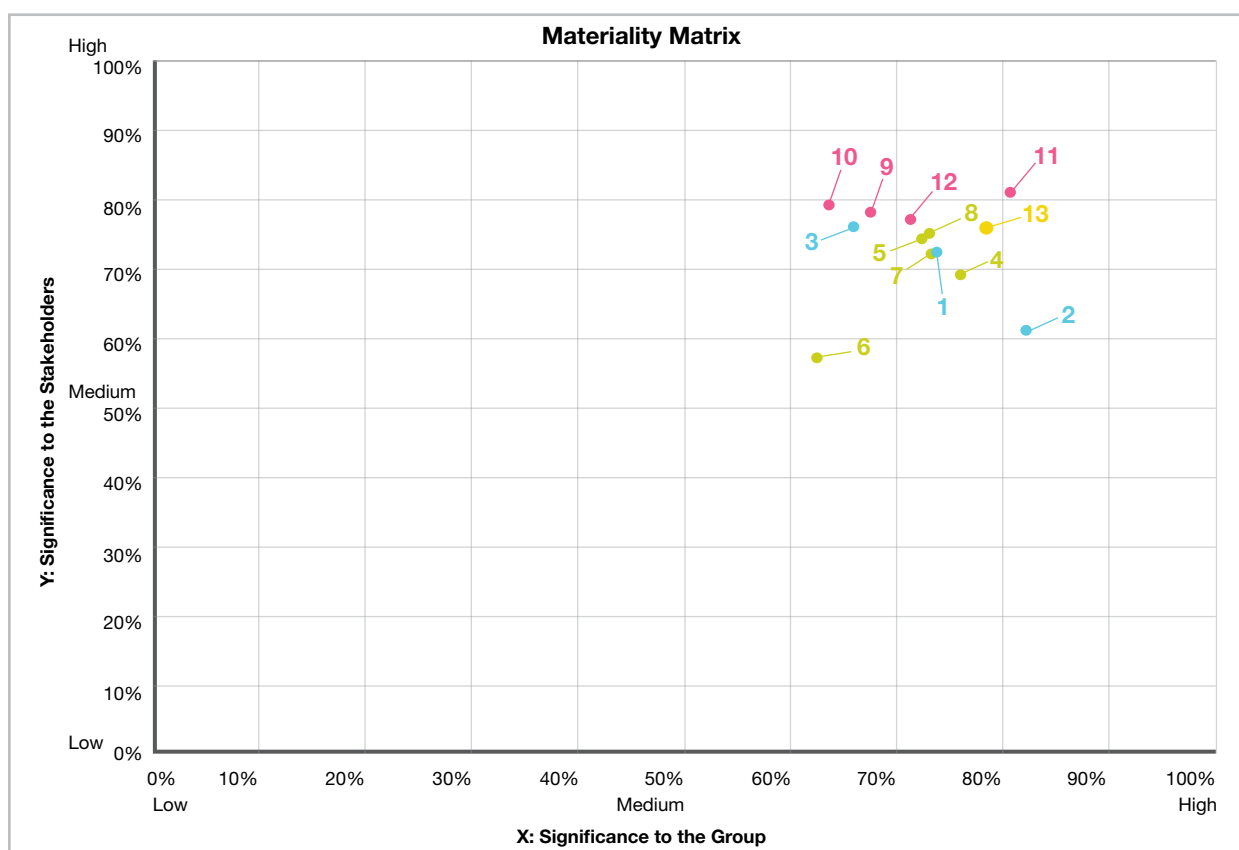
### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### MATERIAL MATTERS (CONT'D)

##### Materiality Matrix

The sustainability matrix shown below presents the result of our assessment. The Y-axis represents the decisions or matters that are important to the stakeholders, whereas the X-axis denotes the EESG items and matters that are significant to the Group's core business.

In this report, we present our matrix, which identified thirteen (13) issues that are most material to the Group and the stakeholders. The matters situated on the top right of the matrix are the themes considered to be of the highest significance. With recent human rights alerts in Malaysia, our stakeholders place a priority on social material matters. Similarly, our group continues to ensure our operations enrich the lives of our stakeholders, prioritizing health and safety and the championing of human rights.



Economic		Environment		Social		Governance	
1.	Accreditation	4.	Energy Efficiency	9.	Health and Safety	13.	Governance and business ethics
2.	Technology and Innovation	5.	Waste Management	10.	Labour Relations		
3.	Supply Chain	6.	Water Consumption	11.	Human Rights		
		7.	Biodiversity	12.	Community empowerment		
		8.	Climate Change				

SUSTAINABILITY STATEMENT  
(CONT'D)

## OUR APPROACH TO SUSTAINABILITY (CONT'D)

## SUSTAINABILITY RISK MANAGEMENT

As per the terms of reference, the Group Management Committee is in charge of reviewing and evaluating all risk issues, including sustainability risks and significant changes highlighted by the Heads of Division. The Management Committee will report their findings to the Audit Committee, which will then update the Board on the significant risks faced by the Group. The management is exploring other targets that will help keep our operations and business in check, ensuring EESG sustainability in all our business operations.

Material Matters	Sustainability Risks	Opportunities
<b>ECONOMIC RISKS</b>		
Accreditation Supply Chain	Crude Palm Oil ("CPO") and Palm Kernel ("PK") Price Fluctuation	Hedging of CPO and PK Prices
Technology and Innovation	Stiff competition from contractors of other construction companies	Explore joint ventures on new and niche projects to revitalise the construction division.
<b>ENVIRONMENTAL RISKS</b>		
Waste Management Biodiversity Climate Change	Oil palm tree diseases and crop pests	Implement measures to control the population of pests and utilise appropriate pesticides to counter serious pest threats.
Water Consumption Biodiversity Climate Change Energy Efficiency	Climate Change (Construction and Plantation)	Reduce carbon footprint and mitigate the impacts of climate change by integrating EESG best practices into the business strategy. Transition risks are inherent with this change in strategies, policies, and business model.
<b>SOCIAL RISKS</b>		
Health and Safety Labour Relations Human Rights Community Empowerment	Labour costs are a significant component of total production costs	Introduce incentive programmes to boost the workers' productivity and efficiency.  Continue to provide skill training to the workers.
Labour Relations	Succession planning	Train a potential younger management team to achieve a smooth succession plan.  Provide attractive remuneration packages to experienced and competent technical personnel as rewards for their continued service.
<b>GOVERNANCE RISK</b>		
Governance and Business Ethics	Governance and Compliance	All Heads of Department must ensure that their respective units abide by all the necessary compliance requirements.

## SUSTAINABILITY STATEMENT (CONT'D)

### OUR APPROACH TO SUSTAINABILITY (CONT'D)

#### PERFORMANCE SCORECARD

In compliance with the Bursa requirements, AAB has begun setting sustainability targets. The top-down approach adopted by the Group ensures that the implemented strategies and targets are based on empirical data, thereby guaranteeing that our contributions contribute to stakeholder values and align with the national agenda.

Material Matters	Targets	Target Year	Performance in FYE 2023	Strategic Plan
Climate Change	Reduction of Scope 1 and Scope 2 emissions by 10% from the 2023 baseline (refer to pg. 34)	2030	Baseline	<ul style="list-style-type: none"> <li>Improve work flows to reduce usage of fuel for transportation.</li> <li>Explore biomass energy.</li> </ul>
	Reduction of Scope 1 and Scope 2 emissions by 20% from the 2023 baseline	2040		
	Achieve carbon neutrality	2050		
Health and Safety	Achieve zero (0) workplace fatalities yearly	Ongoing	One (1) workplace fatality recorded	<ul style="list-style-type: none"> <li>Enhance safety management framework</li> <li>Increase number of Health and Safety training programmes</li> </ul>
	Reduce Lost Time Incident Rate ("LTIR") to below 1 (refer to pg. 24)	Ongoing	Target achieved, LTIR is recorded at 0.43	
Biodiversity	100% operations are to be assessed for biodiversity risk (refer to pg. 30)	Ongoing	Target Achieved. All operations were assessed for biodiversity risks.	<ul style="list-style-type: none"> <li>Ensure workers receive relevant environmental training</li> <li>Implement buffer zones where beneficial to soil health and biodiversity</li> </ul>

## APPROACH TO MATERIAL MATTERS

### ECONOMIC

Material Matters	Sustainable Development Goals ("SDGs")	
Standards & Accreditation		
Technology & Innovation		
Supply Chain		

Standards & Accreditation is our top priority for economic sustainability; through extensive research on the palm oil industry by MSPO, our compliance and certifications to develop and adopt state-of-the-art Technology and Innovation in order to improve our Supply Chain. All these efforts translate to our contributions in achieving SDG 8: Decent Economic Growth, and SDG 12: Responsible Consumption and Production.

SUSTAINABILITY STATEMENT  
(CONT'D)

## APPROACH TO MATERIAL MATTERS (CONT'D)

## ECONOMIC (CONT'D)

## Direct Economic Impact

Malaysia is one of the world's leading palm oil producers, and the palm oil industry is a significant contributor to Malaysia's Gross Domestic Product. In addition, there is an increasing demand for food and vegetable oil due to the rising global population, and palm oil plays a critical role in food security. Our direct economic contributions to the Malaysian economy and our stakeholders are shown below:

Economic Impacts:	FYE 2023	FYE 2022	FYE 2021
Plantation Area	4,019 hectares	4,019 hectares	4,019 hectares
Revenue	RM 13.9 million	RM 21.2 million	RM 18.0 million
Number of Employees	191	77	59
Replanting	840 hectares	0 hectares	500 hectares
FFB Production	17,411 m/t	18,250 m/t	18,478 m/t

The table above is reflective of our efforts to be more sustainable; a big part of our operations in the financial year ended ("FYE") 2023 was to replant old palm oil trees. Replanting combats the negative perception of palm oil plantations destroying virgin lands, ensuring we are good stewards of the land we are given. In FYE 2023 AAB replanted 870 hectares worth of palm oil trees, in contrast to FYE 2022 where no palm oil trees were replanted, reflective of the decreased yield and consequentially, decreased revenue. However, as the yield of palm oil trees decreases as the tree ages, replanting remains an important practice to be sustainable, furthering AAB's long-term economic viability. From 2019 to 2023 AAB has replanted 2,140 hectares of palm oil.

## Indirect Economic Impact

We strive to operate responsibly whilst strengthening our positive role in contributing to socio-economic development. We foster meaningful employment prospects and drive economic advancement in the areas where we operate. Our plantations create flow-on employment, which includes jobs generated due to the increased demand for goods and services from the local suppliers as the plantation employees purchase household necessities. The local community also benefits from the internal roads built mainly for the use of the estate. We have consistently allocated 100% of our expenditure on local suppliers.

Proportion of spending on local suppliers			
Period	Total amount of spending on all suppliers (RM)	Total amount spent on local suppliers (RM)	Proportion of spending on local suppliers (RM)
FYE 2023	6.77 million	6.77 million	100%
FYE 2022	3.30 million	3.30 million	100%
FYE 2021	4.83 million	4.83 million	100%

## Standards and Accreditation

The recent big victory against the European Union's allegations of palm oil cultivation posing an environmental and ecological threat has been made possible through the groundwork done by the MSPO. A new standard for sustainable palm oil has been established in MS 2530:2013, the revised Malaysian Sustainable Palm Oil Standards ("MS2530-2022"). The revised standards contain more information about the importance of sustainable practices and how to implement them, which were previously not included.

## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### ECONOMIC (CONT'D)

##### Standards and Accreditation (Cont'd)

Percentage of certified palm oil							
Period	FYE 2023	FYE 2022	FYE 2021	% of certified palm oil	FYE 2023	FYE 2022	FYE 2021
A: Palm oil produced, used and processed, relative to RSPO & MSPO Ref (m/t)	17,411	18,250	18,478		100%	100%	100%
B: Total palm oil produced, used and processed (m/t)	17,411	18,250	18,478				

All our plantations have achieved MSPO Certification, thereby demonstrating AAB's commitment to align our business operations with national and international best practices.



MS2530-1: 2022
Principle 1: Management commitment and responsibility
Principle 2: Transparency
Principle 3: Compliance to legal and other requirements
Principle 4: Responsibility to social, health, safety and employment conditions
Principle 5: Environment, natural resources, biodiversity and ecosystem services

#### MSPO Trace

Consumers are developing awareness about whether the products they buy are made from sustainable sources. Thus, the MSPO Trace was created to boost their trust towards palm oil products. With the MSPO Trace, FFB can be traced at every step from plantations to the supply chain (milling, refining, processing, and manufacturing). Along with our MSPO Certification, ABB's FFB is also aligned with the MSPO Trace. For details on our certification, please go to [https://mspotrace.org.my/Opmc\\_list](https://mspotrace.org.my/Opmc_list).

#### Supply Chain

##### Sustainable Procurement

Our palm oil estates are certified under the Oil Palm Management Certification ("OPMC") and supply chain certification standards, and they are audited every year. In keeping with social and environmental standards, our palm oil is traced and regulated in accordance with the MSPO supply chain standard to guarantee our end-users that our FFB originated from a sustainably managed oil palm plantation. We have set up operating procedures for the collection and delivery of FFB to the mill to ensure the accurate accounting of our FFB. Our data are then made available on the MSPO Trace to endorse transparency in the supply chain.

##### Supplier Assessment

Malaysia is committed to the integration of Social Impact Assessments under the Shared Prosperity Vision 2030. In support of the national sustainability agenda, AAB holds suppliers accountable to local standards. We assess whether suppliers have secured the necessary OPMC and supply chain certification standards. Non-compliant suppliers are given reminders, issued memoranda, invited to discussions, and ultimately penalised should they fail to comply with the set criteria. In this way, we are keeping our supply chain free from negative environmental and social impacts.



## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### ECONOMIC (CONT'D)

##### Technology & Innovation

AAB recognises the emergence of technologies that can facilitate pragmatic and scalable operations. The Group continues to remain relevant in this digital world by adopting data-driven solutions and technologies to drive EESG growth. Since 2019, we have been employing an improved system for a more accurate collection of palm oil data, which are then submitted to the MSPO Trace. As a result of these more complete and accurate accounting measures, we are able to set reasonably achievable sustainability goals. In FYE 2023, we have reported no cyber security breaches.

AAB stays abreast of technological progress by understanding the major players in the palm oil industry's investments in research and development. At present, there are opportunities in drones, automation and biomass processing, all of which will aid in optimising operational efficiency and meeting sustainability goals. AAB currently utilises topography drones to understand the totality of our landscape. When commercialised, AAB will look to adopt other relevant technologies in our business operations.

#### SOCIAL

Material Matters	Sustainable Development Goals ("SDGs")
<b>Community Empowerment</b>  <b>Health &amp; Safety</b>  <b>Labour Relations</b>  <b>Human Rights</b>	  

- Human Rights Policy
- Freedom of Speech and Freedom of Association Policy
- Sexual Harassment, Violence and Reproductive Freedom Rights Policy
- Foreign Worker Management Policy
- No Child Labour Policy
- Equal Employment Opportunity Policy

The Group's social material matters are centred on our internal and external employees and on the communities where we operate. We acknowledge the potential impacts of our businesses and operations on the locals, particularly the quality of life that we create for our employees. The outcome of our contributions is to advance SDG 3: Good Health and Wellbeing, SDG 4: Quality Education, and SDG 8: Decent Work and Economic Growth.

##### Health and Safety ("H&S")

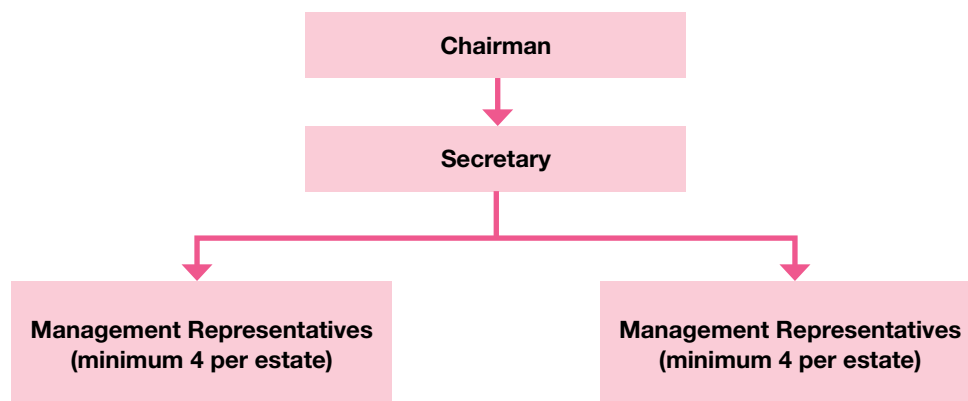
AAB pledges to provide a healthy and safe work environment by proactively minimising injuries and illnesses amongst the people working within our premises. We believe that protecting the health and safety of our workers will boost their operational efficiency and productivity. We have established the Occupational Safety and Health ("OSH") Committee to manage operational risks in accordance with the OSH Committee Regulations 1996.

## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### SOCIAL (CONT'D)

##### Health and Safety ("H&S") (Cont'd)



We are committed to promote occupational safety and health and to reduce our risks. We have adopted Hazard Identification, Risk Assessment and Risk Control ("HIRARC") as our risk assessment system. By using HIRARC, we can methodologically devise, implement, and oversee safety measures, thereby ensuring effective risk management. In cases where incidents occur beyond our control, our H&S team investigates the incident and determines the root cause. Appropriate advice and notices are issued to workers, such as suspending operations, where deemed necessary. The assessment process reinforces our safety and health initiatives and consequently affirms the safety of our workers.

##### Health Identification, Risk Assessment and Risk Control ("HIRARC")



##### Safety Training and Awareness Initiatives

One of our key strategies for reducing the occurrence of accidents in our operations is to raise the safety awareness and competency of our employees. Our employees are exposed to structured and on-the-job training to refine their operational safety acumen. These programmes highlight the importance of adhering to secure working procedures. Safety training is an integral part of the onboarding process and is conducted regularly thereafter. Additionally, the plantation workforce benefits from tailored ad hoc training, acquainting them with updated safety equipment procedures and any updated SOPs.

To cultivate a culture of safety, we have installed cautionary signage across our plantations. The H&S Policy is displayed prominently on the employees' memo board and is a staple topic of our employees' morning briefings. Furthermore, we prioritise the health of our estate workers by organising educational talks on workplace safety and conducting health screenings. We report that one (1) fatality was recorded during FYE 2023.

Health & Safety Lost Time Incident Rate ("LTIR")			
Period	Total number of hours worked in the reporting period [A]	Number of workplace injuries recorded [B]	LTIR <sup>1</sup>
FYE 2023	459,928	1	0.43
FYE 2022	348,064	12	6.90
FYE 2021	252,904	74	58.52

<sup>1</sup>LTIR Formula: B/A x 200,000

SUSTAINABILITY STATEMENT  
(CONT'D)

## APPROACH TO MATERIAL MATTERS (CONT'D)

## SOCIAL (CONT'D)

## Health and Safety ("H&amp;S") (Cont'd)

## Safety Training and Awareness Initiatives (Cont'd)

Health & Safety Number of employees trained on external health and safety standards		
Period	Total number of employees	Total number of employees trained on health and safety standards
FYE 2023	197	1
FYE 2022	149	2
FYE 2021	103	0

## Labour Relations

AAB's Labour Relations stands on two pillars. The first is employee benefits, which makes work-life balance possible for our people. The second is training and development, which ensures the consistent improvement of our workforce and improves their productivity and performance. Employees are a significant component of our organisation. By keeping our employees satisfied, we help them thrive in their work and in their everyday lives.

## Employee Benefits

All our workers are paid fairly, exceeding the local minimum wage. AAB fulfils the mandatory contributions, we also go beyond the basic coverage by including bonuses, healthcare packages, hospitalisation allowance, and an array of leave options (i.e. annual, medical, maternity, paternity, marriage and compassionate leaves) to nurture our employees' holistic needs and assist in their responsibilities to their families.

Malaysia has provided some leeway in allowing foreign workers to work in plantations, given the stringent human rights policies governing foreign workers in other industries. This created an inflow of foreign workers in FYE 2023. As stipulated by our Foreign Worker Management Policy, we ensure that their well-being is well taken care of from recruitment to training. All foreign workers profiles are sent from an agency and screened by our management. We rented a house in Kuantan to accommodate their living arrangements ensuring upkeep of their health, sanitation, and repatriation. All our foreign workers are employed legally and possess valid working permits.

## Empowerment through Training and Development

Period	Total hours of external training by employee category				
	Board Of Director	Senior Management	Mid Management	Junior Management	Executives/ Technical / others
FYE 2023	83	32	48	39	3
FYE 2022	40	32	56	0	0
FYE 2021	40	15	0	0	0

We equip our personnel with the necessary skills, insights, and attitudes that are tailored to their roles. Externally, we equip our workers with relevant trainings based on industry standards and we then disseminate the knowledge through internal training programmes.

Internally, we conducted two distinct types of training programmes, namely, office-based and plantation-based. These programmes are designed to educate them about compliance with standard operating procedures, improve their performance and enable them to achieve the Group's targets. Additionally, we conduct performance reviews to assess our employees' accomplishments. During these evaluations, we discuss potential paths for career advancement and identify areas for further growth. We also monitor compliance with standard operating procedures, particularly in the proficient harvesting of FFB.

## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### SOCIAL (CONT'D)

##### Labour Relations (Cont'd)

##### Empowerment through Training and Development (Cont'd)

	FYE 2023	FYE 2022
Training Topics	No. Hours	
<b>Plantation-Based Training</b>		
Harvesting Ops	96	90
Spraying/ P&D Ops	54	52
Environmental & Biodiversity	60	60
Planting Ops	24	24
Safety & Health Talk Session	76	72
<b>Total Hours</b>	<b>310</b>	<b>298</b>
<b>Office-Based Training</b>		
MSPO Certification Talk Session	<b>26</b>	<b>24</b>
SOP for Replanting Ops & Safety	<b>24</b>	<b>24</b>
Calibration Technique	<b>34</b>	<b>36</b>
<b>Total Hours</b>	<b>84</b>	<b>84</b>

##### Plantation-Based Training

We offer specialised training for our field workers to enhance their capabilities and ensure that they are well-versed in their tasks. This includes extensive education in plantation management, hands-on skills, adherence to SOPs, and compliance with legal and regulatory frameworks.

##### Office-Based Training

Our administrative training supports the management, administrative, and operational functions of the plantations, ensuring that our office staff is equally adept and supportive of our field operations.

##### Human Rights

- Human Rights Policy
- Sexual Harassment, Violence and Reproductive Freedom Rights Policy
- Foreign Worker Management Policy
- No Child Labour Policy

AAB upholds the highest standards of social responsibility. We pledge to honour and protect the human rights of every individual in all our business activities. We firmly believe that strong human rights practices, coupled with fair and ethical treatment, enhance productivity and foster a positive working culture. We proudly report that there were zero substantiated Human Rights complaints in FYE 2023.

We have established the No Child Labour Policy and the Sexual Harassment, Violence and Reproductive Freedom Rights Policy to underscore preventive measures against forced and child labour under 16 years of age as well as sexual harassment. These policies are posted on notice boards around the estates. We make sure that the recruitment of all of our foreign workers is conducted properly and ethically, and that both the recruitment agencies and the recruited workers are aware of our implemented policies. More importantly, all of our existing estates are free from customary land rights restrictions.

##### Employee Diversity

The Group guarantees equal opportunities for all employees as per our Equal Employment Opportunity Policy. We value workplace diversity and cultivate a culture of respect for all employees regardless of age, ethnicity, gender and nationality. To further this, we have enacted a Sexual Harassment, Violence and Reproductive Freedom Rights Policy to ensure that equality is upheld in all our operations. However, male employees have consistently accounted for the majority of our workforce because of the extremely physical nature of the work involved at our plantations. Our goal is to find and develop leaders originating from diverse backgrounds who possess a wide array of skills, expertise, knowledge and perspectives. The increase in middle aged male employees this year is due to the recruitment of new contractual foreign workers.

SUSTAINABILITY STATEMENT  
(CONT'D)

## APPROACH TO MATERIAL MATTERS (CONT'D)

## SOCIAL (CONT'D)

## Human Rights (Cont'd)

## Employee Diversity (Cont'd)

% of Employees by Gender & Age Group Category					
FYE 2023	Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	80%	20%	0%	30%	70%
Management	100%	0%	0%	33%	67%
Executive	52%	48%	4%	65%	30%
Non-Executive	91%	9%	38%	55%	7%
<b>Total</b>	<b>87%</b>	<b>13%</b>	<b>33%</b>	<b>54%</b>	<b>12%</b>

FYE 2022	Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	80%	20%	0%	30%	70%
Management	100%	0%	0%	33%	67%
Executive	48%	52%	0%	67%	33%
Non-Executive	85%	15%	37%	55%	8%
<b>Total</b>	<b>81%</b>	<b>19%</b>	<b>31%</b>	<b>54%</b>	<b>15%</b>

FYE 2021	Gender		Age		
Employee Category	Male	Female	<30 Years	30-50 Years	>50 Years
Senior Management	83%	17%	0%	33%	67%
Management	100%	0%	0%	25%	75%
Executive	52%	48%	8%	56%	36%
Non-Executive	90%	10%	37%	56%	8%
<b>Total</b>	<b>84%</b>	<b>16%</b>	<b>29%</b>	<b>53%</b>	<b>18%</b>

% of Directors by Gender & Age Group			
% of Directors by Gender			
Gender	FYE 2023	FYE 2022	FYE 2021
Male	82%	91%	91%
Female	18%	9%	9%
% of Directors by Age Group			
Age	FYE 2023	FYE 2022	FYE 2021
<30	0%	0%	0%
31-40	18%	18%	18%
41-50	0%	0%	0%
51>	82%	82%	82%

EMPLOYMENT TYPE: % of employees			
Contractual	2%	2%	2%
Permanent	98%	98%	98%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

Total Number of Employee Turnover			
	FYE 2023	FYE 2022	FYE 2021
Senior Management	20	20	24
Management	6	6	8
Executive	46	42	51
Non -Executive	<b>72</b>	<b>77</b>	<b>77</b>



## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### SOCIAL (CONT'D)

##### Community Empowerment

We are committed to foster strong, mutually beneficial relationships with the communities where we operate. By developing local potential, we create shared value. This empowers individuals and communities whilst bringing valuable insights and perspectives to the Group.

This collaborative approach yields positive outcomes for all; local residents enjoy improved quality of life through reduced commute times and increased economic opportunities. They can stay connected to their communities whilst attaining personal and career growth. Local employees bring invaluable knowledge of local customs and networks, fostering deeper community engagement and operational efficiency. This partnership reduces staff turnover and cultivates a positive work environment, driving innovation and productivity. By investing in local potential, we cultivate a brighter future, where shared growth and sustainability go hand in hand.

##### Community Engagement

We believe in inclusive decision-making, where every voice matters in shaping the community's future. For this reason, the Group maintains transparent communication channels with all stakeholders, including the community, through offline means. This ensures that their perspectives are considered in our sustainability practices and operations. In FYE 2023, we donated a total of RM88,000 to support various causes in localities which we operate in.

FYE 2023 Charitable Donations		
Beneficiary	Purpose	Amount (RM)
Kuantan	Flood funds Donation	80,000
Balai Polis IPD	Sports Initiative	2,000
JKKR	Road Works	5,000
Bukit Kuin Community	Donation	1,000
Total		88,000

<sup>2</sup> Amounts are rounded to the nearest thousand

##### Cultural Integrity and Activities

Upholding cultural integrity is crucial, particularly in rural business environments. Aside from the Malay, Chinese and Indian communities living near our plantations, minority tribes called the Orang Asli also inhabit the nearby forest reserve. We stand by our promise to sustain and safeguard the Orang Asli's cultural practices and rights to a nomadic existence. AAB is committed to protect their way of life, and does not dispute their anthropological notion of culture as a way of life. They are free to fish or hunt in our plantations.

##### Engagement with Nearby Plantations

We engage in a reciprocal exchange of knowledge and experiences with adjacent plantations and smallholders through casual interactions and shared celebrations. This collaboration extends to plantations providing support with one another in times of need. Maintenance and management of communal infrastructure, such as roads, are discussed with the nearby estates. We also provide financial support to the communities where we operate.

##### Dialogue with the Village Headman

Monthly meetings with the village headman are a cornerstone of our community relations. This open dialogue allows for a mutual exchange of ideas and concerns and ensures that the voices of the community are heard and considered. Members of the community are welcome to approach the plantation manager anytime for any urgent matters which they wish to discuss.

SUSTAINABILITY STATEMENT  
(CONT'D)

## APPROACH TO MATERIAL MATTERS (CONT'D)

## SOCIAL (CONT'D)

## Community Empowerment (Cont'd)

## Engagement with Authorities

AAB holds regular engagements with the authorities, such as the Immigration Department, the Pahang Land Office, the Department of Social Welfare and Department of Wildlife and National Parks ("DWNP"). In this way, we are always kept abreast of pertinent regulations, and we are able to foster collaborative efforts for enhancing our community initiatives.

## ENVIRONMENT

Material Matters	Sustainable Development Goals ("SDGs")			Environmental policies
Energy Efficiency	    			<ul style="list-style-type: none"> <li>• Recycle Policy</li> <li>• Environmental Protection and Conservation Policy</li> <li>• No Open Burning Policy</li> <li>• Steep Land and River Reserved Protection Policy</li> <li>• Replanting Policy</li> </ul>
Waste Management				
Water Consumption				
Biodiversity				
Climate Change				

Malaysia is committed to make palm oil a net zero product, in line with Malaysia's National Energy Transition Roadmap. Malaysia takes advantage of palm oil as a perennial crop that produces fewer emissions when compared to annual vegetable oil crops. Mature oil palm trees serve as efficient carbon sinks for over 15 years, thereby contributing to carbon offset initiatives. We balance this with mindful approaches to preserving biodiversity. However, these initiatives alone are insufficient to meet the United Nations Sustainable Development Goals. In support of the Malaysian Palm Oil Certification Council's continual effort to mitigate the industry's overall environmental impact, AAB's palm oil plantations and palm oil supply chain are continually adopting the best agricultural practices in our estates and operations. Currently, palm oil is the most sustainable vegetable oil, demonstrating that we continue to support the preservation of the environment whilst catering to global consumer needs.

## Energy Efficiency

Within our operations, our emissions are mainly emitted from the use of fuel for vehicles and the use of the grid electricity. We inculcate good energy management habits, ensure vehicles are well maintained, conduct regular leakage monitoring that could hamper efficiency and report any abnormalities that occur in our energy use.

ENERGY							
	Electricity	Genset	Transport		Diesel total	Petrol total	Electricity total
	<i>Kwh</i>	<i>Diesel</i>		<i>Petrol</i>	<i>Gigajoules (GJ)</i>		
							<i>GJ</i>
<b>FYE 2023</b>	61693	65413	77882	19317	5445.20	650.59	2220.95
<b>FYE 2022</b>	64425	56856	63874	17754	4587.73	607.19	2319.30
<b>FYE 2021</b>	62545	45903	66351	3345	4265.64	114.40	2251.62
							<b>8316.74</b>
							<b>7514.22</b>
							<b>6631.66</b>

<sup>3</sup> <https://mspo.org.my/mspo-blogs/essential-actions-for-the-malaysian-palm-oil-industry-to-achieve-net-zero-j5mnd>

## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### ENVIRONMENT (CONT'D)

##### Energy Efficiency (Cont'd)

The increase in fuel use despite the decreased yield in our plantations is contrasted to the activities in 2022, where no replanting was carried out due to an increase in CPO prices. In FYE 2023, we increased our replanting activities, reflecting the increase in use of diesel in the process of transporting new palm oil to the location of growth. In FYE 2023, the Group has installed a tube well, which allows for less fuel use when transporting water within our estates.

In addition, the increased in foreign workers in the year was reflective of the increased in fuel used to pick up these workers individually from the airport once their applications were approved. Subsequently, fuel is used to accommodate worker transport to the clinic and around the plantations.

##### Biodiversity

Human fate is closely interlinked with wildlife protection and biodiversity. As such, all land users must consider the effects of their activities on wildlife as well as on flora and fauna. At our estates, we have carried out measures for the responsible safeguarding of wildlife and their habitats.

In the year under review, AAB has maintained an impeccable compliance record with no instances of non-compliance or penalties from the Department of Environment ("DOE") or any other regulatory bodies. We adhere to national guidelines, particularly concerning the regulated use of pesticides in our operations. AAB affirms that all agrochemicals utilised have received approval from the appropriate regulatory authorities. Aside from that, all our operations are assessed for biodiversity risks under the MSPO's Environmental Impact Assessment.

Percentage of existing operations or projects assessed for biodiversity risks	FYE 2023	FYE 2022	FYE 2021
	100%	100%	100%

##### Sustainable Pest and Pesticide Management

Though we acknowledge the necessity of pesticides for crop protection, AAB remains acutely aware of the associated risks to health and the environment. Our pesticide use is aligned with the environmental regulations prescribed by the Ministry of Agriculture and the Pesticide Act 1975. We proactively manage our ecological impact to safeguard biodiversity and take our role of environmental stewardship seriously. When pesticides are used, we make sure that cans are punctured and triple washed to ensure that no pollutants enter the waterways in plantations.

AAB implements Integrated Pest Management strategies to sustainably manage oil palm pests and reduce reliance on synthetic pesticides. This includes the utilisation of rat traps and the introduction of barn owls as a natural remedy for rodent control. We have instituted comprehensive standard operating procedures to manage chemical use, from application to spill response, thereby ensuring environmental safety in all aspects of our operations. By planting vegetation that rids the area of specific pests, we can reduce the use of chemicals and consequently preserve the fauna in the environment we operate in.

##### Soil Management Practices

To combat soil erosion and degradation, AAB enforces protective measures for steep terrains and riverbanks. Aside from retaining natural grasses to retain soil quality, the structural integrity of our land remains vital in ensuring that we do not cause any harmful effects both on the land and the water. Aside from preventing landslides, changes made in rivers can cause shifts in currents, changing its shape and the speed at which it flows potentially impacting communities and dependent livelihoods downstream.

As stipulated by our Steep Land and River Reserved Protection Policy, AAB must apply different methods for plantation on inclines exceeding 25 degrees. We have installed roadside cambers to divert water on inclined areas. We have reduced runoff soil erosion and prevented waterway damage at our plantations by implementing a number of practices, such as terrace construction, the use of Leguminous Cover Crops and improved water diversion methods. Overall, keeping the soil nourished is vital to the quality of our palm oil and the health of the ecosystem.

SUSTAINABILITY STATEMENT  
(CONT'D)

## APPROACH TO MATERIAL MATTERS (CONT'D)

## ENVIRONMENT (CONT'D)

## Biodiversity (Cont'd)

## Habitat Preservation

AAB has launched several initiatives to mitigate biodiversity decline and protect wildlife. We have created protective buffer zones and maintained reserve forests. The Kertau Estate's buffer zone, established in 2006, is a 20-metre protective strip adjacent to riverbanks that stretches over 13 kilometres, shielding nearby communities and ecosystems. We have placed signs to signify the boundaries of our buffer zones. These zones are strictly off-limits to cultivation to ensure the integrity of local biodiversity and the welfare of the community.

Size and location of all habitat areas protected or restored (m2)	FYE 2023	FYE 2022	FYE 2021
	26,000	26,000	26,000

## Wildlife Monitoring Efforts

AAB has installed a vigilant monitoring system to manage the occasional wildlife wanderings into our plantations. Our security infrastructure, which includes CCTV surveillance and on-ground personnel, is adept at detecting the presence of animals. In such events, we liaise with the DWNP for the safe relocation of these animals to their natural habitats or sanctuaries. Our buddy patrol teams diligently oversee the estate perimeters and high-risk areas, preventing wildlife conflict and deterring unauthorised hunting, fishing, and foraging, in order to maintain the sanctity of our buffer zones. Thus far, we have sighted monitor lizards, eagles, wild boars, and kingfishers in our plantations.

Total number of International Union for Conservation of Nature Red List of Threatened Species and national conservation list species with habitats in areas affected by the operations of the company	Number of Species	2023	2022	2021
	a) Critically endangered	0	0	0
	b) Endangered	0	0	0
	c) Vulnerable	0	0	0
	d) Near threatened	0	0	0
	e) Least concern	4	4	4

## Waste Management

AAB's waste management systems begin with identifying all our sources of waste, classifying the waste, and subsequently ensuring its proper disposal. Inadequate waste management processes pose significant risks, including adverse effects on air and water quality, soil contamination, and increased hazards of material exposure for both our workforce and the local communities. We acknowledge the potential severity of these consequences, and it is crucial that we proactively implement measures to ensure that responsible waste management practices are implemented across our operations.

Given that FFB production is our primary business activity, we do not produce palm oil mill effluents. At the end of the palm trees' life cycle, we ensure good biomass management during replanting by recycling the nutrients from palm trees which have been cut. Furthermore, we have identified other waste products arising from our operations and have devised Reduce, Reuse, Recycle ("3R") action plans for the management, elimination, and reduction of waste as encapsulated in our Recycle Policy.



The images above show the practice of recycling nutrients from old palm oil trees.

## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### ENVIRONMENT (CONT'D)

##### Waste Management (Cont'd)

###### General Waste

When palm trees reach the end of their life cycle and are no longer productive, they are felled to make way for new trees to be planted. The short trunks of the palm trees are left to decompose on their own, and the wood chips from the tree trunks are used for composting.

###### Scheduled Waste

Aligned with the Environment Quality Regulations (Scheduled Waste) 2005, empty pesticide containers are punctured to discourage reuse, and storage areas are strictly managed. In addition, only DOE-certified waste contractors are allowed to collect the scheduled wastes of the estates. More importantly, SOP documents and training procedures on chemical handling are disseminated to instil awareness.

##### Water Consumption

Water is a shared resource that must be conserved for our sustainable future. AAB is cautious of water consumption in operations and seeks to minimise the risks of water scarcity through pragmatic water management practices. The Group implements monitoring programmes to ensure that water usage is consistent with the best environmental practices and do not contaminate natural waterways.

On a larger scale, we instil water conservation values in our employees. We have furthered these efforts by setting up water catchment areas in our operations in accordance with Pengurusan Air Pahang Berhad (PAIP) standards. In FYE 2023, we conducted a water quality assessment to ensure the drinking water in our estates is not contaminated. All our operations abide by the MSPO requirements regarding the availability of water resources in the area; we maintain two (2) tanks of reserve water in our plantations, monitoring outgoing water and enabling us to practice better water conservation.

Water Consumption			
Water Consumption (Megalitres)	FYE 2021	FYE 2022	FYE 2023
Kertau Estate - Underground/ Tube Well and Surface water	5.434	3.621	6.523
Sg Peijing Estate - Underground/ Tube Well and Surface water	0.788	0.896	0.966
Bukit Kuin Estate -Surface water	5.345	2.320	3.548
Kuantan rented house	–	–	0.175
Total Water Consumption (Megalitres)	11.567	6.837	11.212



The images above show our water tanks and our tube well structures.

The Peijing and Bukit Kuin Estates draw their water supply from local waterways or surface water, whereas the Kertau Estate draws supply from the tube well. We have invested considerably in water treatment facilities that can treat our used water and make it available for reuse. The safety of the treated water is tested and certified by the Ministry of Health. To reduce our dependence on groundwater, we take advantage of free rainfall. Rain harvesting equipment has been installed for use within our operations. In compliance with the government's request, we have installed a flow metre for tube wells at the Bukit Kuin and Kertau Estates to monitor water usage.

## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### ENVIRONMENT (CONT'D)

##### Water Consumption (Cont'd)

##### Environmental Training and Awareness

At AAB, we acknowledge the pivotal role that environmental consciousness plays in our workforce. Our workforce regularly participates in training designed specifically for their responsibilities. In this way, our workers are equipped with suitable knowledge and skills needed to accomplish their roles with environmental integrity at the forefront. The environmental training sessions are focused on the following:

- Wildlife Spotting • Barn Owl Protection • Water Management
- Pesticide Handling • Energy Monitoring • Waste Management

##### Climate Change

The intensifying threats of climate change calls for us to be sensitive to emerging regulations, policy changes, buyers' market, and consumer behaviour. Malaysia has aligned with this global agenda by ratifying COP26 (the 26th Conference of Parties to the United Nations climate convention), our pledge to achieve carbon neutrality by 2050. The palm oil industry has been playing an active role by enforcing the MSPO standards, imploring all players to reduce overall industry emissions and promoting forest retention and replanting. Based on the preliminary data compiled by a scientific researcher Dr. Maria Vincenza Chiriaco, Malaysian palm oil emissions can be calculated by multiplying the tonnage produced by the emissions per tonne. Certified palm oil has about six times less emissions than conventional palm oil, emitting only 0.45 Mg of CO<sub>2</sub>eq/ton in comparison with the 2.85 Mg CO<sub>2</sub>eq/ton emitted by conventional palm oil. At the global scale, Malaysia's palm oil is emitting 0.38 Mg of CO<sub>2</sub>eq/ton, making it a global leader in producing sustainable palm oil. At AAB, we carry our sustainable practices to reduce the overall emission of the production of local palm oil in support of the national agenda.

##### Commitment to Zero Open Burning

Open burning was once a common practice to clear forests for the purpose of plantation, leaving the land barren and unusable. Recognising the extensive implications of open burning on health, economy, and international relations, AAB has adopted stringent guidelines by enacting the Open Burning Policy. We have placed signs and implemented vigilant monitoring and pre-emptive strategies. We steadfastly prevent such occurrences on our plantations to mitigate haze and its associated challenges.

##### Task Force on Climate-related Financial Disclosures ("TCFD") Aligned Disclosure

Climate change presents pervasive challenges globally that impact virtually every industry and sector. The magnitude of climate-related risks varies across different sectors, industries, geographies, and organisations. In the plantation sector, climate change has imminent direct and indirect effects that potentially lead to risks that may manifest in the short or long term. Recognising that climate issues can significantly influence our financial performance and position now and in the future, we understand the necessity for a period of adaptation to refine our internal processes. This will enable us to provide accurate disclosures that are in line with the recommendations of the TCFD.

##### Governance

We have yet to create a governance structure specifically for climate change. Our Group Management Committee is directly involved in evaluating the financial impacts, risks and opportunities and reporting metrics for compliance with the TCFD.

##### Strategy

We look forward to disclosing our organisational scenarios with increased physical climate-related risks in our succeeding report. We will conduct a scenario analysis to assess our resilience against various climate-related probabilities and mitigate our impacts by using science-based targets.



## SUSTAINABILITY STATEMENT (CONT'D)

### APPROACH TO MATERIAL MATTERS (CONT'D)

#### ENVIRONMENT (CONT'D)

##### Climate Change (Cont'd)

##### Task Force on Climate-related Financial Disclosures ("TCFD") Aligned Disclosure (Cont'd)

##### Metrics and Targets

Our sustainability steering committee members are set to undergo greenhouse gas ("GHG") emissions training to have a better grasp of our CO2 emissions, so that we can more accurately disclose our targets in the next reporting period.

GHG Emission (tCO2e)		
Period	Scope 1	Scope 2
FYE 2023	402.5142	0.048121
FYE 2022	226.460700	0.050252
FYE 2021	131.112300	0.048785
<i>Scope 1: Direct GHG emissions from vehicles and facilities owned and controlled by the Group</i>		
<i>Scope 2: Indirect GHG emissions from purchased electricity</i>		
<i>Standard: GHG Protocol</i>		
<i>Emission Factor: Electricity emission factors for Malaysia, Peninsular Malaysia – 0.78</i>		

Our preliminary statement is organised based on the four core themes identified by the TCFD as essential to addressing climate change: Governance, Strategy, Risk Management, and Metrics and Targets. In compliance with Bursa Malaysia's requirements, we are committed to deliver a comprehensive TCFD disclosure by 2025.

Climate Change Risks	Potential Financial Impacts
<p>Our Transition Risks are listed below:</p> <p><b>Policy and Legal Risks</b> refer to the enhanced emission reporting guidelines and the updated national and international regulatory requirements for palm oil and other agricultural products.</p> <p><b>Technology Risk</b> is the cost of transitioning to lower-emission technology.</p> <p><b>Market Risk</b> is the change in behaviour and preference of customers looking for palm oil substitute products with lower emissions.</p> <p><b>Reputational Risk</b> is the increase in stakeholder concern if the company does nothing to tackle climate change.</p>	<p>Transition Risks will increase our operating costs because we have to invest resources to reduce our risks.</p> <p>These investments will probably be focused on new technologies that will allow us to reduce our emissions, comply with new regulatory and statutory standards, and guarantee that our customers will not avoid using palm oil products.</p>
<p><b>Physical Risks</b> consist of Acute and Chronic Risks.</p> <p><b>Acute Risks:</b> Increased severity of extreme events such as floods and drought.</p> <p><b>Chronic Risks:</b> Changes in precipitation, weather patterns and rising temperature.</p>	<p>Any acute or chronic changes in temperature could result in poor harvest or susceptibility to plant disease and affect the health of employees. Additionally, financial investments will be necessary to mitigate flood and the probability of fire.</p>

SUSTAINABILITY STATEMENT  
(CONT'D)

## APPROACH TO MATERIAL MATTERS (CONT'D)

## ENVIRONMENT (CONT'D)

## Climate Change (Cont'd)

## Task Force on Climate-related Financial Disclosures ("TCFD") Aligned Disclosure (Cont'd)

Climate Change Risks	Potential Financial Impacts
<p><b>Resource Efficiency</b> can be achieved by using more efficient modes of transportation, production and distribution. In addition, recycling waste and water and harvesting rainwater can reduce the volume of resources and water consumed.</p>	Operation costs can be decreased through efficiency gains and cost reduction. Water harvesting reduces water consumption. Recycling and composting are alternative income sources as they can reduce the allocated fertiliser costs and waste disposal.
<p><b>Energy Source</b> can come from various renewable energy sources, which can be augmented by the availability of energy policy incentives from the government.</p>	Government incentives for renewable energy policies can offset the initial solar power installation cost and the payment to public utility companies.
<p><b>Access to New Markets</b> can be gained through product diversification.</p>	

## GOVERNANCE AND BUSINESS ETHICS

Material Matters	Sustainable Development Goals ("SDGs")	Governance Policies
GOVERNANCE AND BUSINESS ETHICS		<ul style="list-style-type: none"> <li>• Code of Conduct</li> <li>• Whistleblowing Policy</li> <li>• Anti-Bribery and Anti-Corruption Policy</li> <li>• Work Ethics Code and Integrity Policy</li> </ul>

Overall sustainability efforts would hold less weight without strengthened institutions, rule of law and its relevant enforcements. In line with UN SDG 16, AAB upholds high standards of business ethics and compliance to safeguard the interests of both the business and stakeholders, thereby contributing to the implementation of multilateral agreements and supporting joint progress towards internationally agreed upon EESG goals. In FYE 2023 we have received zero (0) reports of corruption in our operations.

## Ethics and Transparency

Our Code of Conduct ("COC") upholds the spirit of social responsibility following the relevant legislation, regulation, and guidelines. It also guides our relationships with our various stakeholders, including employees, suppliers, shareholders and customers. The COC is communicated and adhered to by all of The Group's employees and upheld together with our Anti-Bribery and Anti-Corruption ("ABAC") Policy. Our policies are regularly reviewed to ensure that they are aligned with the policies of the Malaysian Anti-Corruption Commission ("MACC").

We have also established a whistleblowing channel as mandated by our Whistleblowing Policy. This allows employees and external stakeholders to report any instances of wrongdoing confidentially. Our Whistleblowing Policy, ABAC Policy and COC are available on our website to ensure their accessibility to all our stakeholders.

## SUSTAINABILITY STATEMENT (CONT'D)

### PERFORMANCE DATA TABLE

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Anti-corruption)</b>				
Bursa C1 (a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	0.00	0.00	0.00
Executive	Percentage	0.00	0.00	0.00
Non-executive/Technical Staff	Percentage	0.00	0.00	0.00
General Workers	Percentage	0.00	0.00	0.00
Bursa C1 (b) Percentage of operations assessed for corruption-related risks	Percentage	0.00	0.00	0.00
Bursa C1 (c) Confirmed incidents of corruption and action taken	Number	0	0	0
<b>Bursa (Community/Society)</b>				
Bursa C2 (a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	–	–	88,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	–	–	No Data Provided
<b>Bursa (Diversity)</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.00
Senior Management Between 30-50	Percentage	33.00	30.00	30.00
Senior Management Above 50	Percentage	67.00	70.00	70.00
Management Under 30	Percentage	0.00	0.00	0.00
Management Between 30-50	Percentage	25.00	33.00	33.00
Management Above 50	Percentage	75.00	67.00	67.00
Executive Under 30	Percentage	8.00	0.00	4.00
Executive Between 30-50	Percentage	56.00	67.00	65.00
Executive Above 50	Percentage	36.00	33.00	30.00
Non-Executive Under 30	Percentage	37.00	37.00	38.00
Non-Executive Between 30-50	Percentage	56.00	55.00	55.00
Non-Executive Above 50	Percentage	8.00	8.00	7.00

SUSTAINABILITY STATEMENT  
(CONT'D)

## PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Diversity)</b>				
Gender Group by Employee Category				
Senior Management Male	Percentage	83.00	80.00	80.00
Senior Management Female	Percentage	17.00	20.00	20.00
Management Male	Percentage	100.00	100.00	100.00
Management Female	Percentage	0.00	0.00	0.00
Executive Male	Percentage	52.00	48.00	52.00
Executive Female	Percentage	48.00	52.00	48.00
Non-Executive Male	Percentage	90.00	85.00	91.00
Non-Executive Female	Percentage	10.00	15.00	9.00
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	91.00	91.00	82.00
Female	Percentage	9.00	9.00	18.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	18.00	18.00	18.00
Above 50	Percentage	82.00	82.00	82.00
<b>Bursa (Energy management)</b>				
Bursa C4(a) Total energy consumption	Megawatt	1,842.13	2,087.28	2,313.00
<b>Bursa (Health and safety)</b>				
Bursa C5(a) Number of work-related fatalities	Number	0	0	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	58.52	6.90	0.43
Bursa C5(c) Number of employees trained on health and safety standards	Number	0	2	1
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	55	72	115
Middle Management	Hours	0	56	48
Junior Management	Hours	0	0	39
Non-executive/Technical Staff	Hours	0	0	3
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	2.00	2.00	2.00

## SUSTAINABILITY STATEMENT (CONT'D)

### PERFORMANCE DATA TABLE (CONT'D)

Indicator	Measurement Unit	2021	2022	2023
<b>Bursa (Labour practices and standards)</b>				
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	24	20	20
Management	Number	8	6	6
Executive	Number	51	42	46
Non-executive/Technical Staff	Number	77	77	72
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
<b>Bursa (Supply chain management)</b>				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00	100.00	100.00
<b>Bursa (Data privacy and security)</b>				
Bursa C8(a) Number of substantiated complaints concerning breeches of customer privacy and losses of customer data	Number	0	0	0
<b>Bursa (Water)</b>				
Bursa C9(a) Total volume of water used	Megalitres	11.567000	6.837000	11.212000

Internal assurance

External assurance

No assurance

(\*) Restated

# CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Astral Asia Berhad (“the Company” or “AAB”) supports the objective of the Malaysian Code on Corporate Governance (“MCCG”) and also acknowledges its role to direct and manage the business and affairs of the Company towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholder value, whilst taking into account the interests of other stakeholders.

The Directors believe that good corporate governance results in quantifiable long-term success and creation of long-term shareholders’ value. The Board has endeavoured to observe the best practices and guidance by MCCG and will continue to review its compliance of the same to further strengthen and enhance corporate governance practices within the Company and its subsidiaries (“the Group”).

Pursuant Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) corporate governance disclosure requirements as per Para 15.25 and Practice Note 9 of the Main Market Listing Requirement (“MMLR”), the Board is pleased to set out a summary of the Group’s corporate governance practices during the financial year ended 31 December 2023 (“FYE 2023”) in this Corporate Governance Overview Statement (“CG Overview Statement”). In addition to this, the application of each of the Practices set out in the MCCG is disclosed in our Corporate Governance Report (“CG Report”) which is available on the Group’s corporate website at [www.astralasia.com](http://www.astralasia.com) and an announcement made by the Company on the website of Bursa Malaysia at [www.bursamalaysia.com](http://www.bursamalaysia.com).

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS

### Board Responsibilities

The Board views the importance of sustainable and responsible business practices in developing the corporate strategy of the Group. The Group’s businesses are conducted in responsible, trustworthy and ethical manner while accepting accountability for impacts on environment, social and governance.

The Group is led by an experienced and dynamic Board. It has a balanced board composition with effective independent directors. The Board provides leadership and stewardship to the Group’s strategic direction and operations and ultimately enhancing shareholders value. To fulfil this role, the Board is responsible for:

- Reviewing and adopting a strategic plan for the Group which will enhance the future growth and profitability of the Group;
- Overseeing the conduct of the Group’s business and to evaluate whether the business is being properly managed;
- Determining the level of risk tolerance and identify, assess and monitor principal risks of the business and ensure implementation of appropriate systems to manage these risks; and
- Reviewing adequacy and effectiveness of the Group’s risk management and internal control system and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines.

No individual or group of individuals dominates the Board’s decision making processes and the number of independent directors reflects fairly the investment of the minority shareholders. This is to ensure that issues of strategy, performance and resources are fully discussed and examined to take into account long-term interest of stakeholders of the Group.

### Separation of Positions of the Chairman and Managing Director

The Board is led by an Independent Non-Executive Chairman (“Chairman”). The distinction of responsibilities between the roles of the Chairman and Managing Director which is to ensure the balance of power and authority were also stated in the Board Charter.

The Chairman, Dato’ Haji Arpan Shah Bin Satu is primarily responsible for the orderly conduct and working of the Board whilst the Managing Director, Mr Lim Guan Shiun is responsible for the overall operations of the business and the implementation of Board’s strategy and policy.

The Managing Director leads the Management team to ensure high level of work efficiency and plans towards profitable growth and operation of the Group. Management is responsible for the execution of activities to meet corporate plans as well as instituting various measures to ensure due compliance with various governing legislations.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Qualified Company Secretaries

The Company has appointed two named secretaries who are qualified to act as Company Secretary under Section 235(2) of the Companies Act 2016 for the Company and its subsidiaries. One of them is an associate member of Malaysian Institute of Chartered Secretaries and Administrators (“MAICSA”) and another one is a member of Malaysian Institute of Accountant (“MIA”).

The Company Secretaries provide support to the Board in fulfilling their fiduciary duties and leadership roles in shaping the corporate governance of the Group. In this respect, they play an advisory role to the Board, particularly with regard to the Company’s constitution, Board policies, procedures and its compliance with regulatory requirements, codes, guidance and legislations. The Company Secretaries also support the Board in managing the Group Governance Model to ensure its relevance and effectiveness.

The Company Secretaries are constantly keeping themselves abreast of the evolving capital market environment, regulatory change and developments in Corporate Governance through attendance at relevant conferences and training programmes. The Board is satisfied with the performance and support rendered by the Company Secretaries to the Board in discharging in functions.

#### Meeting Materials and Supply of Information

The Senior Management has an obligation to supply the Board and its Committees with adequate information, in a timely manner. The agenda and full set of Board papers (including qualitative information of the Company) for consideration are distributed 7 days before each meeting of the Board to ensure that the Directors have sufficient time to study them and be properly prepared for discussion and decision making.

The Board’s deliberation of the issues discussed and conclusions reached is duly recorded in the minutes of meetings which will be circulated to Board members and subsequently confirmed by the Chairman in the next meeting. Chairman of the respective Committees informs the Board at its meetings any salient matters raised at the Committee meetings which require the Board’s approval.

All Directors of the Company whether in full Board or in their individual capacity, have access to all information within the Company and they could seek independent professional advice where necessary to discharge their duties.

The Company Secretaries attend all board meetings and ensure that accurate and adequate records of the proceedings of board meetings and decisions made are properly kept. The Board is updated by the Company Secretaries on the follow-up of its decisions and recommendations by the Management. During the FYE 2023, the Board was updated by the Company Secretaries with new practices, regulatory, regulations or requirements concerning their duties and responsibilities mainly on the MCCG, amendments in the MMLR of Bursa Malaysia and Companies Act 2016.

#### Board Charter

The Board has established the Board Charter as a source of reference to the Board in the fulfilment of its authority, roles, functions, composition, duties and responsibilities which are in line with the principles of good corporate governance and provide a primary induction literature by providing insights to prospective Board members and Senior Management.

The Board updates the Board Charter from time to time to reflect changes to the Company’s policies, procedures and processes as well as the latest relevant legislation and regulations. The Board reviews the Board Charter as and when it deems appropriate. The Board Charter can be accessed at the Company’s website at <https://astralasia.com/board-charter/>.



CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Board Committees**

The Board delegates specific responsibilities to the respective committees of the Board, namely Audit Committee (“AC”), Nomination Committee (“NC”) and Remuneration Committee (“RC”) in order to enhance business and corporate efficiency and effectiveness. The Chairman of the respective Board Committee will brief the Board on the matters discussed at the respective Committees’ meeting and minutes of these meetings are circulated to the Board. All the Board Committees operate within their clearly defined terms of reference and operating procedures whereupon the Board receives reports of their proceedings and deliberations with their recommendations. The ultimate responsibility for decision making lies with the Board.

AC is responsible for oversight of the Group’s financial and reporting processes, the integrity of the financial statements, the external and internal audit and the systems of internal control and management.

NC is responsible for review and recommend to the Board on the board composition and board evaluation while RC is responsible to recommend the remuneration packages of the Executive Directors and fees and benefits to the Non-Executive Directors.

**Code of Conduct**

The Board has formalized a Code of Conduct and Ethics for the Directors and Employees to enhance the standard of corporate governance and corporate behaviour with the intention of achieving the following aims:

1. To establish a standard of ethical behaviour for Directors and Employees based on trustworthiness and values that can be accepted, are held or upheld by any one person; and
2. To uphold the spirit of responsibility and social responsibility in line with the legislation, regulations and guidelines for administering a company.

The Code of Conduct can be accessed at the Company’s website at <https://astralasia.com/code-of-conduct/>.

**Directors’ Fit and Proper Policy**

The Company is obliged to formulate a fit and proper policy for the appointment and/or re-election of Directors of the Group pursuant to the MMLR of Bursa Malaysia. The Directors’ Fit and Proper Policy sets out the approach, guidelines and procedures to ensure a formal, rigorous and transparent process is being adhered for the appointment, re-appointment and/or re-election of the Directors of the Group. The Directors’ Fit and Proper Policy is available on the Company’s website at <https://astralasia.com/directors-fit-proper-policy/>.

**Whistleblowing Policy and Procedures**

The Board believes in promoting high standard of integrity and accountability in managing its day-to-day businesses and operations and aims to conduct its affairs in an ethical, responsible and transparent manner.

The Board has established a Whistleblowing Policy for the Group to encourage employees and stakeholders to report or disclose any improper conduct in accordance with the procedures and provide protection to them from reprisal as consequences of making such disclosure.

The Whistleblowing Policy has been reviewed to enhance its appropriateness and relevance to the Company and its compliance with the relevant laws, rules and regulations. The full version of the Whistleblowing Policy is published on the Company’s website at <https://astralasia.com/whistleblowing-policy/>.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Anti-Bribery and Anti-Corruption Policy

In response to the corporate liability provision of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 which took effect on 1 June 2020 and based on the Guidelines on Adequate Procedures issued by the Prime Minister's Office on 4 December 2018, Anti-Bribery and Anti-Corruption Policy ("ABAC Policy") was adopted on 25 November 2020. The ABAC Policy serves to provide guidance on how to prevent, deal with and combat bribery and corrupt activities and issues that may arise in the course of business. The ABAC Policy is applicable to all Board, Employees and the Third Parties.

The ABAC Policy is available on the Company's website at <https://astralasia.com/abac-policy/>.

#### Board Composition

The Board presently is having seven (7) members and one (1) alternate director, out of which three (3) are Independent Non-Executive Directors. This composition fulfils the requirements as set out under MMLR of Bursa Malaysia, which stipulates that at least two (2) Directors or one-third (1/3) of the Board, whichever is higher, must be Independent.

The Board which consists of members with a wide range of skills and experiences from financial, business public services background is capable of leading the Group. A brief profile of each director is presented in the "Directors' Profile" section of this Annual Report.

The Board continues to give close consideration to its size, composition and spread of experience and expertise to the Group's plantation, construction, property investment and development businesses.

The Board is supportive of gender diversity policy. In its selection of Board members, the Board provides equal opportunity to all candidates who meet the criteria (i.e. individual experience, knowledge and competency) and other qualities vis-a-vis the Group present business portfolios and prospective investment. The Company's Board Charter on gender diversity policy is to have at least one female Director and the Company has since 7 April 2023, appointed Ms Lee Siew Chen as Independent Non-Executive Director.

All the Independent Non-Executive Directors are independent of management and are free from any business or other relationship that could materially interfere with the exercise of their independent judgment. They have the calibre to ensure that the strategies proposed by the Management are fully deliberated and examined in the long-term interest of the Group, as well as its shareholders, employees and customers.

The Board acts as a point of contact for shareholders and other stakeholders with concerns or queries relating to the Group to be communicated through the normal channels.

The Board not only considered the state of mind of the long-serving Independent Directors but also focused on their background, current professional activities, economic and family relationships. The assessment also took into account that they have performed their duties without being subject to the influence of Management. The quantitative aspects of independence was dealt with under the Listing Requirements and for the qualitative aspects, the Board took into consideration various factors including character, values, and skills of the individual director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)****Nomination Committee**

The Nomination Committee (“NC”) comprises members who are all Independent Non-Executive Directors. The NC is responsible for proposing and recommending new nominees to the Board and for assessing the performance of Directors on an on-going basis. The actual decision as to who shall be appointed is the responsibility of the full Board after considering the recommendations of the NC.

During the FYE 2023, the NC comprises of the following directors:

Chairman	:	Tuan Haji Khalit Bin Kasmoin
Members	:	Dato' Haji Arpan Shah Bin Satu Ms Lee Siew Chen

The NC deliberated the following matters at its meetings:

- (a) Reviewed the composition of the Board;
- (b) Assessed the effectiveness of the Board, Board Committees and the contributions of each individual Directors through a set of questionnaires;
- (c) Reviewed the required mix of skills and experience and other core competencies, which Non-Executive Directors should bring to the Board;
- (d) Reviewed the profile of Directors retiring at the forthcoming 28th AGM and recommended the same for re-election by shareholders;
- (e) Assessed the independence of Independent Directors based on the criteria of independence adopted by the Company; and
- (f) Reviewed the training needs of the Directors to ensure that they are acquainted with the latest development and changing environment in which the Group operates.

*All Directors shall abstain when matters affecting their own interests are discussed.*

The Board recognises the importance of having succession plan and will ensure that appropriate plans are in place, including appointing, training for replacing Board members and Senior Management of the Group.

Procedures relating to the appointment and re-election of Directors are contained in the Company's Constitution. New appointees will be considered and reviewed by the NC. The NC will then recommend the candidates to be approved and appointed by the Board. The Company ensures that all regulatory obligations are met before any appointment made.

The names of the 2 Directors seeking for re-election at the forthcoming 28th AGM are disclosed in the Notice of AGM. The Board after having evaluated the recommendation of the NC, and with retiring Directors abstaining, has endorsed the re-election of the retiring Directors.

**Time Commitment**

All the Board members shall notify the Chairman of the Board at least one (1) week before accepting any new directorships in public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The Chairman of the Board shall notify all the Board members at least one (1) week before accepting any new directorships in public listed companies incorporated in Malaysia as well as directorships in corporations with similar businesses operating in the same jurisdiction. The notification should include an indication of the time that will be spent on the new appointment.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

#### Board Meetings

A pre-scheduled annual calendar of the Board Meetings are circulated to all the Board members at the end of each year to facilitate the Directors to plan their following year schedules ahead. During the financial year under review, the Board meets at least 4 times a year with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings with sufficient notice. Directors are allowed to participate in Board Meetings via tele-conference.

All the Directors have complied with the minimum 50% attendance requirement in respect of the Board Meetings as stipulated in the MMLR of Bursa Malaysia.

During the FYE 2023, 4 meetings of the Board were held. Details of attendance at Board meetings held in the FYE 2023 are as follows:

Name of Directors	No. of Meetings attended
Dato' Haji Arpan Shah Bin Satu	4/4
Dato' Lim Kang Poh	4/4
Mr Lim Guan Shiun	4/4
Tan Sri Dato' Lim Kang Yew	3/4
Dato' Suhaimi Bin Mohd Yunus	2/4
Tuan Haji Khalit Bin Kasmoin	4/4
Ms Lee Siew Chen (Appointed on 7 April 2023)	3/3
Mr Tan En Chong (Resigned on 7 April 2023)	1/1

#### Directors' Training

During the FYE 2023, the training programmes attended by the Directors are as follows:-

Members of the Board	Training Attended
Dato' Haji Arpan Shah Bin Satu	Management of Cyber Risk
Dato' Lim Kang Poh	Management of Cyber Risk
Mr Lim Guan Shiun	ESG – Role of the Accountant and Financial Reporting
Tan Sri Dato' Lim Kang Yew	Amendments to 2022 New Bursa Listing Requirements Management of Cyber Risk
Dato' Suhaimi Bin Mohd Yunus	Management of Cyber Risk
Tuan Haji Khalit Bin Kasmoin	Management of Cyber Risk
Ms Lee Siew Chen	Mandatory Accreditation Programme Management of Cyber Risk
Mr Lim Dian Hoong (Alternate Director to Tan Sri Dato' Lim Kang Yew)	Management of Cyber Risk

With the assistance of the Company Secretary, the NC will continue to evaluate and determine the training needs of its Directors to assist them in discharging their duties as Directors of the Company effectively.

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)

## PRINCIPLE A – BOARD LEADERSHIP AND EFFECTIVENESS (CONT'D)

## Remuneration Committee

The Remuneration Committee (“RC”) comprises members who are all Independent Non-Executive Directors. The RC reviews the performance of the Executive Directors and furnishes recommendations to the Board on specific adjustments in remuneration, including reward payments commensurate with the respective contributions of the Executive Directors for the year. In the case of Non-Executive Directors, the Board as a whole will determine the remuneration package. The level of remuneration reflects the level of experience and responsibilities undertaken and the individuals concerned are abstained from discussion and decision making.

During the financial year under review, the RC comprises of the following directors:

Chairman : Ms Lee Siew Chen  
Members : Dato' Haji Arpan Shah Bin Satu  
Tuan Haji Khalit Bin Kasmoin

The remuneration for Executive Directors is structured so as to link reward to corporate and individual performance. In the case of Non-Executive Directors, the quantum of remuneration reflects the level of experience and responsibilities undertaken by them during the period under review.

Details of the remuneration of the Directors for the FYE 2023 for the Group and the Company are as follows:

	Group			Company		
	Fees (RM'000)	Salaries & Bonus & Other Benefits (RM'000)	Total (RM'000)	Fees (RM'000)	Salaries & Bonus & Other Benefits (RM'000)	Total (RM'000)
<b>Names</b>						
Dato' Haji Arpan Shah Bin Satu	24.0	–	24.0	24.0	–	24.0
Dato' Lim Kang Poh	30.0	1,240.2	1,270.2	30.0	–	30.0
Mr Lim Guan Shiun	30.0	623.5	653.5	30.0	–	30.0
Tan Sri Dato' Lim Kang Yew	30.0	–	30.0	30.0	–	30.0
Dato' Suhaimi Bin Mohd Yunus	24.0	–	24.0	24.0	–	24.0
Tuan Haji Khalit Bin Kasmoin	24.0	–	24.0	24.0	–	24.0
Ms Lee Siew Chen (Appointed on 7 April 2023)	18.0	–	18.0	18.0	–	18.0
Mr Tan En Chong (Resigned on 7 April 2023)	8.0	–	8.0	8.0	–	8.0
Subtotal	188.0	1,863.7	2,051.7	188.0	–	188.0
Subsidiaries' Directors	–	512.8	512.8	–	–	–
<b>Total</b>	<b>188.0</b>	<b>2,376.5</b>	<b>2,564.5</b>	<b>188.0</b>	<b>–</b>	<b>188.0</b>

The Board opines that disclosure of the Senior Management personnel's names exclude the Executive Directors and the various remuneration components (salaries, bonuses, benefit-in-kind and other emoluments) would not be in the best interest of the Group to safeguard the confidentiality of the compensation among the Senior Management personnel and to avoid the poaching of our executives by competitors.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Audit Committee

The Audit Committee ("AC") comprises of three (3) Independent Non-Executive Directors, having explicit authority from the Board to investigate any matter and is given full responsibility within its term of reference and necessary resources which it needs to do so and has full access to information of the Group.

For the details of AC's composition and activities during the FYE 2023, please refer to the "Audit Committee Report" section in this Annual Report.

It is required under the Terms of Reference of AC for a former key audit partner to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the MMLR.

The composition of the AC was reviewed by the NC and recommended to the Board for approval to maintain the current membership of the AC. With the view to maintain an independent and effective AC, an Independent Non-Executive Directors who is financially literate, possesses the appropriate level of expertise and experience, and has the strong understanding of the Company's business would be considered for membership on AC.

The specific responsibilities of the AC are set out in its terms of reference and are available at the Company's website at <https://astralasia.com/audit-committee/>.

In presenting the annual financial statements and quarterly announcement of results, the Directors aim to present a balanced, clear and understandable assessment of the Group's financial position and prospects. Each financial report and the information to be disclosed are reviewed by the AC and approved by the Board prior to its release to Bursa Securities. Timely release of announcements on quarterly and full year financial reports reflects the Board's accountability to its shareholders.

During the FYE 2023, the amount of statutory audit and non-audit fees paid to the external auditors by the Company and the Group respectively were as follows:

	Audit Fee (RM)	Non-Audit Fee (RM)
Company	28,000	5,000
Group	99,500	13,500

The AC is empowered by the Board to review all issues in relation to the appointment and re-appointment, resignation or dismissal of external auditors. In reviewing the nomination of Grant Thornton Malaysia PLT for re-appointment for the FYE 2023, the AC, had assessed and affirmed the independence and suitability of the external auditors to continue in office until close of the upcoming Annual General Meeting and the AC had evaluated the external auditors based on review of performance and written assurances from the external auditors as well as discussion with Management on the independence of the external auditors.

The External Auditors had confirmed, at an AC Meeting, that they are and have been, independent throughout the conduct of audit engagement in accordance with the terms of relevant professional and regulatory requirements.

The AC is satisfied with the competence and independence of the external auditors and had recommended to the Board the re-appointment of the external auditors, upon which the shareholders' approval will be sought at the forthcoming 28th Annual General Meeting.

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

#### Relationship with External Auditors

The Board maintains a formal and transparent relationship with its External Auditors in seeking professional advice and ensuring compliance with the accounting standards in Malaysia. The External Auditors regularly bring up relevant matters that need to be addressed during the AC Meetings.

During the financial year under review, the external auditors were invited to attend 2 meetings of the AC without the presence of the Executive Directors and Management and were given access to books and records of the Group.

#### Risk Management

The Board has the ultimate responsibility for reviewing the Company's policy, approving the risk management framework policy and overseeing the Company's strategic risk management and internal control framework.

The Board discharges its responsibilities by overseeing and reviewing the risk management framework and the effectiveness of risk management of the Company.

#### Internal Control Framework

The Board has established an independent internal audit function that reports to the AC. The summary of the work of the internal audit function during the financial year under review is provided in the AC Report.

In addition, the Group's Statement on Risk Management and Internal Control are disclosed in the sections entitled "Statement on Risk Management and Internal Control" of this Annual Report provides an overview on the state of risk management and internal control systems within the Group.

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

#### Communication with Stakeholders

The Board recognises the importance of keeping the shareholders, investors and general public informed of the Group's business and corporate developments. Such information is disseminated via the Company's annual report and the announcements made from time to time. Shareholders may obtain the Company's latest announcements from the Bursa Malaysia website. The Company also maintains its homepage that allows all shareholders and investor access to information about the Group at [www.astralasia.com](http://www.astralasia.com).

All shareholders including private investors have an opportunity to participate in discussion with the Board on matters relating to the Company's operation and performance at the Company's AGM. It is the principal forum for dialogue with shareholders. The Management will take note of the shareholders' suggestions and comments for consideration.

Whilst the Company endeavours to provide as much information as possible to its shareholders, it must also be wary of the legal regulatory framework governing the release of material and price-sensitive information. As such, corporate disclosure will take into account the prevailing legislative restrictions and requirements as well as the investors' needs for timely release of price-sensitive information, such as financial performance results and statements, material acquisitions, significant corporate proposals as well as other significant corporate events.



## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### Conduct of General Meetings

The Directors of the Company together with the respective Chairman of the Board Committees participate in the AGM to facilitate discussion on matters such as audit, nomination, remuneration and risk management.

Notice of AGM has been sent to all shareholders more than recommended practice of 28 days in advance to allow them sufficient time to prepare for the general meeting and raise meaningful questions during the meeting. The Chairman of the meeting will provide sufficient time to shareholders' questions on matters pertaining to the Company's performance and would respond to the shareholders with regards to their concern and question raised. Members of the Board, Chairman of Board Committees and Key Senior Management, as well as the External Auditors of the Company are present to respond to questions raised at the meeting.

Extraordinary General Meeting is held as and when shareholders' approvals are required on specific matters. The Chairman and directors together with relevant Advisors to the Board, lawyers and/or Reporting Accountants engaged in advising the Board on these specific matters would respond to the questions raised by the shareholders.

All resolutions tabled at general meetings will be carried out by way of poll.

#### Summary of Corporate Governance Practices

The Board is pleased to report that during the FYE 2023, the Company had applied and adopted 33 of the 43 Practices and has not adopted the 3 Step Up encapsulated in the 3 Principles of MCCG. The breakdown of the status of application by Principle is provided below:

Principle	Practice			Step-up	
	Applied	Departure	Not Applicable	Adopted	Not Adopted
A - Board Leadership and Effectiveness	22	5	–	1	2
B - Effective Audit and Risk Management	8	–	–	1	1
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	3	4	1	–	–
<b>Total</b>	<b>33</b>	<b>9</b>	<b>1</b>	<b>2</b>	<b>3</b>

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)****Summary of Corporate Governance Practices (Cont'd)**

The summary of the 9 departed Practices is as follows.

Principal	Practice	Gap Summary
A - Board Leadership and Effectiveness	1.4 The Chairman of the board should not be a member of the Audit Committee, Nomination Committee or Remuneration Committee	<p>The Chairman of the Board, Dato' Haji Arpan Shah Bin Satu is a member of the Audit, Nomination and Remuneration Committees.</p> <p>The Board has put in place safeguard mechanisms in the form of checks and balance to prevent the exercising of undue influence on Committees-level deliberations by the Chairman. The decision-making processes of the respective Committees are collectively made in accordance with the TOR of each Committee as well as all other applicable policies, procedures and laws.</p> <p>Given his background, the Audit, Nomination and Remuneration Committees are often able to leverage on the implicit knowledge, accumulated experience and insights of the Chairman in making key Committee decisions, that are made in the best interests of the Company.</p>
	4.2 The board ensures that the company's sustainability strategies, priorities and targets as well as performance against these targets are communicated to its internal and external stakeholders.	<p>The Board is aware of the shortfall in the Company's sustainability reporting suite and therefore, has put necessary action plans into considerations.</p> <p>The Board shall undertake incremental steps to further develop the Company's sustainability reporting regime for the benefit of all stakeholders.</p>
	5.2 At least half of the board comprises independent directors. For Large Companies, the board comprises a majority independent directors.	<p>3 out of 7 directors or 42.9% of the Board are independent. The current Board composition is not in line with the MCCG recommendation to have at least half of the Board comprised of Independent Non-Executive Directors. However, the Board is in compliance with Paragraph 15.02 of the Main Market Listing Requirements of Bursa Malaysia which requires at least two (2) Directors or one-third (1/3) of the Board members, whichever is the higher, are independent directors.</p> <p>The Board noted the recommendation of the MCCG. The NC will continue to identify suitable candidates with the required skill, expertise and relevant level of independence for appointment to the Board as Independent Directors to further strengthen the Board.</p>

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### Summary of Corporate Governance Practices (Cont'd)

The summary of the 9 departed Practices is as follows. (Cont'd)

Principal	Practice	Gap Summary
A - Board Leadership and Effectiveness (cont'd)	5.9 The board comprises at least 30% women directors.	<p>During the financial year ended 2023, there was one woman director on the Board out of a total of seven directors. The Board acknowledges the importance of gender diversity in the Board. However, the selection and appointment of a new Board member will be based on merits and effective blend of skills, experience and knowledge in areas identified, the size of the Board and the needs of the Company.</p> <p>The Board will endeavour to have the target of at least 30% women directors representation on the Board.</p>
	8.2 The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits in-kind and other emoluments in bands of RM50,000.	<p>Due to confidentiality of the remuneration package of Senior Management, exclude the Executive Directors, it would be in the best interest of the Company not to disclose their remunerations on named basis.</p> <p>The Board wishes to give assurance that the remuneration of Senior Management commensurate with their individual performance, taking into consideration of Company's performance. The remuneration packages of Senior Management are based on experience, expertise, and skills. The Board opines that the current remuneration package are competitive to attract, retain and motivate its Senior Management to lead and operate the Company successfully.</p>
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders	13.2 All directors attend General Meetings. The Chairman of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.	<p>At each Annual General Meeting, the Board presents the progress and performance of the Group's business and encourages participation of shareholders during questions and answers sessions.</p> <p>The Board Chairman and the Chairpersons of Board Committees will respond to all questions raised by the shareholders during the Annual General Meeting.</p> <p>Majority of the Board members had attended the last Annual General Meeting. The Board will ensure its full attendance in the next Annual General Meeting.</p>

CORPORATE GOVERNANCE OVERVIEW STATEMENT  
(CONT'D)**PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)****Summary of Corporate Governance Practices (Cont'd)**

The summary of the 9 departed Practices is as follows. (Cont'd)

Principal	Practice	Gap Summary
C - Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders (cont'd)	<p>13.3 Listed companies should leverage technology to facilitate –</p> <ul style="list-style-type: none"> <li>voting including voting in absentia; and</li> <li>remote shareholders' participation at general meetings.</li> </ul> <p>Listed companies should also take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats.</p>	The Board will explore and review the availability, feasibility, cost and benefit of the technology before implementing this practice.
	13.5 The board must ensure that the conduct of a virtual general meeting (fully virtual or hybrid) support meaningful engagement between the board, senior management and shareholders. This includes having in place the required infrastructure and tools to support among others, a smooth broadcast of the general meeting and interactive participation by shareholders. Questions posed by shareholders should be made visible to all meeting participants during the meeting itself.	The 27th Annual General Meeting ("27th AGM") of the Company held on 20 June 2023 was conducted via the mode of fully physical. The Board encourages participation of shareholders during questions and answers sessions. The Chairman was prepared to answer question(s) raised by the shareholder(s) and to provide his responses to the respective question(s) accordingly in an orderly manner.
	13.6 Minutes of the general meeting should be circulated to shareholders no later than 30 business days after the general meeting.	The Company's practice is to table the minutes of the AGM at the Board meeting for confirmation and signing by the Chairman. The minutes were tabled at the scheduled board meeting before it was published on the Company's website.

Further information about the Company's corporate governance practices, in the form of the Corporate Governance Report, is available on the Company's website at [www.astralasia.com](http://www.astralasia.com).

## CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

### PRINCIPLE C – INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (CONT'D)

#### Key Focus Areas and Future Priorities

The Company will constantly strive to meet the Company's objectives, strategies, plans and initiatives in the context of the Company's business.

Simultaneously, the Company will focus to observe the changes in MCCG, MMLR, the applicable rules and regulations and to keep abreast of industry best practices.

#### Compliance Statement

The Board had deliberated, reviewed and approved this CG Overview Statement. The Board considered that the CG Overview Statement provides the information necessary to enable shareholders of the Company to evaluate how the principles and best practices as set out in the MCCG have been complied with. The Board shall remain committed in attaining the possible standards through the continuous adoption of the principles and best practice of the MCCG and all other applicable laws and regulations.

This CG Overview Statement was approved by the Board of Directors on 4 April 2024.

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Board of Directors are primarily responsible for ensuring that the audited financial statements of the Group and the Company are drawn up in accordance with Malaysian Financial Reporting Standards and the requirements of the Companies Act 2016 and the Listing Requirements of Bursa Malaysia Securities Berhad so as to give a true and fair view of the state of affairs of the Group and the Company as at 31 December 2023 and of the results and cash flows of the Group and Company for the financial year ended on that date.

In the preparation of the financial statements, the Directors have taken the following steps:

- (a) adopted suitable accounting policies and applied them consistently;
- (b) made judgments and estimates that are prudent and reasonable;
- (c) ensured the adoption of applicable approved accounting standards; and
- (d) used the going concern basis for the preparation of the financial statements.

The Directors are responsible for ensuring proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Group and the Company and are kept in accordance with the Companies Act 2016. The Directors are also responsible for taking such steps as are reasonably open to them to safeguard the Group's assets and to prevent and detect fraud and other irregularities.

This Statement was approved by the Board of Directors on 4 April 2024.

# AUDIT COMMITTEE REPORT

The Audit Committee (“AC”) of Astral Asia Berhad (“the Company” or “AAB”) was established on 12 February 1998. The principal objective of the AC is to assist the Board of Directors in discharging its duties and responsibilities in the areas of corporate disclosure and transparency, public accountability of the Company and its subsidiaries. The specific responsibilities of the AC are set out in its terms of reference and are available at the Company’s website at [www.astralasia.com](http://www.astralasia.com)

## COMPOSITION AND MEETINGS

The AC consists of three (3) Independent Non-Executive Directors, which meets the requirements of paragraph 15.09(1) (a) and (b) of the Main Market Listing Requirements (“MMLR”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”).

The AC Chairman, Ms Lee Siew Chen, has a Degree in Bachelor of Accounting from University Malaya and member of the Malaysia Institute of Accountants (“MIA”), which is in compliance with paragraph 15.09(1)(c)(i) of the MMLR of Bursa Malaysia.

During the financial year ended 31 December 2023, the AC held a total of four (4) meetings. The attendance of the AC members are set out below:

Name of Committee Members	No. of Meetings attended
Ms Lee Siew Chen (Appointed on 7 April 2023)	3/3
Dato’ Haji Arpan Shah Bin Satu	4/4
Tuan Haji Khalit Bin Kasmoin	4/4
Mr Tan En Chong (Resigned on 7 April 2023)	1/1

## SUMMARY OF WORK OF THE AC

### 1. Financial Reporting

Reviewed the following Group financial statements and made recommendation to the Board for approval of the same:

Date of AC Meetings	Quarterly Results / Financial Statements Reviewed
23 February 2023	Unaudited fourth quarter results for the period ended 31 December 2022
26 May 2023	Unaudited first quarter results for the period ended 31 March 2023
25 August 2023	Unaudited second quarter results for the period ended 30 June 2023
27 November 2023	Unaudited third quarter results for the period ended 30 September 2023

At the meetings held, the AC reviewed the annual financial statements and quarterly interim results of AAB and the Group before submission to the Board for approval, focusing particularly on:

- Changes in major accounting policies;
- Key audit matters;
- Significant and unusual events;
- Compliance with approved accounting standards and other legal requirements;
- Compliance with the Listing Requirements;
- Significant adjustments and recommendations arising from the audit;
- Going concern assumption;
- Major judgmental areas; and
- Related party transactions and conflict of interest situation.



AUDIT COMMITTEE REPORT  
(CONT'D)**SUMMARY OF WORK OF THE AC (CONT'D)****2. External Audit**

- a. Reviewed the audit scope, plan and report issued by the external auditors and their evaluation of the system of internal controls and followed up on the implementation of recommendation;
- b. Evaluated the performance of the external auditors and made recommendation to the Board their reappointment and audit fee; and
- c. Two private sessions were held with the external auditors without the presence of Management and Executive Directors.

**3. Internal Audit**

- a. Reviewed the internal audit plan issued by the Internal Auditors to ensure adequate scope and coverage on the activities of the Company and the Group;
- b. Reviewed and deliberated on the reports of audit conducted by the Internal Auditors; and
- c. Appraised the adequacy of actions and remedial measures taken by the Management in solving the audit issues reported and the improvements required.

**4. Other Duties**

Reviewed the AC Report, Statement on Risk Management and Internal Control, Sustainability Statement and Corporate Governance Overview Statement before submitting the same for the Board's approval and inclusion into the Company's Annual Report.

**SUMMARY OF WORK OF THE INTERNAL AUDIT FUNCTION**

The internal audit function of the Group is presently outsourced to a firm of Chartered Accountants to provide the Board and the AC with assurance on the adequacy and effectiveness of the system of internal control of the Group. The professional service provider is headed by Mr Ho Yong Ling from LLTC Consulting (KL) Sdn Bhd, He is a Fellow of the Association of Chartered Certified Accountants (FCCA). He is supported by a team of qualified and experienced internal audit professionals.

The internal auditors focus their review on significant and high risk areas of the Group's businesses. The internal audit function reports directly to the AC.

During the financial year under review, the Internal Auditors had completed audit cycles with reviews being focused on revenue cycle and inventory management, payroll, corporate governance issues and other operational issues that have come across during their audit. Follow-up reviews were also being carried out to ascertain the extent of compliance with agreed implementation actions.

For the financial year ended 31 December 2023, the total costs incurred for the Internal Audit function were RM24,129.79.

## ADDITIONAL COMPLIANCE INFORMATION

### OTHER INFORMATION REQUIRED BY THE LISTING REQUIREMENTS OF BURSA SECURITIES

#### Utilisation of Proceeds

No proceeds were raised by the Company from any corporate exercise during the financial year.

#### Material Contracts

There were no material contracts of the Company and its subsidiaries involving directors' and major shareholders' interests for the financial year under review.

#### Contract Relating to Loans

There were no contracts relating to loans entered into by the Company.

#### Related Parties Transactions

There were no related parties' transactions during the financial year under review except as disclosed in Note 29 to the Financial Statements.

#### Corporate Social Responsibility

The Group has continuously participated in supporting the community projects by providing assistance in cash and in kinds.

# STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

## INTRODUCTION

The Malaysian Code on Corporate Governance 2021 requires listed companies to maintain a sound system of risk management and internal control to safeguard shareholders' investments and Astral Asia Berhad ("AAB") and its subsidiaries' ("the Group") assets. Set out below is the Board of Director's Statement on Risk Management and Internal Control ("Statement") as a Group for the financial year ended 31 December 2023 in compliance with paragraph 15.26(b) of the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia"), and in accordance with the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers which is issued by the Taskforce on Internal Control with the support and endorsement of Bursa Malaysia.

## THE BOARD'S RESPONSIBILITY

The Board of Directors ("the Board") recognises the importance of maintaining sound internal control systems and risk management practices to ensure good corporate governance. The Board affirms its overall responsibility for reviewing the adequacy and integrity of the Group's system of risk management and internal control. However, as there are inherent limitations in any system of internal controls, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives. It follows, therefore, the internal control system can only provide reasonable but not absolute assurance against material misstatement or loss to the Group.

## THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The Board has implemented a risk management framework to identify, evaluate and manage the significant risks affecting the Group's operations. The Group has also established a Risk Management Committee ("RMC") to ensure communication of the Group's business objectives, operational and financial issues or risks through management meetings at various levels. In addition, the Board is of the opinion that it has experienced Executive Directors and qualified managers with relevant industry experience to run and manage the operations and businesses of the Group.

Furthermore, the current system of internal control in the Group has within it, the following key elements:

- The Group maintains a formal organisation structure which defines the reporting lines up to the Board level.
- The Group has documented policies and procedures for all significant processes for its active subsidiaries to ensure that it maintains its effectiveness and continues to support the Group's business activities at all times as the Group continues to grow.
- The Board reviews and adopts the quarterly financial statements on a quarterly basis, in conjunction with the quarterly announcement of results of the Group to Bursa Malaysia.
- The Board plays an active role in discussing and reviewing the business plans, strategies, performance and risks faced by the Group.
- The internal audit function performs an independent assessment of the system of internal control and provides independent review of the risk management areas as well as identifies controls to mitigate these risks.

RMC is tasked by the Board with the duty of reviewing and monitoring the adequacy and effectiveness of the Group's system of risk management and internal control.

## STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

### INTERNAL AUDIT FUNCTION

The Audit Committee ("AC") has appointed a firm of Chartered Accountants to provide internal audit services on an outsourced basis.

The internal audit function provides the AC with reports, wherein it highlights observations and recommends to the Management where action plans necessary to be taken to improve the system of internal control. The AC also presents its findings regularly to the Board.

Further details of the activities of the internal audit function are set out in the Audit Committee Report of this Annual Report.

### ANTI-CORRUPTION AND ANTI-BRIBERY

The enforcement of new Section 17A(1) of the Malaysian Anti-Corruption Commission (Amendment) Act 2018 became effective on 1 June 2020. The provisions criminalise a commercial organisation if a person associated with it corruptly gives, agrees to give, promises or offers to any person any gratification with intent to obtain or retain business, or an advantage in the conduct of business, for the organisation. Taking into consideration of the potential impact of the bribery and corruption on the Group's risk framework, the Board had formulated Anti-Bribery & Corruption Policy and it is available at the Company's website at [www.astralasia.com](http://www.astralasia.com).

### REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

As required by Paragraph 15.23 of the Bursa Malaysia's Main Market Listing Requirements, the External Auditors have reviewed this Statement for inclusion in the Annual Report. Their review was performed in accordance with the Recommended Practice Guide 5 (RPG 5), Guidance for Auditors on the Review of Directors' Statement on Risk Management and Internal Control issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process the Board has adopted in the review of the adequacy and the integrity of the system of risk management and internal control for the Group.

### THE BOARD'S COMMITMENT

The Board is of the view that the internal control system that has been in place throughout the Group is adequate to safeguard shareholders' investment and the Group's assets. The Board, however, recognises that the Group operates in a dynamic business environment in which the internal control system must be responsive in order to be able to support its business objectives.

Assurance has been received by the Board from the Managing Director that the Group's risk management and internal control system is operating adequately and effectively in all material aspects and there are no major weaknesses at the existing level of operations of the Group. Recognising that the risk management and internal control system must continuously improve to meet the challenging business environment, the Board will continue to take appropriate action plans to strengthen the Group's risk management and internal control system.

To this end, the Board remains committed towards maintaining a sound system of risk management and internal control and therefore recognises that the system must continuously develop to support the growth and dynamics of the Group. As such, the Board, in striving for continuous improvement, will put in place appropriate action plans, when necessary, to further enhance the Group's system of risk management and internal control.

This statement was approved by the Board of Directors on 4 April 2024.

# 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 31 December 2023.

## PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding. The subsidiaries of the Company are principally involved in the operation of oil palm estates, properties investment, property development and dormant.

The information on the name, place of incorporation/ principal place of business, principal activities and effective equity interest held by the Company in the subsidiaries are disclosed in Note 8 to the financial statements.

## FINANCIAL RESULTS

	Group RM	Company RM
(Loss)/Profit for the financial year	(11,986,511)	1,792,884
Attributable to:-		
Owners of the Company	(9,179,404)	
Non-controlling interest	(2,807,107)	
	(11,986,511)	

## DIVIDENDS

There were no dividends proposed, declared or paid by the Company since the end of the previous financial year.

## RESERVES AND PROVISIONS

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

## DIRECTORS OF THE COMPANY

The name of the Directors of the Company and its subsidiaries in office during the financial year and during the period commencing from the end of the financial year to the date of this report are:-

Dato' Haji Arpan Shah Bin Satu (Independent Non-Executive Chairman)  
Dato' Lim Kang Poh (Deputy Executive Chairman) \*  
Mr. Lim Guan Shiun (Managing Director) \*  
Tan Sri Dato' Lim Kang Yew (Executive Director)  
Dato' Suhaimi Bin Mohd Yunus (Non-Independent Non-Executive Director) \*  
Tuan Haji Khalit Bin Kasmoin (Independent Non-Executive Director)  
Ms. Lee Siew Chen (Independent Non-Executive Director)  
Mr. Lim Dian Hoong (Alternate Director to Tan Sri Dato' Lim Kang Yew)

\* Directors of the Company and certain subsidiaries.

DIRECTORS' REPORT  
(CONT'D)

## DIRECTORS OF THE COMPANY (CONT'D)

The Directors who held office in the subsidiaries of the Company (excluding Directors who are also Directors of the Company) during the financial year and during the period from the end of the financial year to the date of this report are:-

Dato' Sri Haji Shahiruddin Bin Ab. Moin  
Ms. Lim Hai  
Mr. Lim Kuan Hwang

## DIRECTORS' REMUNERATION

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

	Incurring by the Company RM	Incurring by the subsidiaries RM	Group RM
Directors' salaries and other emoluments	–	2,111,800	2,111,800
Directors' fees	188,000	–	188,000
Directors' defined contribution plan and social security contribution	–	264,698	264,698
Other benefits	–	36,994	36,994
	188,000	2,413,492	2,601,492

During and at the end of the financial year, no arrangements subsisted to which the Company 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.

## DIRECTORS' INTERESTS

According to the Register of Directors' shareholdings, the interests and deemed interests of those who were Directors at the end of the financial year in the ordinary shares of the Company and its related corporations are as follows:-

	At 1.1.2023	Number of ordinary shares		At 31.12.2023
		Bought	Sold	
<b>Interests in the Company</b>				
<b>Direct interests</b>				
Dato' Lim Kang Poh	89,552,289	5,676,000	–	95,228,289
Tan Sri Dato' Lim Kang Yew	89,552,289	–	–	89,552,289
<b>Deemed interests</b>				
Mr. Lim Guan Shiun #	89,552,289	5,676,000	–	95,228,289
Mr. Lim Dian Hoong #	89,552,289	–	–	89,552,289

# Deemed interest by virtue of the shares held by close family members.

By virtue of his interest in ordinary shares of the Company, Dato' Lim Kang Poh and Tan Sri Dato' Lim Kang Yew are also deemed to have interest in the shares of all the subsidiaries to the extent that the Company has an interest under Section 59 of the Companies Act 2016.

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



## DIRECTORS' REPORT (CONT'D)

### 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.

### OTHER STATUTORY INFORMATION

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps:-

- (a) to ascertain that proper action had been taken in relation to the writing off of bad debts and the provision for doubtful debts, and satisfied themselves that adequate provision had been made for doubtful debts and there were no debts to be written off; and
- (b) 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 have 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:-

- (a) which would render it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company.
- (b) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (c) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; or
- (d) not otherwise dealt with in this report or the financial statements which would render any amount stated in the financial statements misleading.

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

- (a) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liability of any other person; or
- (b) any contingent liability of the Group and of the Company which has arisen since the end of the financial year.

In the opinion of the Directors:-

- (a) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due;
- (b) the results of operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature; and
- (c) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of operations of the Group and of the Company for the current financial year in which this report is made.

## DIRECTORS' REPORT (CONT'D)

### INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

There was no indemnity coverage and insurance premium paid for Directors and Officers of the Company during the financial year.

### AUDITORS

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

The amount of audit and other fees paid or payable to the Auditors and its affiliate by the Group and the Company for the financial year ended 31 December 2023 amounted to RM113,000 and RM33,000 respectively. Further details are disclosed in Note 25 to the financial statements.

The Group and the Company have agreed to indemnify the Auditors, Grant Thornton Malaysia PLT to the extent 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.

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

.....	)	
<b>DATO' LIM KANG POH</b>	)	
	)	
	)	DIRECTORS
	)	
	)	
.....	)	
<b>LIM GUAN SHIUN</b>	)	

Kuala Lumpur

22 April 2024

## STATEMENT BY DIRECTORS

In the opinion of the Directors, the financial statements set out on pages 70 to 119 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023 and of their financial performance and their cash flows for the financial year then ended.

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

.....  
**DATO' LIM KANG POH**

.....  
**LIM GUAN SHIUN**

Kuala Lumpur

22 April 2024

## STATUTORY DECLARATION

I, Ng Chen Khim, being the Officer primarily responsible for the financial management of Astral Asia Berhad, do solemnly and sincerely declare that to the best of my knowledge and belief, the financial statements set out on pages 70 to 119 are correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by )  
the abovenamed at Kuala Lumpur in )  
the Federal Territory this day of )

22 April 2024

.....  
**NG CHEN KHIM**  
(MIA 27280)  
CHARTERED ACCOUNTANT

Before me:

Commissioner for Oaths

# INDEPENDENT AUDITORS' REPORT

to the Members of Astral Asia Berhad

## Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Astral Asia Berhad, which comprise the statements of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, statements of changes in equity and statements of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 70 to 119.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as of 31 December 2023, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting 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.

## INDEPENDENT AUDITORS' REPORT (CONT'D)

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Group

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Impairment of property, plant and equipment and right-of-use assets (Notes 4 and 5 to the financial statements)</p> <p>The Group's carrying amount of property, plant and equipment and right-of-use assets are RM40,701,147 and RM273,023,948 respectively as at 31 December 2023. Property, plant and equipment and right-of-use assets measured at cost are depreciated on a straight-line basis over their useful life, in which management estimates the useful lives of the property, plant and equipment and right-of-use assets to be within 5 to 99 years and reviews the useful lives of depreciable assets at each end of the reporting period. This estimation however may vary due to change in the expected level of usage, technological developments and environmental exposure. We focused on this area because of its large carrying amount on the face of the statements of financial position and also due to high subjectivity and estimation involved in estimating the useful lives of each asset.</p> <p>We have identified impairment of property, plant and equipment and right-of-use assets as key audit matter because the determination of whether or not an impairment charge for these assets was necessary involved management judgements and estimation uncertainty in order to ensure the assets are recoverable at their carrying amounts.</p>	<p>Our audit procedures in relation to impairment review of these assets included:-</p> <ul style="list-style-type: none"> <li>• Obtaining an understanding of: <ul style="list-style-type: none"> <li>- how the Group identifies impairment indicators; and</li> <li>- how the Group makes the accounting estimates for impairment.</li> </ul> </li> <li>• Reviewing the reasonableness of assumptions and judgement made by the management for the impairment assessment of assets.</li> <li>• Performing physical sighting of property, plant and equipment, right-of-use assets, and estate visits on sampling basis to ensure the property, plant and equipment, right-of-use assets, and estate assets are in good working condition.</li> <li>• Assessed the competency, capability and objectivity of the external valuation specialist.</li> <li>• Checking the accuracy and relevance of input data used in the valuations by the external valuation specialist.</li> <li>• Held discussion with the external valuation specialist to obtain an understanding of assumptions used in the valuation report.</li> </ul>

INDEPENDENT AUDITORS' REPORT  
(CONT'D)**Report on the Audit of the Financial Statements (cont'd)***Key Audit Matters (cont'd)*Group (cont'd)

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Fair value on bearer biological assets (Note 11 to the financial statements)</p> <p>The fair value of bearer biological assets of the Group is RM513,727. The fair value of biological assets was subject to the life to maturity, mortality rate, production quantity, selling prices and variable costs and profit margin.</p> <p>We have identified the fair value on biological assets as a key audit matter because of the significant judgement and estimates involved in applying the valuation method on the biological assets.</p>	<p>Our audit procedures in relation to the fair value of biological assets included:-</p> <ul style="list-style-type: none"> <li>Assessing the reasonableness of discount rate used to reflect the time value of money and the risk.</li> <li>Assessing the adequacy and appropriateness of the disclosures relating to the valuation methodology and estimation made in the financial statements.</li> <li>Recalculating the average Malaysian Palm Oil Board ("MPOB") price to ensure the valuation technique used is reasonable.</li> </ul>

Company

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Impairment of investment in subsidiaries (Note 8 to the financial statements)</p> <p>The Company's carrying amount of the investment in subsidiaries is RM171,114,309 as at 31 December 2023 as disclosed in Note 8 to the financial statements.</p> <p>On annual basis, management is required to assess for indications of impairment to determining if impairment assessment should be carried out.</p> <p>The impairment testing requires management to make assumptions in the recoverable amounts of the investment in subsidiaries. The assumptions include assessment of appropriateness and accuracy of valuations by external valuation specialist.</p> <p>We have identified impairment of investment in subsidiaries as key audit matter because the determination of whether or not an impairment charge for the investment in subsidiaries was adequate and involved management judgements in determining the recoverable amounts.</p>	<p>Our audit procedures in relation to the impairment review of investment in subsidiaries included:-</p> <ul style="list-style-type: none"> <li>Assessing the indication of impairment performed by the management by considering whether it had factored or consider relevant internal and external information.</li> <li>Reviewing the reasonableness of assumptions and judgement made by the management for the impairment assessment.</li> <li>Checking the accuracy and relevance of input data used in the valuations by the external valuation specialist.</li> <li>Held discussion with the external valuation specialist to obtain an understanding of assumptions used in the valuation report.</li> </ul>

## INDEPENDENT AUDITORS' REPORT (CONT'D)

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

#### *Information Other than the Financial Statements and Auditors' Report Thereon*

The Directors of the Company are responsible for the other information. The other information comprises the information included in the 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 does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, we conclude that there is a material misstatement of the 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, IFRS Accounting 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.



## INDEPENDENT AUDITORS' REPORT (CONT'D)

### 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)

- 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 directors, 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, related safeguards.

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)

.....  
**CHAN LOO PEI**  
(NO: 03628/12/2025 J)  
CHARTERED ACCOUNTANT

Kuala Lumpur

22 April 2024

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	4	40,701,147	44,745,184	–	–
Right-of-use assets	5	273,023,948	275,247,994	–	–
Investment properties	6	18,800,000	18,800,000	–	–
Intangible assets	7	102,929	–	–	–
Investment in subsidiaries	8	–	–	171,114,309	171,114,309
Investment in an associate	9	1,018,626	1,059,377	–	–
Total non-current assets		333,646,650	339,852,555	171,114,309	171,114,309
<b>Current assets</b>					
Inventories	10	2,233,816	1,352,021	–	–
Bearer biological assets	11	513,727	570,884	–	–
Trade receivables	12	541,115	264,158	–	–
Other receivables	13	829,490	591,860	1,000	1,000
Amount due from subsidiaries	14	–	–	866,050	50
Tax recoverable		1,006,584	–	39,571	39,571
Fixed deposits with licensed financial institutions	15	2,500	3,500	–	–
Cash and bank balances		2,508,924	6,115,256	77,791	46,777
Total current assets		7,636,156	8,897,679	984,412	87,398
<b>Total assets</b>		<b>341,282,806</b>	<b>348,750,234</b>	<b>172,098,721</b>	<b>171,201,707</b>

STATEMENTS OF FINANCIAL POSITION  
(CONT'D)

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Equity attributable to owners of the Company:-					
Share capital	16	131,996,700	131,996,700	131,996,700	131,996,700
Retained earnings		33,213,153	42,392,557	37,806,229	36,013,345
Non-controlling interest	8	165,209,853 76,836,678	174,389,257 80,693,785	169,802,929 -	168,010,045 -
<b>Total equity</b>		<b>242,046,531</b>	<b>255,083,042</b>	<b>169,802,929</b>	<b>168,010,045</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Loans and borrowings	17	13,818,749	7,893,869	-	-
Lease liabilities	5	8,284,372	7,492,699	-	-
Deferred tax liabilities	18	68,398,958	69,880,682	-	-
<b>Total non-current liabilities</b>		<b>90,502,079</b>	<b>85,267,250</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>					
Trade payables	19	682,989	231,805	-	-
Other payables	20	3,362,328	5,302,424	64,517	55,387
Amount due to a subsidiary	21	-	-	2,231,254	3,136,254
Amount due to an associate	22	565,195	565,195	-	-
Dividend payable		21	21	21	21
Loans and borrowings	17	3,614,752	2,188,854	-	-
Lease liabilities	5	508,911	45,527	-	-
Tax payable		-	66,116	-	-
<b>Total current liabilities</b>		<b>8,734,196</b>	<b>8,399,942</b>	<b>2,295,792</b>	<b>3,191,662</b>
<b>Total liabilities</b>		<b>99,236,275</b>	<b>93,667,192</b>	<b>2,295,792</b>	<b>3,191,662</b>
<b>Total equity and liabilities</b>		<b>341,282,806</b>	<b>348,750,234</b>	<b>172,098,721</b>	<b>171,201,707</b>

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

# STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the Financial Year Ended 31 December 2023

	Note	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Revenue	23	14,310,397	20,560,717	1,950,000	3,900,000
Cost of sales	24	(8,404,490)	(7,689,710)	–	–
Gross profit		5,905,907	12,871,007	1,950,000	3,900,000
Other income		2,728,794	64,906	–	–
Administration expenses		(7,575,833)	(7,201,071)	(367,116)	(370,913)
Depreciation for property, plant and equipment and right-of-use asset		(6,591,575)	(6,499,903)	–	–
Property, plant and equipment written off		(7,100,851)	–	–	–
Net gain/(loss) on impairment of financial instruments		–	39,442	210,000	(2,948,305)
Other expenses		(57,157)	(481,944)	–	(75,764)
Finance costs		(740,083)	(651,139)	–	–
Share of loss in associate	9	(40,751)	(68,356)	–	–
(Loss)/Profit before tax	25	(13,471,549)	(1,927,058)	1,792,884	505,018
Taxation	26	1,485,038	(1,586,528)	–	–
(Loss)/Profit for the financial year		(11,986,511)	(3,513,586)	1,792,884	505,018
Other comprehensive income		–	–	–	–
Total comprehensive (loss)/income for the financial year		(11,986,511)	(3,513,586)	1,792,884	505,018
<b>Loss for the financial year attributable to:-</b>					
Owners of the Company		(9,179,404)	(3,740,554)		
Non-controlling interest	8	(2,807,107)	226,968		
		(11,986,511)	(3,513,586)		
<b>Total comprehensive loss attributable to:-</b>					
Owners of the Company		(9,179,404)	(3,740,554)		
Non-controlling interest	8	(2,807,107)	226,968		
		(11,986,511)	(3,513,586)		
<b>Basic and diluted loss per share attributable to owners of the Company (sen)</b>					
	27	(1.39)	(0.57)		

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

# STATEMENTS OF CHANGES IN EQUITY

for the Financial Year Ended 31 December 2023

Group	Attributable to owners of the Company Distributable			Non- controlling interest RM	Total equity RM
	Share capital RM	Retained earnings RM	Total RM		
Balance at 1 January 2022	131,996,700	46,133,111	178,129,811	82,566,817	260,696,628
<i>Transactions with owners:-</i>					
Dividend paid to non-controlling interest	–	–	–	(2,100,000)	(2,100,000)
Total comprehensive loss for the financial year	–	(3,740,554)	(3,740,554)	226,968	(3,513,586)
Balance at 31 December 2022	131,996,700	42,392,557	174,389,257	80,693,785	255,083,042
<i>Transactions with owners:-</i>					
Dividend paid to non-controlling interest	–	–	–	(1,050,000)	(1,050,000)
Total comprehensive loss for the financial year	–	(9,179,404)	(9,179,404)	(2,807,107)	(11,986,511)
Balance at 31 December 2023	131,996,700	33,213,153	165,209,853	76,836,678	242,046,531
<b>Company</b>					
Balance at 1 January 2022	131,996,700	35,508,327	167,505,027		
Total comprehensive income for the financial year	–	505,018	505,018		
Balance at 31 December 2022	131,996,700	36,013,345	168,010,045		
Total comprehensive income for the financial year	–	1,792,884	1,792,884		
Balance at 31 December 2023	131,996,700	37,806,229	169,802,929		

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

# STATEMENTS OF CASH FLOWS

for the Financial Year Ended 31 December 2023

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
(Loss)/Profit before tax		(13,471,549)	(1,927,058)	1,792,884	505,018
<b>Adjustments for:-</b>					
Deposit written off		47,000	6,000	—	—
Depreciation of property, plant and equipment		2,980,176	2,852,018	—	—
Depreciation of right-of-use assets		3,611,399	3,647,885	—	—
Fair value loss on bearer biological assets		57,157	404,011	—	—
Property, plant and equipment written off		7,100,851	—	—	—
Dividend income		—	—	(1,950,000)	(3,900,000)
Waiver of debts		(2,698,226)	—	—	—
(Gain)/Loss on disposal of:-					
- property, plant and equipment		—	77,468	—	—
- right-of-use assets		(13,299)	—	—	—
Interest expense		740,083	651,139	—	—
Allowance for expected credit loss on:-					
- amount due from subsidiaries		—	—	—	2,948,305
Reversal of allowance for expected credit loss on:-					
- amount due from subsidiaries		—	—	(210,000)	—
- trade receivables		—	(37,250)	—	—
- non-trade receivables		—	(2,192)	—	—
Impairment loss on investment in subsidiaries		—	—	—	75,764
Inventories written off		—	6,125	—	—
Share of loss in associate		40,751	68,356	—	—
Operating (loss)/profit before working capital changes		(1,605,657)	5,746,502	(367,116)	(370,913)
<b>Changes in working capital:-</b>					
Inventories		(881,795)	(36,128)	—	—
Receivables		(561,587)	(64,805)	—	790
Payables		1,209,314	536,624	9,130	21,293
Cash (used in)/generated from operations		(1,839,725)	6,182,193	(357,986)	(348,830)
Tax paid		(1,069,386)	(1,665,092)	—	—
Net cash (used in)/from operating activities		(2,909,111)	4,517,101	(357,986)	(348,830)

STATEMENTS OF CASH FLOWS  
(CONT'D)

	Note	Group 2023 RM	2022 RM	Company 2023 RM	2022 RM
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Dividend received		–	–	1,950,000	3,900,000
Proceeds from disposal of property, plant and equipment		–	1,330,800	–	–
Proceeds from disposal of right-of-use assets		190,000	–	–	–
Purchase of property, plant and equipment		(5,950,087)	(3,075,077)	–	–
Purchase of right-of-use assets	A	(196,681)	–	–	–
Purchase of intangible assets		(102,929)	–	–	–
Withdrawal of fixed deposits with licensed financial institutions		1,000	–	–	–
Advances to a subsidiary		–	–	(656,000)	(2,948,055)
Net cash (used in)/from investing activities		(6,058,697)	(1,744,277)	1,294,000	951,945
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Dividend paid to non-controlling interest		(1,050,000)	(2,100,000)	–	–
Drawdown/(Repayment) of term loan		5,877,052	(1,171,689)	–	–
Interest paid		(740,083)	(651,139)	–	–
Repayment of principal portion of lease liabilities		(199,219)	(178,449)	–	–
Advances to a subsidiary		–	–	(905,000)	(609,000)
Net cash from/(used in) financing activities		3,887,750	(4,101,277)	(905,000)	(609,000)
<b>CASH AND CASH EQUIVALENTS</b>					
Net changes		(5,080,058)	(1,328,453)	31,014	(5,885)
Brought forward		5,126,567	6,455,020	46,777	52,662
Carried forward	B	46,509	5,126,567	77,791	46,777



## STATEMENTS OF CASH FLOWS (CONT'D)

### NOTES TO THE STATEMENTS OF CASH FLOWS

#### A. PURCHASE OF RIGHT-OF-USE ASSETS

The Group acquired right-of-use assets with an aggregate cost of RM1,650,957 (2022: RMNil) of which RM1,454,276 (2022: RMNil) was acquired by means of finance lease. Total cash payment of RM196,681 (2022: RMNil) was made to purchase the right-of-use assets.

#### B. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statements of cash flows comprise the following amounts:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Cash and bank balances	2,508,924	6,115,256	77,791	46,777
Fixed deposits with licensed financial institutions (Note 15)	2,500	3,500	–	–
Bank overdraft (Note 17)	(2,462,415)	(988,689)	–	–
	49,009	5,130,067	77,791	46,777
Less: Fixed deposits pledged to banks	(2,500)	(3,500)	–	–
	46,509	5,126,567	77,791	46,777

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

# NOTES TO THE FINANCIAL STATEMENTS

- 31 December 2023

## 1. GENERAL INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company are both located at Level 12, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan.

The Company is principally engaged in investment holding. The principal activities of its subsidiaries are disclosed in Note 8 to the financial statements.

There have been no significant changes in the nature of activities of the Company and its subsidiaries during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 22 April 2024.

## 2. GOING CONCERN

During the financial year, the Group incurred a net loss of RM11,986,511. And as of that date, the Group and the Company are having a negative operating cash flow of RM2,909,111 and RM357,986 respectively, and the current liabilities of the Group and the Company exceeded the current assets by RM1,098,040 and RM1,311,380 respectively.

The financial statements of the Group and the Company have been drawn up on the basis of accounting principles applicable to a going concern, the validity of which depends on the following conditions:

- (a) The subsidiary, Astral Asia Plantation Sdn. Bhd. will be able to generate sufficient cash flows from its plantation operation.
- (b) The plantation operation of subsidiary, Astral Asia Plantation Sdn. Bhd. will be supported by its borrowing facility.

In view of the abovementioned, the Directors consider that it is appropriate to prepare for the financial statements of the Group and of the Company on a going concern basis, and accordingly, the financial statements do not include any adjustments relating to the recoverability and classification of the recorded asset amounts, or to amounts and classification of liabilities that may be necessary should the going concern basis for the preparation of the financial statements of the Group and of the Company be not appropriate.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. BASIS OF PREPARATION

#### 3.1 Statement of compliance

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

#### 3.2 Basis of measurement

The financial statements of the Group and of the Company are prepared under the historical cost convention, except for investment in properties and biological assets that are measured at fair values at the end of each reporting period as indicated in the summary of significant accounting policies.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to by the Group.

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

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

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

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

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to their fair value measurement is unobservable.

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

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

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.3 Functional and presentation currency**

The financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency and all values are rounded to the nearest RM except when otherwise stated.

**3.4 Adoption of new amendments/improvements to MFRSs**

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 January 2023:

**Description**

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 Use  
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

The adoption of the above standards and amendments did not result in any material impact to the financial statements of the Group and of the Company, except as following:

Amendments to MFRS 101 Presentation of Financial Statements - Disclosure of Accounting Policies

The amendments change the requirements in MFRS 101 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant' with 'material'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in MFRS 101 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. The MASB has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in MFRS Practice Statement 2.

The amendments have had an impact on the Group's and the Company's disclosures of accounting policies but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. BASIS OF PREPARATION (CONT'D)

#### 3.5 Standards issued but not yet effective

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

##### Effective for financial period beginning 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 \*

##### Deferred to a date to be determined by the MASB

- 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's and the Company's operation.

The initial application of the accounting standards, interpretations and amendments are not expected to have any material financial impacts to the current period and prior period financial statements of the Group and the Company upon their first adoption.

#### 3.6 Significant accounting estimates and judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's and the Company's accounting policies and reported amounts of assets, liabilities, income and expenses, and disclosures made. Estimates and underlying assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.6 Significant accounting estimates and judgements (cont'd)****3.6.1 Estimation uncertainties**

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:-

**Fair value of biological assets**

The Group's bearer biological assets are measured at fair value less point-of-sale costs. In measuring fair values of fresh fruit bunches, management uses estimates of cash flows using inputs or assumptions of life to maturity, productivity quantity, mortality rate, selling prices of fresh fruit bunches, variable costs and profit margins. The probability-weighted cash flows are discounted using an appropriate discount rate that reflects the time value of money and the risk. As prices in agricultural business are volatile, the actual cash flows and discount rate may not coincide with the estimates made and this may have a significant effect on the Group's financial position and results.

**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 99 years and reviews the useful lives of depreciable assets at each end of the reporting period. As at 31 December 2023, management assesses that the useful lives represent the expected utility of the assets to the Group and the Company.

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 and the Company's assets. The carrying amounts are analysed in Notes 4 and 5 to the financial statements.

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 and the Company's loss for the financial year.

**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 environment changes which may cause inventories to be written down, and the Group's loss 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.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 3. BASIS OF PREPARATION (CONT'D)

#### 3.6 Significant accounting estimates and judgements (cont'd)

##### 3.6.1 Estimation uncertainties (cont'd)

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:- (cont'd)

##### **Provision for expected credit losses ("ECLs") of trade receivables**

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., customer type and rating).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product and inflation rates) are expected to deteriorate over the next year which can lead to an increased number of defaults in the construction and plantation sectors, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

##### **Leases – Estimating the incremental borrowing rate**

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liabilities. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

##### **Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit ("CGU") exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounting cash flows ("DCF") model. The cash flows are derived from the budget for the remaining useful life and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.



NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**3. BASIS OF PREPARATION (CONT'D)****3.6 Significant accounting estimates and judgements (cont'd)****3.6.1 Estimation uncertainties (cont'd)**

Information about significant estimates and assumptions that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses are discussed below:- (cont'd)

**Income taxes and deferred tax liabilities**

The Group is exposed to income taxes and deferred tax. Significant judgement is involved in determining the Group's provision for income taxes and deferred tax liabilities. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises 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.

**3.6.2 Significant management judgement**

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

**Classification between investment properties and owner-occupied properties**

The Group determines whether a property qualifies as an investment property, and has developed criteria in making that judgement. Investment property is a property held to earn rentals or for capital appreciation or both. Therefore, the Group considers whether a property generates cash flows largely independently of the other assets held by the Group.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held for use in the production or supply of goods or services or for administrative purposes. The Group accounts for the portions separately if the portions could be sold separately (or leased out separately under a financial lease). If the portion could not be sold separately, the property is an investment property only if an insignificant portion is held for use in the production or supply of goods or services or for administrative purposes.

Judgement is made on an individual property basis to determine whether ancillary services are so significant that a property does not qualify as an investment property.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

4. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold land RM	Bearer plants RM	Leasehold buildings RM	Freehold land and buildings RM	Plant and machinery RM	Motor vehicles RM	Fittings and equipment RM	Road and infrastructure RM	Renovation RM	Total RM
<b>Cost</b>										
At 1 January 2022	65,000	65,243,000	5,586,570	8,160,047	6,415,867	7,802,460	3,499,428	1,489,503	1,084,879	99,346,754
Additions	-	2,931,796	921	-	101,472	-	40,888	-	-	3,075,077
Disposals	-	-	(2,007,540)	-	-	-	(3,900)	-	-	(2,011,440)
Written-off	-	-	-	-	-	(93)	-	-	-	(93)
Reclassification from right-of-use assets (Note 5)	-	-	-	-	-	678,320	-	-	-	678,320
At 31 December 2022	65,000	68,174,796	3,579,951	8,160,047	6,517,339	8,480,687	3,536,416	1,489,503	1,084,879	101,088,618
Additions	-	5,476,359	-	-	158,593	-	173,127	-	142,008	5,950,087
Written-off	-	(24,324,995)	-	-	-	-	(12,420)	-	-	(24,337,415)
Reclassification from right-of-use assets (Note 5)	-	-	-	-	-	255,988	-	-	-	255,988
At 31 December 2023	65,000	49,326,160	3,579,951	8,160,047	6,675,932	8,736,675	3,697,123	1,489,503	1,226,887	82,957,278
<b>Accumulated depreciation</b>										
At 1 January 2022	-	31,849,161	2,974,661	864,691	6,146,426	7,460,011	3,137,624	175,582	1,027,865	53,636,021
Charge for the financial year	-	2,318,416	61,217	163,201	62,619	98,041	94,938	29,796	23,790	2,852,018
Disposals	-	-	(600,507)	-	-	-	(2,665)	-	-	(603,172)
Reclassification from right-of-use assets (Note 5)	-	-	-	-	-	458,567	-	-	-	458,567
At 31 December 2022	-	34,167,577	2,435,371	1,027,892	6,209,045	8,016,619	3,229,897	205,378	1,051,655	56,343,434
Charge for the financial year	-	2,435,687	42,624	163,201	99,523	99,590	85,965	29,796	23,790	2,980,176
Written-off	-	(17,230,448)	-	-	-	-	(6,116)	-	-	(17,236,564)
Reclassification from right-of-use assets (Note 5)	-	-	-	-	-	169,085	-	-	-	169,085
At 31 December 2023	-	19,372,816	2,477,995	1,191,093	6,308,568	8,285,294	3,309,746	235,174	1,075,445	42,256,131
<b>Net carrying amount</b>										
At 31 December 2022	65,000	29,953,344	1,101,956	6,968,954	367,364	451,381	387,377	1,254,329	151,442	40,701,147
At 31 December 2023	65,000	34,007,219	1,144,580	7,132,155	308,294	464,068	306,519	1,284,125	33,224	44,745,184

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Office equipment RM
<b>Cost</b>	
At 1 January 2022/31 December 2022/2023	5,330
<b>Accumulated depreciation</b>	
At 1 January 2022/31 December 2022/2023	(5,330)
<b>Net carrying amount</b>	
At 1 January 2022/31 December 2022/2023	–

- (a) Bearer plants of the Group with a net carrying amount of RM615,445 (2022: RM644,666) were pledged as a security for bank overdraft facility granted to a subsidiary as disclosed in Note 17 to the financial statements.
- (b) The freehold land and buildings of the Group with a net carrying amount of RM6,964,361 (2022: RM7,122,642) were pledged as a security for credit facilities granted to the subsidiaries as disclosed in Note 17 to the financial statements.

**Material accounting policy information****(a) Recognition and measurement**

All property, plant and equipment, except for bearer plant, are measured at cost less accumulated depreciation and less any impairment losses. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Cost includes expenditures that are directly attributable to the acquisition of the assets and any other costs directly attributable to bringing the asset to working condition for its intended use, cost of replacing component parts of the assets, and the present value of the expected cost for the decommissioning of the assets after their use. All other repair and maintenance costs are recognised in profit or loss as incurred.

Bearer plants comprise oil palm plants are stated at fair value deemed cost less any accumulated depreciation and any accumulated impairment losses. Cost of bearer plant includes expenditures that are directly attributable to the acquisition of the plants and any other costs directly attributable to bringing the plants to maturity. The cost also includes cost of planting, upkeep and maintenance, direct labour and estate overheads. For immature plants, borrowing costs are capitalised in accordance with the accounting policy on borrowing costs.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

#### Material accounting policy information (cont'd)

##### (b) Depreciation

Depreciation is recognised on the straight-line method in order to write off the cost or valuation of each asset over its estimated useful life. Freehold land with an infinite life is not depreciated. Other property, plant and equipment are depreciated based on the estimated useful lives of the assets as follows:-

Buildings	2%
Plant and machinery	15% - 20%
Motor vehicles	20%
Fittings and office equipment	10% - 20%
Road and infrastructure	2%
Renovation	20%

Immature bearer plants which are under construction are not depreciated. Upon maturity of the plants, accumulated cost will be depreciated over estimated production life of the plants of approximately 25 years from date of maturity. When the plants reach the end of their useful lives and are replanted, the carrying amount of the plants is derecognised.

### 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

#### Right-of-use assets

The Group has lease contracts for leasehold land and motor vehicles used in its operations. Lease of land are between 60 to 99 years and motor vehicles generally have lease terms of 3 years. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has certain leases of properties with lease terms of 12 months or less. The Group applies the "short-term lease" recognition exemptions for these leases.

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

Group	Leasehold land RM	Motor vehicles RM	Shop lot RM	Total RM
<b>Cost</b>				
At 1 January 2022	315,465,903	1,230,708	–	316,696,611
Reclassification to property, plant and equipment (Note 4)	–	(678,320)	–	(678,320)
At 31 December 2022	315,465,903	552,388	–	316,018,291
Addition	–	1,470,681	180,276	1,650,957
Disposal	(197,815)	–	–	(197,815)
Reclassification to property, plant and equipment (Note 4)	–	(255,988)	–	(255,988)
At 31 December 2023	315,268,088	1,767,081	180,276	317,215,445

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

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

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period.  
(cont'd)

Group (cont'd)	Leasehold land RM	Motor vehicles RM	Shop lot RM	Total RM
<b>Accumulated depreciation</b>				
At 1 January 2022	36,870,184	710,795	–	37,580,979
Charge for the financial year	3,510,769	137,116	–	3,647,885
Reclassification to property, plant and equipment (Note 4)	–	(458,567)	–	(458,567)
At 31 December 2022	40,380,953	389,344	–	40,770,297
Charge for the financial year	3,439,394	134,450	37,555	3,611,399
Disposal	(21,114)	–	–	(21,114)
Reclassification to property, plant and equipment (Note 4)	–	(169,085)	–	(169,085)
At 31 December 2023	43,799,233	354,709	37,555	44,191,497
<b>Net carrying amounts</b>				
At 31 December 2023	271,468,855	1,412,372	142,721	273,023,948
At 31 December 2022	275,084,950	163,044	–	275,247,994

- (a) Leasehold land of the Group with a net carrying amount of RM181,646,879 (2022: RM183,722,331) is registered in the name of a shareholder, Perbadanan Kemajuan Pertanian Negeri Pahang.
- (b) Leasehold land of the Group with a net carrying amount of RM133,836,159 (2022: RM4,541,530) are pledged as a security for loan and borrowings facilities granted to a subsidiary as disclosed in Note 17 to the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

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

#### Material accounting policy information

##### (a) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components and will instead account for the lease and non-lease components as a single lease component.

##### (b) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### Lease liabilities

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

	2023 RM	Group 2022 RM
At 1 January	7,538,226	7,716,675
Additions	1,454,276	–
Interest expense on lease liabilities	371,591	373,700
Payments	(570,810)	(552,149)
At 31 December	8,793,283	7,538,226
<b>Analysed as:</b>		
Current	508,911	45,527
Non-current	8,284,372	7,492,699
	8,793,283	7,538,226

Lease liabilities are secured over the right-of-use assets.

The maturity analysis of lease liabilities is disclosed in Note 31(b) to the financial statements.

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

	2023 RM	Group 2022 RM
Depreciation of right-of-use assets	3,611,399	3,647,885
Interest expense on lease liabilities	371,591	373,700
Expenses included in administrative expenses:- - Short-term leases	281,797	274,997
Total amount recognised in profit or loss	4,264,787	4,296,582

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 5. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (CONT'D)

## Lease liabilities (cont'd)

The following are total cash outflows from lease:-

	2023 RM	Group 2022 RM
Interest paid	371,591	373,700
Payment for principal portion lease liabilities	199,219	178,449
Payment relating to short-term leases	281,797	274,997
	852,607	827,146

## 6. INVESTMENT PROPERTIES

	2023 RM	Group 2022 RM
<b>At fair value</b>		
<u>Freehold land and building</u>		
1 January/31 December	18,800,000	18,800,000

Investment properties are stated at fair value, which have been determined based on valuation performed by Hartamas Valuation and Consultancy Sdn. Bhd., a registered valuer using income approach by investment method and the comparison method in arriving at the market value.

The income approach by investment method involved capitalisation of the net annual income stream that is expected to be received from the property after deducting the annual outgoings and other operating expenses incidental to the property with allowance for void by using an appropriate market derived capitalisation rate. The comparison method entails critical analysis of recent evidence of values of comparable properties in the neighbourhood and making adjustments for any differences noted.

The investment properties with a net carrying amount of RM18,800,000 (2022: RM18,800,000) have pledged to financial institutions for credit facilities granted to a subsidiary, as disclosed in Note 17 to the financial statements.

Investment properties at valuation are categorised at Level 2 fair value.

Level 2 Fair Value

Level 2 fair values of investment properties have been generally derived using the sales comparison approach. Sales price of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 6. INVESTMENT PROPERTIES (CONT'D)

#### Income and expenses recognised in profit or loss

	2023 RM	Group 2022 RM
Rental income	426,892	295,960
Direct operating expenses:-		
- Income generating investment properties	325,453	297,480

#### Material accounting policy information

Investment properties are measured subsequently at fair value with any changes therein recognised in profit or loss for the period in which they arise.

### 7. INTANGIBLE ASSETS

Group	Business brand, design and logo RM	Software RM	Research and development cost RM	Total RM
<b>Cost</b>				
At 1 January 2022/31 December 2022	—	—	—	—
Addition	38,442	4,487	60,000	102,929
At 31 December 2023	38,442	4,487	60,000	102,929
<b>Accumulated amortisation</b>				
At 1 January 2022/31 December 2022	—	—	—	—
Charge for the financial year	—	—	—	—
At 31 December 2023	—	—	—	—
<b>Net carrying amounts</b>				
At 31 December 2023	38,442	4,487	60,000	102,929

There is no amortisation being taken due to the assets are not being used yet during the financial year.

#### Material accounting policy information

##### (a) Recognition and measurement

Intangible assets that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses.



NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 8. INVESTMENT IN SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Unquoted shares:-		
At 1 January/31 December	181,523,002	181,523,002
Less: Impairment losses	(10,408,693)	(10,408,693)
	171,114,309	171,114,309

The movement of impairment losses is as follows:-

	Company	
	2023 RM	2022 RM
At 1 January	10,408,693	10,332,929
Impairment loss recognised	–	75,764
At 31 December	10,408,693	10,408,693

The particulars of the subsidiaries are as follows:-

Name of company	Place of Incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
1. Tasja Sdn. Bhd.	Malaysia	100	100	Civil engineering and building construction
2. PTJ Concrete Products Sdn. Bhd.	Malaysia	100	100	Dormant
3. Tasja Development Sdn. Bhd.	Malaysia	100	100	Property development
4. The Yum Yard Sdn. Bhd. (Formerly known as Clean Link Sdn. Bhd.)	Malaysia	100	100	Trading in food and beverage ("F&B")
5. Tasja Properties Sdn. Bhd.	Malaysia	100	100	Properties investment
6. Astral Asia Plantation Sdn. Bhd. ("AAP")	Malaysia	65	65	Operations of oil palm estates
7. Astral Chem Sdn. Bhd.	Malaysia	100	100	Dormant

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

#### Impairment tests for investment in subsidiaries

Management has carried out impairment test review for investment in subsidiaries based on the recoverable amount of each CGU. The impairment losses were recognised to adjust the carrying amount of investment in subsidiaries as the recoverable amount were lower than the carrying amount.

The recoverable amount of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the respective subsidiaries.

Details of Level 3 fair value method used in obtaining the recoverable amount are as follows:

Valuation method and key inputs	Significant unobservable inputs	Relationship of unobservable inputs and fair value
Adjusted net asset method which derives the fair value of an investee's equity instruments by reference to the fair value of its assets and liabilities	Fair value of individual assets and liabilities	The higher the net assets, the higher the fair value

#### Non-controlling interests in subsidiary

The Group's subsidiary that has material non-controlling interests are as follows:-

	Astral Asia Plantation Sdn. Bhd.	
	2023	2022
Percentage of ownership interest and voting interest (%)	35%	35%
Carrying amount of non-controlling interests (RM)	76,836,678	80,693,785
(Loss)/Profit allocated to non-controlling interests (RM)	(2,807,107)	226,968

The summary of financial information before intra-group elimination for the Group's subsidiary that has a material non-controlling interests is as below:-

	Astral Asia Plantation Sdn. Bhd.	
	2023	2022
<u>Statement of financial position as at 31 December</u>		
Non-current assets	301,986,201	309,326,367
Current assets	5,978,754	3,975,728
Non-current liabilities	(86,659,340)	(81,016,141)
Current liabilities	(5,646,908)	(5,606,942)
Net assets	215,658,707	226,679,012
<u>Summary of financial performance for the financial year ended</u>		
Total comprehensive (loss)/profit for the financial year	(8,020,305)	648,479
Included in the total comprehensive (loss)/profit is:-		
Revenue	13,883,505	20,156,844

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 8. INVESTMENT IN SUBSIDIARIES (CONT'D)

## Non-controlling interests in subsidiary (cont'd)

The summary of financial information before intra-group elimination for the Group's subsidiary that has a material non-controlling interests is as below:- (cont'd)

	Astral Asia Plantation Sdn. Bhd.	
	2023 RM	2022 RM
<u>Summary of cash flows for the financial year ended</u>		
Net cash inflow/(outflow) from		
- operating activities	142,309	7,841,324
- investing activities	(5,717,581)	(1,732,777)
- financing activities	3,674,957	(6,678,288)
Net cash outflow	(1,900,315)	(569,741)
<u>Other information</u>		
Dividend paid to non-controlling interest	1,050,000	2,100,000

## Material accounting policy information

Investments in subsidiaries are measured in the Group's statement of financial position at cost less any impairment losses.

## 9. INVESTMENT IN AN ASSOCIATE

	Group	
	2023 RM	2022 RM
Unquoted shares, at cost	2,450,000	2,450,000
Share of post-acquisition loss	(1,431,374)	(1,390,623)
	1,018,626	1,059,377

Details of the associate are as follows:-

Name of company	Place of Incorporation/ Principal place of business	Effective equity interest		Principal activities
		2023 %	2022 %	
Johor Concrete Products Sdn. Bhd. (436690 - T) *	Malaysia	49	49	Dormant

\* Associate not audited by Grant Thornton Malaysia PLT.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 9. INVESTMENT IN AN ASSOCIATE (CONT'D)

The following table summarised the information of the Group's associate, adjusted for any differences in accounting policies and reconciled the information to the carrying amount of the Group's interest in the associate:-

	2023 RM	2022 RM
<u>Statement of financial position as at 31 December</u>		
Non-current assets	2,652,228	2,726,288
Current assets	689,760	690,850
Current liabilities	(1,257,447)	(1,253,620)
Net assets	2,084,541	2,163,518
<u>Summary of financial performance for the financial year ended 31 December</u>		
Loss for the financial year/Total comprehensive loss for the financial year	83,166	139,502
<u>Reconciliation of net assets to carrying amount as at 31 December</u>		
Group's share of net assets	1,041,552	1,082,303
Negative goodwill	(22,926)	(22,926)
Carrying amount in the statements of financial position	1,018,626	1,059,377
<u>Group's share of results for the financial year ended 31 December</u>		
Group's share of loss/total comprehensive loss	40,751	68,356

#### Material accounting policy information

Investments in an associate is measured in the Group's statement of financial position at cost less any impairment.

### 10. INVENTORIES

	2023 RM	Group 2022 RM
Materials and stores	2,216,790	1,352,021
Finished goods	17,026	–
	2,233,816	1,352,021
<b>Recognised in profit or loss:-</b>		
Inventories recognised in cost of sales	8,079,037	7,390,549
Inventories written off	–	6,125

#### Material accounting policy information

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is calculated using the first-in-first-out method.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 11. BEARER BIOLOGICAL ASSETS

	2023 RM	Group 2022 RM
<b>At valuation</b>		
At 1 January	570,884	974,895
Fair value loss	(57,157)	(404,011)
At 31 December	513,727	570,884

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy. Fair value assessments have been completed consistently using the same valuation techniques.

There were no transfers Level 3 of the fair value hierarchy during the financial year.

The biological assets have the following maturity periods:-

	2023 RM	2022 RM
<u>Current</u>		
Due not later than one year	513,727	570,884

The biological assets of the Group comprise of:-

Oil palm

Oil palm represents the FFB of up to 2 weeks prior to harvest for use in the Group's palm producer operations. During the financial year, the Group harvested approximately 17,411 (2022: 18,250) metric tonnes ("MT") of FFB.

The Group attributes a fair value on the FFB prior to harvest at each statements of financial position date as required under MFRS 141 "Agriculture". FFB are produce of oil palm trees and are harvested continuously throughout the financial year to be used in the production of CPO.

Each FFB takes approximately 22 weeks from pollination to reach maximum oil content to be ready for harvesting. The value of each FFB at each point of the FFB production cycle will vary based on the cumulative oil content in each fruit.

In determining the fair values of FFB, management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, the FFB prior to 2 weeks before harvesting are excluded in the valuation as the fair values are considered negligible.

The valuation model adopted by the Group is a discounted cash flow model which includes all cash inflows, cash outflows and imputed contributory asset charges where no actual cash associated with the use of assets essential to the agricultural activity are accounted for. The net present value of cash flows is then determined with reference to the market value of CPO at the date of harvest, size of the land, metric ton produced and other cost to sell at the point of harvest. Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 11. BEARER BIOLOGICAL ASSETS (CONT'D)

The biological assets of the Group comprise of:- (cont'd)

#### Oil palm (cont'd)

The following valuation techniques and significant inputs were used to measure the biological assets:-

Description	Fair value at 2023 RM	Valuation technique	Discount rate	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Oil palm	513,727	Average MPOB price	5%	Estimation of produce growing on trees	24.27 MT to 149.72 MT	The higher the average MPOB price and metric ton produced, the higher the fair value
Description	Fair value at 2022 RM	Valuation technique	Discount rate	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Oil palm	570,884	Average MPOB price	5%	Estimation of produce growing on trees	10.00 MT to 235.16 MT	The higher the average MPOB price and metric ton produced, the higher the fair value

If the FFB selling price changes by 5%, profit or loss for the Group would have equally increased or decreased by approximately RM24,000 (2022: RM32,000).

#### **Risks**

The Group is exposed to a number of risks regarding its bearer biological assets:-

#### - Regulatory and environmental risks

The Group's plantation operations are subject to laws and regulations. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws. Management performs regular reviews to identify environmental risks and to ensure that the systems in place are adequate to manage those risks.

#### - Supply and demand risks

The Group is exposed to risks arising from the fluctuations of price and sales volumes of its agricultural produces. Management performs regular industry trend analysis to ensure that the Group's pricing structure is in line with the market and to ensure that projected harvest volumes are consistent with the expected demand.

#### - Other risks

The Group's oil palm plantations are exposed to the risk of damage from climate changes, disease, forest fires and other natural forces.

The Group has extensive processes in place aimed at monitoring and mitigating those risks, including regular forest health inspections and industry and pest disease surveys. The Group also insures itself, where cost-effective, against natural disasters such as fire.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**11. BEARER BIOLOGICAL ASSETS (CONT'D)****Material accounting policy information**

Biological assets comprised produce growing on bearer plants. Biological assets are measured at fair value less costs of disposal. Any gains or losses arising from changes in the fair value less costs of disposal net of transfers to produce stocks are recognised net in profit or loss. Fair value is determined based on the present value of expected net cash flows from the biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

**12. TRADE RECEIVABLES**

	2023 RM	Group 2022 RM
Trade receivables	1,315,702	1,038,745
Less: Allowance for expected credit loss	(774,587)	(774,587)
Net trade receivables	541,115	264,158

The movement of allowance for expected credit losses during the financial year is as follow:-

	2023 RM	Group 2022 RM
Brought forward	774,587	811,837
Reversal	–	(37,250)
Carried forward	774,587	774,587

**Reversal of allowance for expected credit losses ("ECL")**

The allowance for ECL on trade receivables was reversed during prior financial year as a result of write off.

The normal credit terms granted by the Group to the trade receivables ranging from 30 to 60 (2022: 30 to 60) days.

**13. OTHER RECEIVABLES**

	2023 RM	Group 2022 RM	2023 RM	Company 2022 RM
Non-trade receivables	2,424,455	2,088,108	5,303	5,303
Less: Allowance for expected credit losses	(2,003,449)	(2,003,449)	(5,303)	(5,303)
Retention fund receivables	421,006	84,659	–	–
Deposits	13,750	13,750	–	–
Prepayments	329,602	368,453	1,000	1,000
GST receivable	6,124	37,287	–	–
	59,008	87,711	–	–
	829,490	591,860	1,000	1,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 13. OTHER RECEIVABLES (CONT'D)

The movement of allowance for expected credit losses is as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Brought forward	2,003,449	2,005,641	5,303	5,303
Reversed	–	(2,192)	–	–
	2,003,449	2,003,449	5,303	5,303

### 14. AMOUNT DUE FROM SUBSIDIARIES

	Company	
	2023 RM	2022 RM
Amount due from subsidiaries	31,512,810	30,856,810
Less: Allowance for expected credit losses	(30,646,760)	(30,856,760)
	866,050	50

The movement of allowance for expected credit losses is as follows:-

	Company	
	2023 RM	2022 RM
Brought forward	30,856,760	27,908,455
Allowance for expected credit loss recognised	–	2,948,305
Reversal of expected credit losses	(210,000)	–
Carried forward	30,646,760	30,856,760

The amount due from subsidiaries arising from non-trade transactions is unsecured, bears no interest and repayable on demand.

The reversal of expected credit losses during the financial year as a result of subsequent receipts.

### 15. FIXED DEPOSITS WITH LICENSED FINANCIAL INSTITUTIONS

#### Group

The fixed deposits with licensed financial institutions amounted to RM2,500 (2022: RM3,500) are pledged for the guarantee facilities granted to a subsidiary.

The interest rate of fixed deposits with licensed financial institutions is 3.35% (2022: 3.35%) per annum.



NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 16. SHARE CAPITAL

	Group and Company No. of ordinary shares		Group and Company Amount	
	2023	2022	2023 RM	2022 RM
<b>Issued and fully paid with no par value:-</b>				
Brought forward/Carried forward	659,983,500	659,983,500	131,996,700	131,996,700

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company residual assets.

## 17. LOANS AND BORROWINGS

	2023 RM	Group 2022 RM
Secured:-		
Term loans	14,971,086	9,094,034
Bank overdraft	2,462,415	988,689
	17,433,501	10,082,723

The term loan and bank overdraft are repayable as follows:-

	2023 RM	Group 2022 RM
Within 1 year	3,614,752	2,188,854
More than 1 year but less than 2 years	1,207,492	1,255,321
More than 2 years but less than 5 years	7,596,451	5,572,839
More than 5 years	5,014,806	1,065,709
	13,818,749	7,893,869
	17,433,501	10,082,723

The effective interest rates per annum are as follows:

	2023 %	Group 2022 %
Term loan	6.20 – 6.85	4.70 – 8.35
Bank overdraft	8.20	4.90 – 6.95

Term loan is repayable over 180 monthly installments of RM118,052 each commencing after one month from the date of full disbursement.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 17. LOANS AND BORROWINGS (CONT'D)

The term loans and bank overdraft are secured by the following:-

- (a) Letter of Offer;
- (b) Facility Agreement;
- (c) Commodity Murabahah Facility Agreement;
- (d) Legal charge against the Group's bearer plants, freehold land and buildings and investment properties as disclosed in Notes 4 and 6 to the financial statements;
- (e) Legal charge against the Group's leasehold land as disclosed in Note 5 to the financial statements;
- (f) Deed of Assignment and Power of Attorney in respect of the rental proceeds from the security property of the lender;
- (g) Charge over the customer's ESCROW account with the bank; and
- (h) Corporate guarantee by the Company.

### 18. DEFERRED TAX LIABILITIES

#### Recognised deferred tax liabilities

	2023 RM	Group 2022 RM
At 1 January	69,880,682	69,773,103
Recognised in profit or loss (Note 26)	(1,481,724)	107,579
At 31 December	68,398,958	69,880,682
Presenting after appropriate offsetting as follows:		
Deferred tax assets	(2,206,651)	(1,797,029)
Deferred tax liabilities	70,605,609	71,677,711
	68,398,958	69,880,682

The balance of deferred tax liabilities is made up of tax effect on temporary differences arising from the following items:-

	1 January 2023 RM	Group Recognised in profit or loss RM	31 December 2023 RM
<b>Deferred tax assets:</b>			
Lease liabilities	1,797,029	(2,135)	1,794,894
Unabsorbed capital allowances	–	56,337	56,337
Unutilised tax loss	–	355,420	355,420
	1,797,029	409,622	2,206,651

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 18. DEFERRED TAX LIABILITIES (CONT'D)

## Recognised deferred tax liabilities (cont'd)

The balance of deferred tax liabilities is made up of tax effect on temporary differences arising from the following items:- (cont'd)

	1 January 2023 RM	Group Recognised in profit or loss RM	31 December 2023 RM
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	5,889,752	(571,199)	5,318,553
Revaluation of leasehold land and buildings	61,377,309	–	61,377,309
Revaluation of bearer plants	2,695,258	(371,291)	2,323,967
Revaluation of biological assets	233,975	(110,681)	123,294
Right-of-use assets	1,481,417	(18,931)	1,462,486
	71,677,711	(1,072,102)	70,605,609

	1 January 2022 RM	Group Recognised in profit or loss RM	31 December 2022 RM
<b>Deferred tax asset:</b>			
Lease liabilities	1,799,065	(2,036)	1,797,029
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	6,150,164	(260,412)	5,889,752
Revaluation of leasehold land and buildings	61,377,309	–	61,377,309
Revaluation of bearer plants	2,310,371	384,887	2,695,258
Revaluation of biological assets	233,975	–	233,975
Right-of-use assets	1,500,349	(18,932)	1,481,417
	71,572,168	105,543	71,677,711

## Unrecognised deferred tax assets

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

	2023 RM	Group 2022 RM
Unabsorbed capital allowances	726,000	652,000
Unutilised tax losses	119,277,000	116,762,000
Carrying amount of qualifying property, plant and equipment in excess of their tax base	(143,000)	(113,000)
	119,860,000	117,301,000

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 18. DEFERRED TAX LIABILITIES (CONT'D)

#### Unrecognised deferred tax assets (cont'd)

Deferred tax assets have not been recognised as the subsidiaries may not have sufficient taxable profits to be used to offset and there have arisen in subsidiaries that have a recent history of losses.

Effective Year of Assessment 2019 as announced in the Annual Budget 2022, the unutilised tax losses of Group and the Company as of 31 December 2018 and thereafter will be available for carry forward for a period of 10 consecutive years. Upon expiry of the 10 years, the unutilised tax losses will be disregarded.

The expiry of the unutilised tax losses as follows:-

	2023 RM	Group 2022 RM
Year of assessment 2028	98,215,000	98,215,000
Year of assessment 2029	13,132,000	13,132,000
Year of assessment 2030	750,000	750,000
Year of assessment 2031	2,187,000	2,187,000
Year of assessment 2032	2,478,000	2,478,000
Year of assessment 2033	3,995,918	–
	120,757,918	116,762,000

### 19. TRADE PAYABLES

#### Group

Included in trade payables is retention sums on contracts amounted to RM83,234 (2022: RM88,120). The normal credit terms granted by the trade payables range from 30 to 60 (2022: 30 to 60) days.

### 20. OTHER PAYABLES

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Non-trade payables	266,758	284,109	16,017	21,887
Accrual of expenses	1,628,337	1,571,687	48,500	33,500
Deposit received	1,467,233	747,892	–	–
Advances from customers	–	510	–	–
Amount due to corporate shareholders	–	2,698,226	–	–
	3,362,328	5,302,424	64,517	55,387

One of the corporate shareholders refer to Perbadanan Kemajuan Pertanian Negeri Pahang, who is a shareholder of the Company and a minority shareholder of a subsidiary, Astral Asia Plantation Sdn. Bhd..

In prior year, the amount due to corporate shareholders arising from non-trade transactions is unsecured, bears no interest and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**21. AMOUNT DUE TO A SUBSIDIARY**

The amount due to a subsidiary arising from non-trade transactions is unsecured, bears no interest and repayable on demand.

**22. AMOUNT DUE TO AN ASSOCIATE**

The amount due to an associate arising from non-trade transactions is unsecured, bears no interest and repayable on demand.

**23. REVENUE**

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>Revenue from contracts with customers:</b>				
Sales of fresh fruit bunches	13,883,505	20,156,844	–	–
Construction revenue	–	10,547	–	–
Sales of goods	–	97,366	–	–
	13,883,505	20,264,757	–	–
<b>Revenue from other sources:</b>				
Dividend income	–	–	1,950,000	3,900,000
Rental income	426,892	295,960	–	–
	426,892	295,960	1,950,000	3,900,000
	14,310,397	20,560,717	1,950,000	3,900,000
<b>Timing of revenue recognition</b>				
Goods transferred and services rendered at a point in time	13,883,505	20,254,210	–	–
Performance obligations satisfied over time	–	10,547	–	–
	13,883,505	20,264,757	–	–

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 23. REVENUE (CONT'D)

The following information reflects the details of revenue of the Group and the Company:-

Type of revenue	Detail of revenue
Sales of fresh fruit bunches	Revenue from sale of fresh fruit bunches from operation of oil palm estates is recognised at the point in time when control of asset is transferred to the customer, generally on delivery of the fresh fruit bunches. The normal credit term is 30 days upon delivery.
Construction revenue	Revenue from construction contracts are accounted for under the percentage of completion method. The stage of completion is measured by reference to the survey work performed for each contract. Any anticipated loss will be recognised in full.
Sales of goods	Revenue relating to sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Transaction price of the sales of goods will be net of sales returns and discount.
Dividend income	Dividend income is recognised when the Group's right to receive payment is established.
Rental income	Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

### 24. COST OF SALES

	Group	
	2023 RM	2022 RM
Cost of oil palm produce	8,079,037	7,279,367
Insurance	24,307	25,584
Building maintenance charges	233,622	204,372
Quit rent and assessment	67,524	67,524
Purchases of goods	—	112,863
	8,404,490	7,689,710

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 25. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been determined:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<b>After charging/(crediting):-</b>				
Auditors' remuneration related to:				
Statutory audit:-				
- Grant Thornton Malaysia PLT	99,500	97,500	28,000	28,000
Other services:-				
- Grant Thornton Malaysia PLT	5,000	5,000	5,000	5,000
- Grant Thornton Taxation Sdn. Bhd.	8,500	8,500	-	-
Interest expenses:-				
- lease liabilities	371,591	373,700	-	-
- term loan	256,843	223,785	-	-
- bank overdraft	111,649	53,654	-	-
Other income:-				
- rental income	-	(48,258)	-	-
Short-term leases	281,797	274,997	-	-
Deposit written off	47,000	6,000	-	-
Depreciation:-				
- property, plant and equipment	2,980,176	2,852,018	-	-
- right-of-use assets	3,611,399	3,647,885	-	-
Direct operating expenses of investment properties:-				
- income generating investment properties	325,453	297,480	-	-
(Gain)/Loss on disposal of:-				
- property, plant and equipment	-	77,468	-	-
- right-of-use assets	(13,299)	-	-	-
Property, plant and equipment written off	7,100,851	-	-	-
Waiver of debts	(2,698,226)	-	-	-

## 26. TAXATION

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Current tax:-				
- current year provision	55,000	1,503,535	-	-
- over provision in prior years	(58,314)	(24,586)	-	-
	(3,314)	1,478,949	-	-
Deferred tax (Note 18):-				
- current year	(1,414,420)	108,309	-	-
- over provision in prior years	(67,304)	(730)	-	-
	(1,481,724)	107,579	-	-
	(1,485,038)	1,586,528	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 26. TAXATION (CONT'D)

Malaysian income tax is calculated at the statutory tax rate of 24% of the estimated assessable profits for the financial year.

A reconciliation of income tax of statutory tax rate to effective tax rate of the Group and of the Company are as follows:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
(Loss)/Profit before tax	(13,471,549)	(1,927,058)	1,792,884	505,018
Taxation at Malaysian statutory tax rate of 24%	(3,233,172)	(462,494)	430,292	121,204
Tax effects in respect of:-				
Movement of deferred tax assets not recognised (Note 18)	614,160	598,800	-	-
Expenses not deductible for tax purposes	1,352,974	1,565,728	37,708	814,796
Income not subject to tax	(93,382)	(90,190)	(468,000)	(936,000)
Over provision of taxation in prior years	(58,314)	(24,586)	-	-
Over provision of deferred tax in prior years	(67,304)	(730)	-	-
Taxation	(1,485,038)	1,586,528	-	-

### 27. LOSS PER SHARE

#### Basic and diluted loss per ordinary shares

Basic and diluted loss per share are calculated based on the loss of the financial year attributable to ordinary equity holders of the Company and the number of ordinary shares in issue during the financial year.

	Group	
	2023 RM	2022 RM
Loss attributable to owners of the Company (RM)	(9,179,404)	(3,740,554)
Number of ordinary shares in issue:-		
Brought forward/Carried forward	659,983,500	659,983,500
Basic and diluted loss per ordinary shares (sen)	(1.39)	(0.57)



NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 28. EMPLOYEE BENEFITS EXPENSE

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Salaries, bonuses and allowances	4,246,700	4,608,124	188,000	207,000
Defined contribution plan	487,611	440,727	–	–
Social security contributions	29,006	18,440	–	–
Other benefits	177,110	171,186	–	–
	4,940,427	5,238,477	188,000	207,000

Included in employee benefits expense is Directors' remuneration as below:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
<u>Executive</u>				
Salaries and other emoluments	2,111,800	2,324,800	–	–
Defined contribution plan	261,221	251,791	–	–
Social security contribution	3,477	3,236	–	–
Other benefits	36,994	–	–	–
Fees	90,000	118,000	90,000	111,000
	2,503,492	2,697,827	90,000	111,000
<u>Non-executive</u>				
Fees	98,000	96,000	98,000	96,000

## 29. RELATED PARTY DISCLOSURES

- (a) In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and the Company and related parties were entered into during the financial year:-

	Group		Company	
	2023 RM	2022 RM	2023 RM	2022 RM
Dividend received from a subsidiary	–	–	1,950,000	3,900,000
Lease payment to a corporate shareholder	375,791	375,791	–	–

Related parties transactions have been entered into the normal course of business under normal trade terms.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 29. RELATED PARTY DISCLOSURES (CONT'D)

- (b) The Group and the Company have no other members of key management personnel apart from the Board of Directors. Key management personnel is defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly and entity that provides key management personnel services to the Group and the Company. The Directors' remuneration is disclosed in Note 28 to the financial statements.
- (c) The outstanding balances arising from related party transactions as at reporting date are disclosed in Notes 14, 20, 21 and 22 to the financial statements.

### 30. CATEGORIES OF FINANCIAL INSTRUMENTS

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities are measured at amortised cost ("AC").

Group	Carrying amount RM	AC RM
<b>2023</b>		
<b>Financial assets</b>		
Trade receivables	541,115	541,115
Other receivables	764,358	764,358
Fixed deposit with licensed financial institutions	2,500	2,500
Cash and bank balances	2,508,924	2,508,924
	<b>3,816,897</b>	<b>3,816,897</b>
<b>Financial liabilities</b>		
Trade payables	682,989	682,989
Other payables	3,362,328	3,362,328
Amount due to an associate	565,195	565,195
Loan and borrowings	17,433,501	17,433,501
Dividend payable	21	21
	<b>22,044,034</b>	<b>22,044,034</b>
<b>2022</b>		
<b>Financial assets</b>		
Trade receivables	264,158	264,158
Other receivables	466,862	466,862
Fixed deposit with licensed financial institutions	3,500	3,500
Cash and bank balances	6,115,256	6,115,256
	<b>6,849,776</b>	<b>6,849,776</b>
<b>Financial liabilities</b>		
Trade payables	231,805	231,805
Other payables	5,302,424	5,302,424
Amount due to an associate	565,195	565,195
Loan and borrowings	10,082,723	10,082,723
Dividend payable	21	21
	<b>16,182,168</b>	<b>16,182,168</b>

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 30. CATEGORIES OF FINANCIAL INSTRUMENTS (CONT'D)

The table below provides an analysis of financial instruments categorised as financial assets and financial liabilities are measured at amortised cost ("AC") (cont'd).

Company	Carrying amount RM	AC RM		
<b>2023</b>				
<b>Financial assets</b>				
Other receivables	1,000	1,000		
Amount due from subsidiaries	866,050	866,050		
Cash and bank balances	77,791	77,791		
	944,841	944,841		
<b>Financial liabilities</b>				
Other payables	64,517	64,517		
Amount due to a subsidiary	2,231,254	2,231,254		
Dividend payable	21	21		
	2,295,792	2,295,792		
<b>2022</b>				
<b>Financial assets</b>				
Other receivables	1,000	1,000		
Amount due from subsidiaries	50	50		
Cash and bank balances	46,777	46,777		
	47,827	47,827		
<b>Financial liabilities</b>				
Other payables	55,387	55,387		
Amount due to a subsidiary	3,136,254	3,136,254		
Dividend payable	21	21		
	3,191,662	3,191,662		
<b>Net (loss)/gain arising from financial instruments</b>				
	<b>Group</b>	<b>Company</b>		
	<b>2023 RM</b>	<b>2022 RM</b>	<b>2023 RM</b>	<b>2022 RM</b>
<b>Net (loss)/gain on:-</b>				
Financial assets at amortised cost	–	39,442	210,000	(2,948,305)
Financial liabilities at amortised cost	(740,083)	(651,139)	–	–
	(740,093)	(611,697)	210,000	(2,948,305)

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

### 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

#### Financial Risks

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. Financial risk management policy is established to ensure that adequate resources are available for the development of the Group's and the Company's business whilst managing its credit risk, liquidity risk and interest rate risk. The Group and the Company operate within clearly defined policies and procedures that are approved by the Board of Directors to ensure the effectiveness of the risk management process. The Group and the Company have not active engage in the trading of financial assets for speculative purposes nor does it write options. The Group and the Company do not apply hedge accounting.

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

#### (a) Credit risk

Credit risk is the risk of a financial loss to the Group and the Company if a customer or counterparty 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 of the Group's and the Company's total credit exposure. The Group's and the Company's portfolio of financial instrument is broadly diversified along industry, product and geographical lines, and transactions are entered into with diverse creditworthy counterparties, thereby mitigate any significant concentration of credit risk.

The Group's maximum exposure credit risk is represented by the carrying amount of trade and other receivables in the statements of financial position.

The Company's maximum exposure credit risk is represented by the carrying amount of other receivables including amount due from subsidiaries in the statements of financial position.

It is the Group's policy 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 management.

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

#### (i) Trade receivables

The Group's exposure to credit risk are influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

The Directors have established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external rating, if they are available, financial statements, credit agency information, industry information and in some cases bank references. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the Directors.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 12 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

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

## Financial Risks (cont'd)

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

## (a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk:- (cont'd)

## (i) Trade receivables (cont'd)

Set out below is the information about the credit risk exposure and ECLs on the Group's trade receivables which are grouped together as they are expected to have similar risk nature:-

Group	Gross-carrying amount RM	Loss allowances RM	Net balance RM
<b>2023</b>			
Current (not past due)	534,484	–	534,484
<b>Credit impaired</b>			
Individually impaired	781,218	(774,587)	6,631
	1,315,702	(774,587)	541,115
<b>2022</b>			
Current (not past due)	264,158	–	264,158
<b>Credit impaired</b>			
Individually impaired	774,588	(774,588)	–
	1,038,746	(774,588)	264,158

## (ii) Other receivables

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

## (iii) Intercompany balances

The maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

The Company provides unsecured advances to subsidiaries and monitors their results regularly.

As of the end of the reporting date, there was no indication that advances to subsidiaries are not recoverable except for amount due from subsidiaries amounted to RM30,646,760 (2022: RM30,856,760).

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### Financial Risks (cont'd)

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

#### (a) Credit risk (cont'd)

Following are the areas where the Group and the Company are exposed to credit risk:- (cont'd)

##### (iv) Financial guarantees

The maximum exposure to credit risk is amounted to RM14,971,086 (2022: RM9,094,034), represented by the outstanding banking facilities of the subsidiaries as at the end of the reporting date.

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors on an on-going basis the results of the subsidiaries and repayments made by the subsidiaries. As at the end of the reporting period, there was no indication that any subsidiary would default on repayment.

Financial guarantees have not been recognised since the fair value on initial recognition was not material.

#### (b) Liquidity risk

Liquidity risk is a risk that the Group and the Company will not be able to meet their financial obligations as they fall due as a result of shortage of funds.

In managing their exposure risk arises from payables and borrowings, the Group and the Company maintain a level of cash and cash equivalents deemed adequate by management to ensure that they will have sufficient liquidity to meet their obligations as and when they fall due.

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

Group	Carrying amount RM	Contractual cash flows RM	Maturity			
			Within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
<b>2023</b>						
Trade payables	682,989	682,989	682,989	—	—	—
Other payables	3,362,328	3,362,328	3,362,328	—	—	—
Amount due to an associate	565,195	565,195	565,195	—	—	—
Dividend payable	21	21	21	—	—	—
Lease liabilities	8,793,283	30,441,769	926,243	886,243	1,478,383	27,150,900
Loans and borrowings	17,433,501	22,313,519	4,300,879	1,838,464	10,380,204	5,793,972
<b>Total</b>	<b>30,837,317</b>	<b>57,365,821</b>	<b>9,837,655</b>	<b>2,724,707</b>	<b>11,858,587</b>	<b>32,944,872</b>

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

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

## Financial Risks (cont'd)

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

## (b) Liquidity risk (cont'd)

The summary of the maturity profile based on the contractual undiscounted repayment obligations is as follows:- (cont'd)

Group (cont'd)	Carrying amount RM	Contractual cash flows RM	Maturity			
			Within 1 year RM	1 to 2 years RM	2 to 5 years RM	More than 5 years RM
<b>2022</b>						
Trade payables	231,805	231,805	231,805	—	—	—
Other payables	5,302,424	5,302,424	5,302,424	—	—	—
Amount due to an associate	565,195	565,195	565,195	—	—	—
Dividend payable	21	21	21	—	—	—
Lease liabilities	7,538,226	29,457,123	427,268	375,791	1,127,373	27,526,691
Loans and borrowings	10,082,723	11,174,344	2,508,297	1,519,608	6,078,432	1,068,007
<b>Total</b>	<b>23,720,394</b>	<b>46,730,912</b>	<b>9,035,010</b>	<b>1,895,399</b>	<b>7,205,805</b>	<b>28,594,698</b>
<b>Company</b>						
<b>2023</b>						
Other payables	64,517	64,517	64,517	—	—	—
Amount due to a subsidiary	2,231,254	2,231,254	2,231,254	—	—	—
Dividend payable	21	21	21	—	—	—
<b>Total</b>	<b>2,295,792</b>	<b>2,295,792</b>	<b>2,295,792</b>	<b>—</b>	<b>—</b>	<b>—</b>
Corporate guarantee *	—	14,971,086	—	—	—	—
<b>2022</b>						
Other payables	55,387	55,387	55,387	—	—	—
Amount due to a subsidiary	3,136,254	3,136,254	3,136,254	—	—	—
Dividend payable	21	21	21	—	—	—
<b>Total</b>	<b>3,191,662</b>	<b>3,191,662</b>	<b>3,191,662</b>	<b>—</b>	<b>—</b>	<b>—</b>
Corporate guarantee *	—	9,094,034	—	—	—	—

\* This exposure is included in liquidity risk for illustration only. No financial guarantee was called upon by the holders as at the end of the reporting period.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### Financial Risks (cont'd)

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

#### (c) Interest rate risk

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

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

	Group RM
<b>2023</b>	
<b>Fixed rate instruments</b>	
<u>Financial asset</u>	
Fixed deposits with licensed financial institutions	2,500
<u>Financial liability</u>	
Lease liabilities	8,793,283
<b>Floating rate instrument</b>	
<u>Financial liability</u>	
Loans and borrowings	17,433,501
<b>2022</b>	
<b>Fixed rate instruments</b>	
<u>Financial asset</u>	
Fixed deposits with licensed financial institutions	3,500
<u>Financial liability</u>	
Lease liabilities	7,538,226
<b>Floating rate instrument</b>	
<u>Financial liability</u>	
Loans and borrowings	10,082,723

#### *Fair value sensitivity analysis for fixed rate instruments:*

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates as at the end of the reporting period would not affect profit or loss.



NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

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

## Financial Risks (cont'd)

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

## (c) Interest rate risk (cont'd)

*Cash flow sensitivity analysis for variable rate instruments:*

The following table illustrates the sensitivity of profit or loss and equity to a reasonable possible change in interest rates of +/- 25 (2022: 100) basis point ("bp"). These changes considered to be reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant.

	Loss for the year RM		Equity RM	
	+25 bp	-25 bp	+25 bp	-25 bp
<b>2023</b>	(33,124)	33,124	(33,124)	33,124
	+100 bp	-100 bp	+100 bp	-100 bp
<b>2022</b>	(76,629)	76,629	(76,629)	76,629

## Fair value of financial instruments

The carrying amounts of short-term borrowings (except for lease liabilities), receivables, payables and cash and cash equivalents approximate their fair values due to the relatively short-term nature of these financial instruments and insignificant impact of discounting.

## Reconciliation of movements of liabilities to cash flows arising from financing activities

	1 January RM	Cash flows RM	Others RM	31 December RM
<b>Group</b>				
<b>2023</b>				
Term loans	9,094,034	@ 5,877,052	–	14,971,086
Lease liabilities	7,538,226	(199,219)	* 1,454,276	8,793,283
<b>2022</b>				
Term loans	10,265,723	@ (1,171,689)	–	9,094,034
Lease liabilities	7,716,675	(178,449)	–	7,538,226

\* Being purchase of right-of-use asset through lease arrangements.

@ Being borrowings excluded overdraft during the financial year. The cash flows from term loans consists of the net amount of loan drawdown amounted to RM7,038,873 (2022: RMNIL) and repayment of term loan amounted to RM1,161,821 (2022: RM1,171,689) in the statements of cash flows.

## NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

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

#### Reconciliation of movements of liabilities to cash flows arising from financing activities (cont'd)

Company	1 January RM	Cash flows RM	31 December RM
<b>2023</b>			
Amount due to a subsidiary	3,136,254	(905,000)	2,231,254
<b>2022</b>			
Amount due to a subsidiary	3,745,254	(609,000)	3,136,254

### 32. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that they maintain a strong credit rating and financially prudent capital ratios in order to support their current business as well as future expansion so as to maximise shareholders' value.

The Group and the Company manage their capital structure and make adjustments to them, in light of changes in economic conditions including the interest rate movements. To maintain and adjust the capital structure, the Group and the Company may attain future profitable operations, adjust dividend payment to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts.

There were no changes in the Group's and the Company's approach to capital management during the financial year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal to or not less than the 25% of the issued and paid-up capital. The Company has complied with this requirement.

### 33. OPERATING SEGMENTS

#### (a) Business segments

Management currently identifies the Group's operating segment into the following:-

<u>Business segments</u>	<u>Business activities</u>
Investment	Investment holding
Property development and construction	Development and civil engineering and building construction
Plantation	Operations of oil palm estates
Trading	Retail sale of any kind of product over internet
F&B business	Trading in F&B

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

## 33. OPERATING SEGMENTS (CONT'D)

## (a) Business segments (cont'd)

2023	Note	Investment RM	Property development and construction RM	Plantation RM	F&B business RM	Adjustments and eliminations RM	Total RM
<b>Revenue</b>							
External revenue		426,892	-	13,883,505	-	-	14,310,397
Intersegment revenue	(i)	2,390,868	-	-	-	(2,390,868)	-
Total revenue		2,817,760	-	13,883,505	-	(2,390,868)	14,310,397
<b>Results</b>							
Finance cost		(256,843)	-	(478,846)	(4,394)	-	(740,083)
Depreciation of property, plant and equipment and right-of-use assets		(28,131)	(128,827)	(6,235,334)	(41,002)	(158,281)	(6,591,575)
Taxation		(50,174)	-	1,535,212	-	-	1,485,038
Other non-cash expenses	(ii)	-	9,861	(4,456,344)	-	(40,751)	(4,487,234)
Segment loss		1,341,182	(3,137,049)	(8,020,305)	(106,610)	(2,063,729)	(11,986,511)
<b>Assets</b>							
Investment in associate		-	1,019,373	-	-	(747)	1,018,626
Additions to non-current assets	(iii)	-	1,180,532	5,992,581	530,860	-	7,703,973
Segment assets		199,900,821	19,635,411	307,964,955	639,265	(186,857,646)	341,282,806
<b>Liabilities</b>							
Segment liabilities		31,870,991	30,928,410	92,306,248	1,104,141	(56,973,515)	99,236,275

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)

33. OPERATING SEGMENTS (CONT'D)

(a) Business segment (cont'd)

2022	Note	Investment RM	Property development and construction RM	Plantation RM	Trading RM	Adjustments and eliminations RM	Total RM
<b>Revenue</b>							
External revenue		295,960	10,547	20,156,844	97,366	-	20,560,717
Intersegment revenue	(i)	4,340,868	-	-	-	(4,340,868)	-
Total revenue		4,636,828	10,547	20,156,844	97,366	(4,340,868)	20,560,717
<b>Results</b>							
Finance cost		(223,785)	(256)	(427,098)	-	-	(651,139)
Depreciation of property, plant and equipment and right-of-use assets		(186,412)	(158,417)	(6,151,199)	(3,875)	-	(6,499,903)
Taxation		(48,304)	-	(1,538,224)	-	-	(1,586,528)
Other non-cash expenses	(ii)	-	(435)	(481,044)	39,442	(68,356)	(510,393)
Segment loss		199,399	(3,232,541)	648,479	(94,711)	(1,034,212)	(3,513,586)
<b>Assets</b>							
Investment in associate		-	1,060,124	-	-	(747)	1,059,377
Additions to non-current assets	(iii)	-	8,027	3,062,777	4,273	-	3,075,077
Segment assets		202,708,497	21,169,336	313,302,004	94,284	(188,523,887)	348,750,234
<b>Liabilities</b>							
Segment liabilities		35,544,849	29,325,286	86,623,083	452,550	(58,278,576)	93,667,192

NOTES TO THE FINANCIAL STATEMENTS  
(CONT'D)**33. OPERATING SEGMENTS (CONT'D)****(a) Business segment (cont'd)**

- (i) Inter-segment revenue are eliminated on consolidation.
- (ii) Other non-cash (expenses)/income consist of the following items as presented in the notes to the financial statements:-

	2023 RM	Group 2022 RM
Fair value loss on bearer biological assets	(57,157)	(404,011)
Gain/(Loss) on disposal of:-		
- property, plant and equipment	-	(77,468)
- right-of-use assets	13,299	-
Reversal of ECL on other receivables	-	2,192
Reversal of ECL on trade receivables	-	37,250
Property, plant and equipment written off	(7,100,851)	-
Share of loss in associate	(40,751)	(68,356)
Waiver of debts	2,698,226	-
	(4,487,234)	(510,393)

- (iii) Additions to non-current assets consist of:-

	2023 RM	Group 2022 RM
Property, plant and equipment	5,950,087	3,075,077
Right-of-use assets	1,650,957	-
Intangible assets	102,929	-
	7,703,973	3,075,077

**(b) Geographical segment**

No geographical segmental information being presented as the Group operates principally within Malaysia.

**(c) Information about a major customer**

Revenue from two (2022: one) major customers amounted to RM13,883,505 (2022: RM20,156,844), arising from sales by the plantation segment.

## GROUP'S PROPERTIES

as at 31 December 2023

	Address /Location	Description/ Existing	Land Area	Built Up Area	Tenure	Age of Building	Net Book Value RM	Year Revalued/ Acquired
1.	HS (D) 28295 PT 86317 HS (D) 38537 PT 104729 HS (D) 38538 PT 104730 Mukim of Kuala Kuantan District of Kuantan Pahang	Oil palm estate	985 hectares	–	Leasehold expiring in between years 2090 and 2106	–	80,624,000	2017
2.	HS(D) 853 PT 631 HS(D) 854 PT 632 HS(D) 406 PT 608 Mukim of Kertau HS(D) 609 PT 5616 HS(D) 852 PT 6566 Mukim of Luit HS(D) 610 PT 11316 HS(D) 611 PT 11317 HS(D) 612 PT 11318 HS(D) 849 PT 21456 HS(D) 850 PT 21457 HS(D) 851 PT 21458 Mukim of Chenor District of Maran, Pahang	Oil palm estate	3,034 hectares	–	Leasehold expiring between years 2094 and 2101	–	187,741,000	2017
3.	HSM 61911 (PT 85592) to HSM 61961 (PT 85642), Mukim of Kuala Kuantan District of Kuantan Pahang	51 Units Shoplot Vacant Land	6,976 square metres	–	Leasehold year 2104	–	1,969,000	2017
4.	HS (D) 2820 PT 6156 HS (D) 2821 PT 6157 HS (D) 2855 PT 6191 HS (D) 2856 PT 6192 HS (D) 3096 PT 6422 HS (D) 3088 PT 6430 Mukim Bernam Timur Daerah Batang Padang Perak	Vacant Bungalow Lots Land	7,722 square metres	–	Leasehold expiring in year 2095	–	1,135,000	2017
5.	Level 10,11 & 12 Menara TSR, No 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan	3 levels Office Lot	–	2,875 square metres	Freehold	10 Years	26,550,000	2017
6.	No. 77-1, Jalan SBC 1, Taman Sri Batu Caves, 68100 Batu Caves, Selangor Darul Ehsan	1 unit of Office Premise	–	123 square metres	Freehold	25 Years	221,000	2018

# ANALYSIS OF SHAREHOLDINGS

as at 1 April 2024

Total Number of Issued Shares	:	659,983,500
Class of shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
No of Shareholders	:	1,706

## ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of shareholders	%	No. of shareholdings	%
Less than 100	52	3.05	2,555	0.00
100 – 1,000	239	14.01	98,881	0.02
1001 – 10,000	404	23.68	2,478,044	0.37
10,001 – 100,000	870	51.00	31,031,473	4.70
100,001 – less than 5% of issued shares	137	8.03	206,107,100	31.23
5% and above issued shares	4	0.23	420,265,447	63.68
<b>TOTAL</b>	<b>1,706</b>	<b>100.00</b>	<b>659,983,500</b>	<b>100.00</b>

## SUBSTANTIAL SHAREHOLDERS

Name of Shareholders	Direct shareholdings	%	Indirect shareholdings	%
1. Perbadanan Kemajuan Pertanian Negeri Pahang	177,622,559	26.91	2,379,850*	0.36
2. Dato' Lim Kang Poh	95,228,289	14.43	–	–
3. Tan Sri Dato' Lim Kang Yew	89,552,289	13.57	–	–
4. Agur Tegap Sdn Bhd	57,862,310	8.77	–	–

## DIRECTORS' SHAREHOLDINGS

Name of Directors	Direct shareholdings	%	Indirect shareholdings	%
Dato' Lim Kang Poh	95,228,289	14.43	–	–
Tan Sri Dato' Lim Kang Yew	89,552,289	13.57	–	–

### Note

\* By virtue of deemed interest in LKPP Corporation Sdn Bhd

## ANALYSIS OF SHAREHOLDINGS (CONT'D)

### THIRTY (30) LARGEST SHAREHOLDERS

No.	Name of shareholders	No. of shareholdings	%
1.	Perbadanan Kemajuan Pertanian Negeri Pahang	177,622,559	26.91
2.	Dato' Lim Kang Poh	95,228,289	14.43
3.	Tan Sri Dato' Lim Kang Yew	89,552,289	13.57
4.	Agur Tegap Sdn Bhd	57,862,310	8.77
5.	Terusan Al-Maju Sdn Bhd	23,361,500	3.54
6.	Ngai Sok Tien	19,776,350	3.00
7.	Yap Kong Wooi	18,198,500	2.76
8.	Lim Hai	16,145,250	2.45
9.	Wan Ah Keow	14,714,050	2.23
10.	Kencang Kuasa Sdn Bhd	14,706,550	2.23
11.	Wong Chooi Lin	13,521,100	2.05
12.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for VM Team Engineering Sdn Bhd	12,389,300	1.88
13.	Mohd Saini Bin Kariman	10,320,050	1.54
14.	Wong Chooi Fah	6,922,100	1.05
15.	Dato' Lim Kang Swee	4,950,000	0.75
16.	Maybank Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Mohammad Anuwar Bin Ahmad	3,651,900	0.55
17.	Baskaran A/L Krishnan	3,275,800	0.50
18.	Tan Sri Dato' Husein Bin Ahmad	2,805,000	0.43
19.	TA Nominees (Tempatan) Sdn Bhd Pledged Securities Account for LKPP Corporation Sdn Bhd	2,379,850	0.36
20.	Chan Ling Lee	1,861,750	0.28
21.	Mohd Azmi Bin Md Yusof	1,815,000	0.28
22.	RHB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Veloo A/L Karupayah	1,656,500	0.25
23.	Rukun Bayu Sdn Bhd	1,558,700	0.24
24.	Citigroup Nominees (Asing) Sdn Bhd Exempt An for OCBC Securities Private Limited (Client A/C-NR)	1,456,050	0.22
25.	Tiong Sheue Yng	1,233,500	0.19
26.	Lee Mee Yoke	1,000,000	0.15
27.	Mohd Yusrijal Bin Mohd Zahir	806,400	0.12
28.	Foo Wen Ni	803,400	0.12
29.	Tiang Seng Diong	708,000	0.11
30.	Roszilawati Binti Akhir	685,500	0.10
<b>TOTAL</b>		<b>600,967,547</b>	<b>91.06</b>



# NOTICE OF THE 28TH ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Twenty-Eighth Annual General Meeting ("28th AGM") of the Company will be held at Board Room, Level 12, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 May 2024 at 11.00 a.m. for the following purposes :-

## AGENDA

### ORDINARY BUSINESS

- |    |  |   |
|----|--|---|
| 1. | To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Reports of the Directors and Auditors thereon. | <b>[PLEASE REFER TO EXPLANATORY NOTE (1)]</b> |
| 2. | To approve the payment of Directors' Fees for the financial year ended 31 December 2023.   | <b>[ORDINARY RESOLUTION 1]</b>                |
| 3. | To approve the payment of Directors' Fees of up to an amount of RM350,000.00 for the financial year ending 31 December 2024.                               | <b>[ORDINARY RESOLUTION 2]</b>                |
| 4. | To approve the payment of Directors' Benefits of up to an amount of RM50,000.00 for the financial year ending 31 December 2024.                            | <b>[ORDINARY RESOLUTION 3]</b>                |
| 5. | To re-elect Dato' Haji Arpan Shah Bin Satu who is retiring pursuant to Clause 119 of the Company's Constitution.   | <b>[ORDINARY RESOLUTION 4]</b>                |
| 6. | To re-elect Tan Sri Dato' Lim Kang Yew who is retiring pursuant to Clause 119 of the Company's Constitution.   | <b>[ORDINARY RESOLUTION 5]</b>                |
| 7. | To re-appoint Grant Thornton Malaysia PLT as Auditors of the Company for the ensuing year and to authorise the Directors to fix their remuneration.        | <b>[ORDINARY RESOLUTION 6]</b>                |

### SPECIAL BUSINESS

- |    |  |                                |
|----|--|--------------------------------|
| 8. | <b>AUTHORITY FOR DIRECTORS TO ALLOT SHARES AND WAIVER OF THE PRE-EMPTIVE RIGHTS FOR THE ISSUANCE OF THE NEW SHARES</b> | <b>[ORDINARY RESOLUTION 7]</b> |
|----|--|--------------------------------|

"**THAT** subject to the Companies Act 2016 ("the Act"), the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities") and the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to allot shares in the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer from time to time, at such price, to such persons and for such purposes and upon such terms and conditions, and as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors of the Company be and are also empowered to obtain approval from Bursa Securities for the listing of and quotation of the additional shares so issued AND THAT such authority shall continue to be in force until:

- (i) the conclusion of the next Annual General Meeting ("AGM") of the Company held after the approval was given;
- (ii) the expiration of the period within which the next AGM is required to be held after the approval was given; or
- (iii) revoked or varied by resolution passed by the shareholders of the Company in a general meeting;

whichever is the earlier.

## NOTICE OF THE 28TH ANNUAL GENERAL MEETING (CONT'D)

**THAT** pursuant to Section 85(1) of the Act which must read together with Clause 55 of the Constitution of the Company, by approving the resolution, the shareholders do hereby waive the statutory pre-emptive rights of the offered shares in proportion of their holdings at such price and at such terms to be offered arising from any issuance of the new shares above by the Company.

**AND THAT** the Directors be and are hereby authorised to issue any new shares (including rights or options over subscription of such shares) and with such preferred, deferred, or other special rights or such restrictions, whether with regard to dividend, voting, return of capital or otherwise, for such consideration and to any person as the Directors may determine.”

9. To transact any other business of which due notices shall be given.

BY ORDER OF THE BOARD,

CHUA HOON PING (MAICSA 7044386) SSM PC No. 202008003258  
NG CHEN KHIM (MIA 27280) SSM PC No. 202308000193  
Company Secretaries

Petaling Jaya  
30 April 2024

### Notes :

1. In respect of deposited securities, only depositors whose names appear in the Record of Depositors on 23 May 2024 (“General Meeting Record of Depositors”) shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.
2. A member entitled to attend and vote at the meeting is entitled to appoint a proxy or more (subject to a maximum of two (2) proxies) to attend and vote in his stead. A proxy may but need not be a member of the Company.
3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
4. Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account (“omnibus account”), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
6. The instrument appointing a proxy/proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company at Level 12, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara 47810 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting or adjourned meeting.

### **EXPLANATORY NOTES**

1. The Item 1 of the Agenda is meant for discussion only, as the provision of Section 340(1)(a) of the Act does not require a formal approval of the shareholders for the Audited Financial Statements. Hence this Agenda item is not put forward for voting.

NOTICE OF THE 28TH ANNUAL GENERAL MEETING  
(CONT'D)**EXPLANATORY NOTES (CONT'D)****Special Business****2. Resolutions 1, 2 & 3**

Section 230(1) of the Act provides amongst other, that the fees of the directors, and any benefits payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board of Directors ("Board") agreed that the members' approval shall be sought at the 28th AGM on the Directors' fees and benefits.

- Resolution 1 on payment of Directors' fees for the financial year ended 31 December 2023

The total amount of Directors' fees payable to the Directors for the financial year ended 31 December 2023 tabled for the members' approval.

Details of the Directors' fees payable to the Directors for the financial year ended 31 December 2023 are disclosed in the Corporate Governance Overview Statement as contained in Annual Report 2023.

- Resolution 2 on payment of Directors' fees for the financial year ending 31 December 2024

The total amount of Directors' fees payable to the Directors tabled for the members' approval is for an amount up to RM350,000.00. The figure is calculated with the assumption that there will be changes to the Board size during the aforesaid period.

- Resolution 3 on payment of Directors' benefits for the financial year ending 31 December 2024

The total amount of Directors' benefits payable to the Directors tabled for the members' approval is for an amount up to RM50,000.00. The figure is calculated with the assumption that there will be changes to the Board size during the aforesaid period.

The proposed Resolutions 2 and 3, if passed, will give authority to the Company to pay the Directors' fees and benefits on a quarterly/monthly basis and/or as and when incurred, since the Directors have discharged their responsibilities and rendered their services to the Company throughout the period.

In the event where the payment of Directors' fees and benefits payable exceeds the estimated amounts sought in the AGM, a shareholders' approval is to be sought in the next AGM of the Company in 2025 on the payment of the exceeded amount.

**3. Resolutions 4 & 5**

Clause 119 of the Company's Constitution expressly states that at the AGM in every subsequent year, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then, the number nearest to one-third shall retire from office and be eligible for re-election.

Pursuant to Article 119, Dato' Haji Arpan Shah Bin Satu and Tan Sri Dato' Lim Kang Yew are standing for re-election at this AGM.

The profiles of the Directors standing for re-election are set out in their respective profiles in the Annual Report. The Nomination Committee of the Company has assessed the criteria and contribution of Dato' Haji Arpan Shah Bin Satu and Tan Sri Dato' Lim Kang Yew and recommend for their re-election.

The Board endorsed the Nomination Committee's recommendation that Dato' Haji Arpan Shah Bin Satu and Tan Sri Dato' Lim Kang Yew be re-elected as Directors of the Company.

## NOTICE OF THE 28TH ANNUAL GENERAL MEETING (CONT'D)

### **EXPLANATORY NOTES (CONT'D)**

#### **4. Resolutions 6**

The Audit Committee and the Board have recommended the re-appointment of Grant Thornton Malaysia PLT as Auditors of the Company as they have met the relevant criteria prescribed under Paragraph 15.21 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

#### **Special Business**

#### **5. Resolution 7**

The proposed resolution if passed, will empower the Directors of the Company to issue and allot shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 10% of the total number of issued shares (excluding treasury shares) of the Company for the time being. The general mandate will provide flexibility to the Company for any possible fund raising activities.

Section 85(1) of the Act states that subject to the Constitution of the Company, where a company issues shares which rank equally to existing shares as to voting or distribution rights, those shares shall first be offered to the holders of existing shares in a manner which would, if the offer were accepted, maintain the relative voting and distribution rights of those shareholders.

Clause 55 of the Constitution of the Company states that subject to any direction to the contrary that may be given by the Company in a meeting of Members, all new shares or other convertible securities shall, before issue, be offered to such persons as at the date of the offer are entitled to receive notices from the Company of meetings of Members in proportion as nearly as the circumstances admit, to the amount of the existing shares or securities to which they are entitled.

As at the date of this notice, no new shares in the Company were issued to the mandate granted to the Directors at the last AGM held on 20 June 2023 and which will lapse at the conclusion of the 28th AGM.

## STATEMENT ACCOMPANYING NOTICE OF ANNUAL GENERAL MEETING

Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, there are no individuals who are standing for election as directors at the 28th AGM of the Company.

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## ASTRAL ASIA BERHAD

Registration No. 199601002254 (374600-X)

# PROXY FORM

No. of Shares held

CDS Account No.

I/We (full name in capital letters) \_\_\_\_\_ NRIC/Company/Passport No. \_\_\_\_\_

of (full address) \_\_\_\_\_

being members(s) of Astral Asia Berhad, hereby appoint:

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address & Contact No.			

and / or\* (\*delete as appropriate)

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Email Address & Contact No.			

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 Twenty-Eighth Annual General Meeting of the Company to be held at Board Room, Level 12, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan on Thursday, 30 May 2024 at 11.00 a.m. and at any adjournment thereof.

No	Resolutions	For	Against
1.	To approve the payment of Directors' Fees for the financial year ended 31 December 2023. (Resolution 1)		
2.	To approve the payment of Directors' Fees of up to an amount of RM350,000.00 for the financial year ending 31 December 2024. (Resolution 2)		
3.	To approve the payment of Directors' Benefits of up to an amount of RM50,000.00 for the financial year ending 31 December 2024. (Resolution 3)		
4.	To re-elect Dato' Haji Arpan Shah Bin Satu as Director (Clause 119). (Resolution 4)		
5.	To re-elect Tan Sri Dato' Lim Kang Yew as Director (Clause 119). (Resolution 5)		
6.	To re-appoint Grant Thornton Malaysia PLT as Auditors and to authorise the Directors to fix their remuneration. (Resolution 6)		
7.	<b>SPECIAL BUSINESS</b> Proposed Authority for Directors to Allot Shares and Waiver of Pre-Emptive Rights for the Issuance of the new Shares. (Resolution 7)		

Please indicate with an "X" in the space provided whether you wish your votes to be cast for or against the resolutions. In the absence for specific direction, your proxy will vote or abstain as he/she thinks fit.

Dated this ..... day of ..... 2024

.....  
Signature of Shareholder(s)

### Notes :

- In respect of deposited securities, only depositors whose names appear in the Record of Depositors on 23 May 2024 ("General Meeting Record of Depositors") shall be regarded as a member and entitled to attend, speak and vote at this meeting or appoint proxy(ies) to attend and vote on his/her behalf.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy or more (subject to a maximum of two (2) proxies) to attend and vote in his stead. A proxy may but need not be a member of the Company.
- Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorized nominee may appoint in respect of each omnibus account it holds.
- The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, either under Seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy/proxies and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority must be deposited at the registered office of the Company at Level 12, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, not less than 48 hours before the time for holding the meeting or adjourned meeting.



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AFFIX  
STAMP

*The Company Secretaries*  
**ASTRAL ASIA BERHAD**  
**Registration No. 199601002254 (374600-X)**  
Level 12, Menara TSR  
No. 12, Jalan PJU 7/3  
Mutiara Damansara  
47810 Petaling Jaya  
Selangor Darul Ehsan

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**ASTRAL ASIA**  
**B E R H A D**

199601002254 (374600-X)

Level 12, Menara TSR, No. 12, Jalan PJU 7/3, Mutiara Damansara  
47810 Petaling Jaya, Selangor Darul Ehsan  
Tel: +603 7717 5588 Fax: +603 7717 5599

