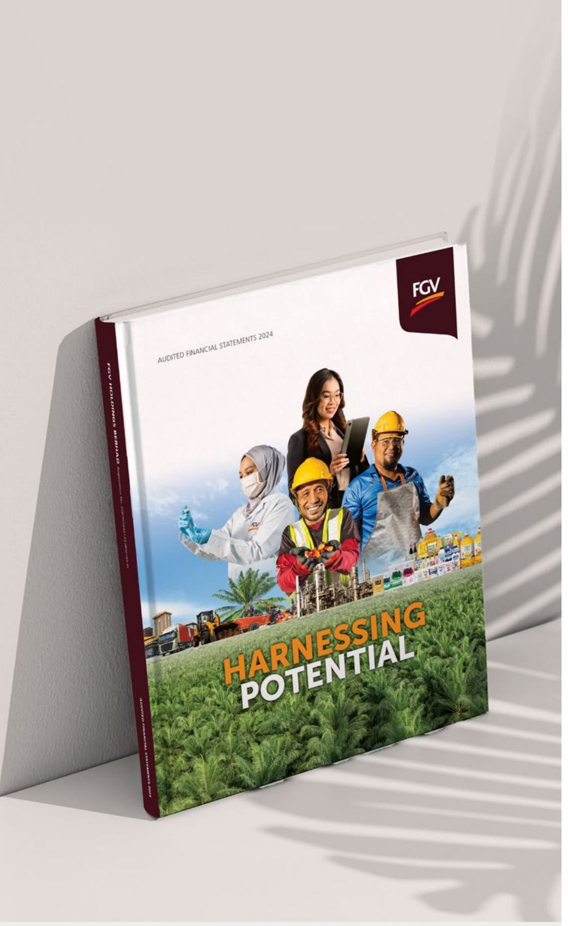
AUDITED FINANCIAL STATEMENTS 2024

HARNESSING POTENTIAL



COVER RATIONALE

The 2024 theme, **'Harnessing Potential'**, reflects the power of agriculture in driving growth, uplifting communities, and safeguarding the environment. It highlights FGV's commitment to innovation, inclusivity, and long-term value creation, empowering people, and supporting national development through a resilient agri-food eco-system.

The cover design emphasises the strength derived from unity and collaboration. It showcases a diverse workforce, whose collective presence highlights the human element behind FGV's success. This also underscores the importance of teamwork in achieving shared goals. The dynamic interplay of visuals, including plantation, oils & fats, sugar, logistics & support, and consumer products, seamlessly blends the various facets of FGV's operations. Together, these elements capture the essence of FGV's journey and vision. The design presents a compelling visual narrative of resilience and progress as the Group continues to strive to reach its full potential.

Our Reporting Approach

OUR REPORTING SUITE

FGV Holdings Berhad (FGV) 2024 reporting suite comprises the following:

AFS

The FGV Audited Financial Statements (AFS) provide a detailed and audited account of the Group's financial position and performance for the financial year. It offers stakeholders a clear and accurate understanding of our financial health, corporate governance, and regulatory compliance.

AUDITED FINANCIAL STATEMENTS 2024

AIR

The FGV Annual Integrated Report (AIR) serves as the primary source of information on the Group's financial and non-financial performance, offering a comprehensive view of our business operations across Malaysia and beyond. It reflects our commitment to transparency, accountability, and sustainable growth by integrating key financial results with insights into our environmental, social, and governance (ESG) initiatives, strategic direction, and operational achievements.

ANNUAL INTEGRATED REPORT 2024

WHAT'S INSIDE

Statement on Directors' Responsibility

The Directors are required by the Companies Act 2016 (Act) to prepare Financial Statements for each financial year which give a true and fair view of the financial position of the Group and of the Company at the end of the financial year and of the financial performance and cash flows of the Group and of the Company for the financial year. As required by the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, the Financial Statements for the financial year ended 31 December 2024 have been prepared in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Act.

The Directors consider that in preparing the Financial Statements for the financial year ended 31 December 2024 set out on pages 13 to 184, the Group and the Company have applied the appropriate accounting policies on a consistent basis and supported by reasonable judgments and estimates. The Directors have responsibility for ensuring that proper accounting records are kept. The accounting records should disclose with reasonable accuracy the financial position of the Group and of the Company to enable the Directors to ensure that the Financial Statements comply with the Act. The Directors have the general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities. This Statement was made in accordance with a resolution of the Board of Directors dated 25 March 2025.

Directors' Report

Directors' Report

The Directors have pleasure in submitting the annual report to the members together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

DIRECTORS

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

Tan Sri Rastam Mohd Isa	(Chairman)
Dato' Shahrol Anuwar Sarman	
Mohamad Fadzil Hitam	
Nurul Muhaniza Hanafi	(Appointed on 1 April 2024)
Dato' Dr Suzana Idayu Wati Osman	(Appointed on 1 April 2024)
Azizan Zakaria	(Appointed on 4 July 2024)
Rozainah Awang	(Appointed on 2 January 2025)
Datuk Abdul Halim Hamzah	(Appointed on 3 March 2025)
Dato' Amiruddin Abdul Satar	(Resigned on 1 April 2024)
Dato' Mohd Rafik Shah Mohamad	(Retired in 20 June 2024)
Nik Fazila Nik Mohamed Shihabuddin	(Cessation from office on 1 July 2024)
Datuk Dr Yatimah Sarjiman	(Cessation from office on 16 January 2025)

The Company was granted a relief by Companies Commission of Malaysia from disclosing the names of the Directors of the Company's subsidiaries in this report as required under Section 253(2) of Companies Act 2016 in Malaysia. The names of the Directors of the subsidiaries are set out in the respective subsidiaries' Directors' Report and the Board deems such information as included herein by such reference and shall form part hereof.

PRINCIPAL ACTIVITIES

The Company is principally an investment holding company with investments primarily in oil palm plantation and its related downstream activities, sugar refining, trading, logistics, marketing, rubber processing, research and development activities and related agribusiness activities. The principal activities of the subsidiaries are stated in Note 23 to the financial statements.

There were no significant changes in the nature of the activities of the Group and of the Company during the financial year.

FINANCIAL RESULTS

	Group RM'000	Company RM'000
Profit attributable to Owners of the Company	276,252	705,382
Non-controlling interests	47,515	–
Profit for the financial year	323,767	705,382

DIVIDENDS

Dividends on ordinary shares paid or declared by the Company since 31 December 2023 are as follows:

	RM'000
In respect of the financial year ended 31 December 2023:	
– Final single tier dividend of 3.0 sen per share, paid on 12 April 2024	109,445

On 28 February 2025, the Board of Directors agreed to declare the payment of a final single tier dividend of 5.0 sen per ordinary share in respect of financial year ended 31 December 2024 amounting to RM182.41 million.

RESERVES AND PROVISIONS

All material transfers to or from reserves or provisions during the financial year are shown in the financial statements.

DIRECTORS' BENEFITS

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

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than the benefits shown under Directors' Remuneration) by reason of a contract made by the Company or a related corporation with the Directors or with a firm of which he/she is a member, or with a company in which he/she has a substantial financial interest.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, none of the Directors who held office at the end of the financial year held any shares or debentures in the Company or its subsidiaries during the financial year.

AUDITORS' REMUNERATION

Details of auditors' remuneration are set out in Note 12 to the financial statements, which are as follows:

	Group RM'000	Company RM'000
Principal auditors' remuneration:		
– Audit fee	4,467	674
– Other assurance services	1,471	1,187
– Non-audit fee	595	544
Member firms of principal auditors' remuneration:		
– Audit fee	985	–
Other firms of auditors' remuneration:		
– Audit fee	119	–

Directors' Report

Directors' Report

DIRECTORS' REMUNERATION

Details of Directors' remuneration are set out in Note 13 to the financial statements, which are as follows:

	Group RM'000	Company RM'000
Directors' remuneration:		
– Fees	1,949	1,825
– Benefits in kind	51	51
– Other benefits	447	393
	2,447	2,269

INDEMNITY AND INSURANCE FOR DIRECTORS AND OFFICERS

The Company maintains a corporate liability insurance for the Directors and Officers of the Group throughout the financial year, which provides appropriate insurance cover for the Directors and Officers of the Group. The total amount of insurance premium paid by the Group during the financial year amounted to RM1,951,000 (2023: RM2,121,000).

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS

Before the financial statements of the Group and of the Company were prepared, 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 making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

(b) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

(a) which would render the amounts written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or

(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 render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may affect the ability of the Group or the Company to meet their obligations when they fall due.

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.

STATUTORY INFORMATION ON THE FINANCIAL STATEMENTS (CONTINUED)

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

In the opinion of the Directors:

(a) the results of the Group's and the Company's operations during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature, other than as disclosed in Note 55 to the financial statements; and

(b) 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 the operations of the Group or the Company for the financial year in which this report is made, other than as disclosed in Note 56 to the financial statements.

AUDITORS

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF 1146), have expressed their willingness to continue in office.

This report was approved by the Board of Directors on 25 March 2025. Signed on behalf of the Board of Directors:

TAN SRI RASTAM MOHD ISA	**AZIZAN ZAKARIA**
Chairman	Director

Kuala Lumpur

Statement By Directors

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

We, **Tan Sri Rastam Mohd Isa** and **Azizan Zakaria**, two of the Directors of FGV Holdings Berhad, do hereby state that, in the opinion of the Directors, the financial statements set out on pages 13 to 184 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and cash flows of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution dated 25 March 2025.

TAN SRI RASTAM MOHD ISA
Chairman

AZIZAN ZAKARIA
Director

Kuala Lumpur

Statutory Declaration

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

I, **Dato' Mohd Hairul Abdul Hamid**, the Officer primarily responsible for the financial management of FGV Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 13 to 184 are, to the best of my knowledge and belief, correct, and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

DATO' MOHD HAIRUL ABDUL HAMID
MIA membership no. 14173

Subscribed and solemnly declared by the abovenamed Dato' Mohd Hairul Abdul Hamid in Kuala Lumpur on 25 March 2025, before me.

Commissioner for Oaths

PESURUHJAYA SUMPAH
W 729
MARDHIYYAH
ABDUL WAHAB
1 JAN 2024-31 DIS 2026
MALAYSIA

SUITE 9.03, TINGKAT 9
MENARA RAJA LAUT
NO. 288 JALAN RAJA LAUT
50350 KUALA LUMPUR

pwc

Independent Auditors' Report

To the members of FGV Holdings Berhad
(Incorporated in Malaysia)
Registration No. 200701042133 (800165-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of FGV Holdings Berhad ("the Company") and its subsidiaries ("the Group") give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policies, as set out on pages 13 to 184.

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.

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of the Group and of the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

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

Independent Auditors' Report
To the members of FGV Holdings Berhad
(Incorporated in Malaysia)
Registration No. 200701042133 (800165-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
Land Lease Agreement ("LLA") liability assessment	
As at 31 December 2024, the LLA liability for the Group amounted to RM3.7 billion. We focused on this area as the fair value of the LLA liability is determined based on cash flows projections, which require significant estimates made by management on the assumptions used in the calculations, in particular, discount rate, prices of Crude Palm Oil ("CPO") and Palm Kernel ("PK"), average Fresh Fruit Bunches ("FFB") yield, and mature and immature estate costs. Refer to Note 3(i) in the material accounting policies, Note 5(i) in the critical accounting estimates and judgements and Note 44 to the financial statements.	We have performed the following audit procedures: • We checked the appropriateness of fair value model used to value the LLA liability. We also assessed the reasonableness of management's key assumptions used in the cash flows projections comprising discount rate, prices of CPO and PK, average FFB yield, and mature and immature estate costs, by comparing against those used in business plans, historical data and industry trend; • We evaluated the reliability of management's cash flows projections by comparing the actual past financial performance against previous forecasted results; • We examined sensitivity analysis performed by management on the discount rate, prices of CPO and PK, average FFB yield, mature and immature estate costs to evaluate the impact on the LLA liability; and • We assessed the adequacy of the disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.

Independent Auditors' Report
To the members of FGV Holdings Berhad
(Incorporated in Malaysia)
Registration No. 200701042133 (800165-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
Goodwill impairment	
As at 31 December 2024, the Group's carrying value of goodwill of RM803.0 million comprised goodwill in relation to sugar business in Malaysia of RM576.2 million and palm upstream operations in Malaysia of RM226.8 million. Goodwill is subject to annual impairment testing. We focused on this area as the determination of recoverable amounts of the assets in the Cash Generating Units ("CGUs") based on discounted cash flows projections prepared by management, involved a significant degree of judgement in determining the following key assumptions: **Business** — **Key assumptions** Sugar business — Selling price, raw sugar price, sales volume, freight charges, natural gas price, lease term, terminal value growth rate and discount rate. Palm upstream operations — CPO price, PK price, average FFB yield, mature and immature estate costs and discount rate. Refer to Note 3(d) in the material accounting policies, Note 5(ii) in the critical accounting estimates and judgements and Note 22 to the financial statements.	We performed the following procedures on the cash flow projections to support the impairment assessment of goodwill prepared by the management and approved by the Board of Directors of the Company: • We assessed the reliability of management's projections through the comparison of actual past financial performances against previous forecasted results; • We assessed the reasonableness of the key assumptions, which were used by management in developing the discounted cash flows projections, by comparing against historical data and industry trends; • We have ensured the reasonableness of the lease term based on the extension option stipulated in the rental contracts and legal opinion; • We examined the sensitivity analysis performed by management on the key assumptions for the respective businesses and also the discount rates used to evaluate the impact on the impairment assessment; and • We assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.

Independent Auditors' Report

To the members of FGV Holdings Berhad
(Incorporated in Malaysia)
Registration No. 200701042133 (800165-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters	How our audit addressed the key audit matters
Impairment assessments of non-financial assets with impairment indicators Management performed impairment assessments of the non-financial assets of the Group and the Company, which had impairment indicators. As a result, the following impairment losses were recognised during the financial year ended 31 December 2024: • Net impairment loss of RM161.9 million at the Group level for property, plant and equipment, right-of-use assets and intangible assets. • Impairment loss of RM125.1 million at the Company level in respect of the Company's cost of investment in subsidiaries. We focused on this area as the recoverable amounts of the non-financial assets are determined based on discounted cash flows projections. The cash flow projections require judgement by management on the future financial performance and the business plan of those businesses. These are disclosed in Notes 19, 20, 22 and 23 to the financial statements. Refer to Note 3(o) in the material accounting policies, Note 5(iii) in the critical accounting estimates and judgements and Notes 19, 20, 22 and 23 to the financial statements.	We have performed the following audit procedures: • We assessed management's assessment of the recoverable amounts against management's cash flow projections; • We assessed the reliability of management's projections through the comparison of actual past financial performances against previous forecasted results; • We assessed the reasonableness of the key assumptions, which were used by management in developing the discounted cash flows projections, by comparing against historical data and industry trends; • We have ensured the reasonableness of the lease term based on the extension option stipulated in the rental contracts and legal opinion; • We examined the sensitivity analysis performed by management on the relevant key assumptions for the respective businesses to evaluate the impact on the impairment assessment; and • We assessed the adequacy and reasonableness of the disclosures in the financial statements. Based on our procedures, we noted no significant exceptions.

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 Directors' Report, Chairman's Statement and Group Chief Executive Officer's Review, Management Discussion and Analysis and Statement on Risk Management and Internal Control and other sections of the 2024 Annual Integrated Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

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

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

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

Independent Auditors' Report
To the members of FGV Holdings Berhad
(Incorporated in Malaysia)
Registration No. 200701042133 (800165-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Responsibilities of the Directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

(a) 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.

(b) 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 of the Company's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

(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 on 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.

(e) 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.

(f) Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

pwc

Independent Auditors' Report

To the members of FGV Holdings Berhad
(Incorporated in Malaysia)
Registration No. 200701042133 (800165-P)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

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

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

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial 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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 23 to the financial statements.

OTHER MATTERS

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

PRICEWATERHOUSECOOPERS PLT
LLP0014401-LCA & AF 1146
Chartered Accountants

MAHESH A/L RAMESH
03428/04/2025 J
Chartered Accountant

Kuala Lumpur
25 March 2025

Statements of Profit or Loss

For the financial year ended 31 December 2024

	Note	Group		Company	
		2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Revenue	6	**22,157,528**	19,359,186	**1,122,464**	348,569
Cost of sales		**(20,041,891)**	(17,785,648)	**(163,795)**	(110,731)
Gross profit		**2,115,637**	1,573,538	**958,669**	237,838
Other operating income	7	**125,681**	121,194	**3,160**	9,899
Selling and distribution costs		**(238,543)**	(249,993)	**–**	–
Administrative expenses		**(1,006,160)**	(902,076)	**(21,089)**	(34,790)
(Impairment)/reversal of impairment on financial assets (net)	8	**(2,843)**	17,622	**(9,000)**	2,801
Other operating expenses	9	**(2,565)**	(22,527)	**(126,657)**	(15,361)
Other losses, net	10	**(361,381)**	(134,623)	**–**	–
Operating profit		**629,826**	403,135	**805,083**	200,387
Finance income	11	**42,255**	35,123	**–**	–
Finance costs	11	**(136,057)**	(125,154)	**(97,847)**	(84,443)
Share of results from associates	24	**(1,903)**	(1,498)	**–**	–
Share of results from joint ventures	25	**31,681**	24,836	**–**	–
Profit before zakat and taxation		**565,802**	336,442	**707,236**	115,944
Zakat	14	**(11,474)**	(34,162)	**–**	–
Taxation	15	**(230,561)**	(189,838)	**(1,854)**	(16,159)
Profit for the financial year	12	**323,767**	112,442	**705,382**	99,785
Profit attributable to:					
Owners of the Company		**276,252**	101,618	**705,382**	99,785
Non-controlling interests		**47,515**	10,824	**–**	–
		323,767	112,442	**705,382**	99,785
Earnings per share ("EPS") attributable to owners of the Company					
Basic and diluted EPS (sen)	17	**7.6**	2.8	**–**	–

Statements of Comprehensive Income

For the financial year ended 31 December 2024

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Profit for the financial year	**323,767**	112,442	**705,382**	99,785
Other comprehensive (loss)/income:				
Items that will not be reclassified to profit or loss				
Actuarial loss on defined benefit plan	**(335)**	(1,339)	**(65)**	(58)
Fair value changes in financial assets at fair value through other comprehensive income	**(25,353)**	(7,676)	**–**	–
Items that may be subsequently reclassified to profit or loss				
Currency translation differences	**(9,825)**	24,118	**–**	–
Share of other comprehensive income/(loss) of joint ventures	**2,118**	(16,222)	**–**	–
Share of other comprehensive income/(loss) of an associate	**325**	(1,353)	**–**	–
Realisation of foreign exchange reserve upon disposal of a foreign operation in joint venture	**–**	29,706	**–**	–
Realisation of foreign exchange reserve upon liquidation of a subsidiary	**–**	970	**–**	–
Realisation of foreign exchange reserve upon disposal of subsidiaries	**–**	6,362	**–**	–
Cash flow hedge reserve	**28**	213	**–**	–
	(7,354)	43,794	**–**	–
Total other comprehensive (loss)/income for the financial year, net of tax	**(33,042)**	34,779	**(65)**	(58)
Total comprehensive income for the financial year	**290,725**	147,221	**705,317**	99,727
Total comprehensive income attributable to:				
Owners of the Company	**241,960**	141,555	**705,317**	99,727
Non-controlling interests	**48,765**	5,666	**–**	–
	290,725	147,221	**705,317**	99,727

Statements of Financial Position

As at 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	19	**8,116,031**	7,908,289	**4,441**	5,576
Right-of-use assets	20	**2,141,479**	2,195,949	**11,631**	15,992
Investment properties	21	**58,999**	66,074	**8,655**	9,537
Intangible assets	22	**928,531**	889,593	**25,123**	13,708
Investment in subsidiaries	23	**–**	–	**8,352,814**	8,476,325
Interests in associates	24	**53,086**	58,060	**–**	–
Interests in joint ventures	25	**602,325**	593,623	**–**	–
Receivables	26	**170,847**	159,511	**–**	–
Amounts due from subsidiaries	27	**–**	–	**8,237**	7,033
Loans due from subsidiaries	28	**–**	–	**750,000**	–
Financial assets at fair value through profit and loss	29	**2,533**	5,340	**–**	–
Financial assets at fair value through other comprehensive income	30	**148,541**	160,973	**–**	–
Biological assets	31	**1,919**	4,717	**–**	–
Deferred tax assets	47	**288,709**	237,429	**4,124**	274
Tax recoverable		**61,786**	52,960	**–**	–
		12,574,786	12,332,518	**9,165,025**	8,528,445
Current assets					
Inventories	32	**2,330,019**	1,626,911	**–**	–
Biological assets	31	**110,920**	65,087	**–**	–
Receivables	26	**1,328,499**	1,333,652	**7,212**	12,022
Amount due from ultimate holding company	27	**39,595**	32,329	**577**	542
Amounts due from other related companies	27	**194,067**	62,037	**1,687**	1,537
Amounts due from subsidiaries	27	**–**	–	**50,734**	50,809
Amounts due from joint ventures	27	**166,419**	134,877	**–**	–
Amount due from an associate	27	**38**	38	**–**	–
Loans due from subsidiaries	28	**–**	–	**50,746**	490,308
Financial assets at fair value through profit or loss	29	**105,414**	89,857	**–**	–
Contract assets	33	**15,272**	26,139	**–**	–
Tax recoverable		**19,882**	44,139	**–**	1,844
Derivative financial assets	34	**1,697**	11,935	**–**	–
Deposits, cash and bank balances	35	**1,728,363**	1,523,234	**282,333**	111,176
		6,040,185	4,950,235	**393,289**	668,238
Total assets		**18,614,971**	17,282,753	**9,558,314**	9,196,683

Statements of Financial Position

As at 31 December 2024

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
EQUITY AND LIABILITIES					
Capital and reserves					
Share capital	37	**7,029,889**	7,029,889	**7,029,889**	7,029,889
Foreign exchange reserve	38	**108,107**	116,727	**–**	–
Reorganisation reserve	39	**(3,089,497)**	(3,089,497)	**–**	–
Other reserves	40	**(3,549)**	21,928	**–**	–
Retained earnings		**2,059,338**	1,892,868	**810,199**	214,327
Equity attributable to owners of the Company		**6,104,288**	5,971,915	**7,840,088**	7,244,216
Non-controlling interests		**1,511,506**	1,610,065	**–**	–
Total equity		**7,615,794**	7,581,980	**7,840,088**	7,244,216
Non-current liabilities					
Borrowings	41	**1,442,664**	1,163,357	**1,198,767**	796,450
Lease liabilities	42	**369,340**	351,888	**11,363**	16,264
Loans due to a subsidiary	43	**–**	–	**174,000**	663,783
Land lease agreement ("LLA") liability	44	**3,338,206**	3,257,842	**–**	–
Derivative financial liabilities	34	**–**	11	**–**	–
Provision for asset retirement	45	**37,710**	32,674	**–**	–
Provision for defined benefit plan	46	**62,097**	62,072	**1,119**	949
Deferred tax liabilities	47	**655,455**	591,523	**–**	–
		5,905,472	5,459,367	**1,385,249**	1,477,446
Current liabilities					
Payables	48	**2,060,680**	1,296,536	**66,131**	51,862
Contract liabilities	49	**85,623**	91,660	**–**	–
Amount due to ultimate holding company	27	**224,972**	276,663	**–**	–
Amounts due to other related companies	27	**5,572**	5,950	**264**	97
Amounts due to subsidiaries	27	**–**	–	**14,642**	8,824
Amount due to a joint venture	27	**238**	506	**–**	–
Amount due to an associate	27	**539**	331	**–**	–
Derivative financial liabilities	34	**7,485**	403	**–**	–
Borrowings	41	**2,304,971**	2,269,445	**101,483**	100,894
Lease liabilities	42	**40,625**	30,637	**3,363**	3,363
Loans due to a subsidiary	43	**–**	–	**146,289**	309,981
LLA liability	44	**325,281**	255,971	**–**	–
Provision for asset retirement	45	**716**	734	**–**	–
Current tax liabilities		**37,003**	12,570	**805**	–
		5,093,705	4,241,406	**332,977**	475,021
Total liabilities		**10,999,177**	9,700,773	**1,718,226**	1,952,467
Total equity and liabilities		**18,614,971**	17,282,753	**9,558,314**	9,196,683

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

Group 2024	Note	Share capital (Note 37) RM'000	Foreign exchange reserve (Note 38) RM'000	Reorganisation reserve (Note 39) RM'000	Other reserves (Note 40) RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2024		7,029,889	116,727	(3,089,497)	21,928	1,892,868	5,971,915	1,610,065	7,581,980
Profit for the financial year		-	–	–	–	276,252	276,252	47,515	323,767
Other comprehensive (loss)/income for the financial year, net of tax:									
Items that will not be reclassified to profit or loss									
– actuarial loss on defined benefit plan		–	–	–	–	(195)	(195)	(140)	(335)
– fair value changes in financial assets at fair value through other comprehensive income ("FVOCI")		–	–	–	(25,491)	–	(25,491)	138	(25,353)
Items that may be subsequently reclassified to profit or loss									
– currency translation differences		–	(11,063)	–	–	–	(11,063)	1,238	(9,825)
– share of other comprehensive income of joint ventures		–	2,118	–	–	–	2,118	–	2,118
– share of other comprehensive income of an associate		–	325	–	–	–	325	–	325
– cash flow hedge reserve		–	–	–	14	–	14	14	28
		–	(8,620)	–	14	–	(8,606)	1,252	(7,354)
Total comprehensive (loss)/income for the financial year		–	(8,620)	–	(25,477)	276,057	241,960	48,765	290,725
Transactions with owners									
Accretion of interest in a subsidiary		–	–	–	–	(142)	(142)	(1,258)	(1,400)
Dividends paid for the financial year ended 31 December 2023 (final)	16	–	–	–	–	(109,445)	(109,445)	–	(109,445)
Dividends paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	(146,066)	(146,606)
Total transactions with owners		–	–	–	–	(109,587)	(109,587)	(147,324)	(256,911)
At 31 December 2024		7,029,889	108,107	(3,089,497)	(3,549)	2,059,338	6,104,288	1,511,506	7,615,794

Consolidated Statement of Changes in Equity

For the financial year ended 31 December 2024

Group 2023	Note	Share capital (Note 37) RM'000	Foreign exchange reserve (Note 38) RM'000	Reorganisation reserve (Note 39) RM'000	Other reserves (Note 40) RM'000	Retained earnings RM'000	Attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2023		7,029,889	68,156	(3,089,497)	29,495	2,193,614	6,231,657	1,653,028	7,884,685
Profit for the financial year		–	–	–	–	101,618	101,618	10,824	112,442
Other comprehensive (loss)/income for the financial year, net of tax:									
Items that will not be reclassified to profit or loss									
– actuarial loss on defined benefit plan		–	–	–	–	(1,067)	(1,067)	(272)	(1,339)
– fair value changes in financial assets at fair value through other comprehensive income ("FVOCI")		–	–	–	(7,676)	–	(7,676)	–	(7,676)
Items that may be subsequently reclassified to profit or loss									
– currency translation differences		–	29,108	–	–	–	29,108	(4,990)	24,118
– share of other comprehensive loss of joint ventures		–	(16,222)	–	–	–	(16,222)	–	(16,222)
– share of other comprehensive loss of an associate		–	(1,353)	–	–	–	(1,353)	–	(1,353)
– realisation of forex exchange reserve upon disposal of a foreign operation in joint venture		–	29,706	–	–	–	29,706	–	29,706
– realisation of foreign exchange reserve upon liquidation of a subsidiary		–	970	–	–	–	970	–	970
– realisation of foreign exchange reserve upon disposal of a subsidiary		–	6,362	–	–	–	6,362	–	6,362
– cash flow hedge reserve		–	–	–	109	–	109	104	213
		–	48,571	–	109	–	48,680	(4,886)	43,794
Total comprehensive income/(loss) for the financial year		–	48,571	–	(7,567)	100,551	141,555	5,666	147,221
Transactions with owners									
Accretion of interest in a subsidiary		–	–	–	–	–	–	1,400	1,400
Liquidation of a subsidiary		–	–	–	–	–	–	(1,061)	(1,061)
Disposal of subsidiaries		–	–	–	–	–	–	2,258	2,258
Dividends paid for the financial year ended 31 December 2022 (final)	16	–	–	–	–	(401,297)	(401,297)	–	(401,297)
Dividends paid to non-controlling interests of subsidiaries		–	–	–	–	–	–	(51,226)	(51,226)
Total transactions with owners		–	–	–	–	(401,297)	(401,297)	(48,629)	(449,926)
At 31 December 2023		7,029,889	116,727	(3,089,497)	21,928	1,892,868	5,971,915	1,610,065	7,581,980

Statement of Changes in Equity

For the financial year ended 31 December 2024

Company 2024	Note	Non-distributable: Share capital (Note 37) RM'000	Distributable: Retained earnings RM'000	Total RM'000
At 1 January 2024		**7,029,889**	**214,327**	**7,244,216**
Profit for the financial year		–	**705,382**	**705,382**
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
– actuarial loss on defined benefit plan		–	**(65)**	**(65)**
Total comprehensive income for the financial year		–	**705,317**	**705,317**
Transactions with owners				
Dividends paid for the financial year ended 31 December 2023 (final)	16	–	**(109,445)**	**(109,445)**
Total transactions with owners		–	**(109,445)**	**(109,445)**
At 31 December 2024		**7,029,889**	**810,199**	**7,840,088**

Company 2023	Note	Non-distributable: Share capital (Note 37) RM'000	Distributable: Retained earnings RM'000	Total RM'000
At 1 January 2023		7,029,889	515,897	7,545,786
Profit for the financial year		–	99,785	99,785
Other comprehensive income:				
Item that will not be reclassified to profit or loss				
– actuarial loss on defined benefit plan		–	(58)	(58)
Total comprehensive income for the financial year		–	99,727	99,727
Transactions with owners				
Dividends paid for the financial year ended 31 December 2022 (final)	16	–	(401,297)	(401,297)
Total transactions with owners		–	(401,297)	(401,297)
At 31 December 2023		7,029,889	214,327	7,244,216

Statements of Cash Flows
For the financial year ended 31 December 2024

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit for the financial year	**323,767**	112,442	**705,382**	99,785
Adjustments for:				
Taxation	**230,561**	189,838	**1,854**	16,159
Zakat	**11,474**	34,162	**–**	–
Depreciation of property, plant and equipment	**666,330**	661,503	**1,268**	1,441
Impairment loss on property, plant and equipment (net)	**116,822**	81,308	**–**	–
Property, plant and equipment written off	**5,822**	9,674	**–**	–
Gain on disposal of property, plant and equipment (net)	**(1,603)**	(5,142)	**–**	–
Depreciation of right-of-use assets	**84,839**	80,318	**4,361**	4,361
Impairment loss/(reversal of impairment) on right-of-use assets	**40,337**	(491)	**–**	–
Depreciation of investment properties	**7,075**	7,705	**882**	882
Amortisation of intangible assets	**16,193**	12,549	**1,942**	2,883
Impairment loss on intangible assets	**4,780**	44,683	**–**	–
Gain on disposal of assets held for sale	**–**	(8,381)	**–**	–
Loss on remeasurement on asset held for sale	**–**	2,328	**–**	–
Reversal of impairment on amounts due from ultimate holding company	**(1,438)**	(3,366)	**–**	–
Impairment loss/(reversal of impairment) on amounts due from other related companies	**7,471**	(8,272)	–	1,287
Impairment loss/(reversal of impairment) on amounts due from subsidiaries (net)	**–**	–	**9,000**	(4,088)
Amount due from a subsidiary written off	**–**	–	**–**	28
Impairment loss on investment in subsidiaries	**–**	–	**125,148**	15,039
(Reversal of impairment)/impairment loss on contract assets	**(481)**	(521)	**–**	–
Reversal of impairment on amount due from a joint venture	**(1,335)**	(3,251)	**–**	–
Balance carried forward	**1,510,614**	1,207,086	**849,837**	137,777

Statements of Cash Flows
For the financial year ended 31 December 2024

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Balance brought forward	**1,510,614**	1,207,086	**849,837**	137,777
Adjustments for (continued):				
Gain on liquidation of a subsidiary	**–**	(786)	**–**	–
Loss on disposal of subsidiaries	**–**	2,234	**–**	–
Realisation of foreign exchange loss upon liquidation of a subsidiary	**–**	970	**–**	–
Realisation of foreign exchange loss upon disposal of subsidiaries	**–**	6,362	**–**	–
Loss on disposal of biological assets	**895**	1,014	**–**	–
Biological asset written off	**343**	79	**–**	–
Reversal of impairment loss on receivables (net)	**(1,855)**	(2,733)	**–**	–
Inventories written off	**9,535**	5,136	**–**	–
Allowance for inventories obsolescence	**6,948**	5,230	**–**	–
Share of results from associates	**1,903**	1,498	**–**	–
Share of results from joint ventures	**(31,681)**	(24,836)	**–**	–
Net unrealised foreign exchange (gain)/loss	**(3,992)**	2,668	**(463)**	294
Dividends from subsidiaries	**–**	–	**(945,292)**	(199,756)
Dividend income from financial assets at fair value through other comprehensive income	**(3,739)**	(3,258)	**–**	–
Finance costs	**136,057**	125,154	**97,847**	84,443
Finance income	**(42,255)**	(35,123)	**(3,246)**	(1,141)
Other losses, net	**403,724**	108,738	**–**	–
Fair value changes in biological assets (net)	**(42,343)**	25,885	**–**	–
Provision for defined benefit plan	**7,575**	17,837	**142**	384
Termination of lease contracts (net)	**(2,261)**	299	**–**	–
Provision for asset retirement	**4,984**	–	**–**	–
Unwinding of discount for provision for asset retirement	**372**	418	**–**	–
Operating profit before working capital changes	**1,954,824**	1,443,872	**(1,175)**	22,001

Statements of Cash Flows

For the financial year ended 31 December 2024

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM OPERATING ACTIVITIES (CONTINUED)				
Changes in working capital:				
Inventories	**(719,947)**	723,577	**–**	–
Receivables	**61,213**	252,643	**4,810**	(4,419)
Intercompany	**(227,665)**	241,217	**2,670**	(28,269)
Payables	**743,273**	(708,589)	**12,233**	(19,441)
Cash generated from operation	**1,811,698**	1,952,720	**18,538**	(30,128)
Finance income	**42,255**	35,123	**3,246**	1,141
Taxation paid	**(183,578)**	(397,987)	**(6,542)**	(12,282)
Zakat paid	**(11,474)**	(34,162)	**–**	–
Tax refunded	**5,703**	164	**3,487**	–
Retirement benefit paid	**(7,920)**	(5,235)	**(37)**	(61)
Net cash generated from/(used in) operating activities	**1,656,684**	1,550,623	**18,692**	(41,330)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property, plant and equipment	**(972,915)**	(969,822)	**(133)**	(1,241)
Renewal of right-of-use assets	**(31,188)**	(25,193)	**–**	–
Purchase of intangible assets	**(16,734)**	(10,349)	**(13,357)**	(6,744)
Purchase of biological assets	**(2,043)**	(2,993)	**–**	
Additions of financial assets at fair value through other comprehensive income	**(1,595)**	(1,997)	**–**	–
Additions of financial assets at fair value through profit or loss	**(174,169)**	(483,674)	**–**	–
Net cash inflow from disposal of subsidiaries	**–**	103,636	**–**	–
Net cash outflow from liquidation of a subsidiary	**–**	(526)	**–**	–
Additional investment in subsidiaries	**(1,400)**	–	**(1,637)**	(2,032)
Additional loans to subsidiaries	**–**	–	**(1,342,000)**	(1,238,897)
Repayment of loans from subsidiaries	**–**	–	**1,031,562**	955,600
Payment for asset retirement	**(57)**	(317)	**–**	–
Proceeds from disposal of property, plant and equipment	**3,470**	11,800	**–**	–
Proceeds from disposal of assets held for sale	**–**	25,063	**–**	–
Accretion of interest in a subsidiary by non-controlling interest	**–**	1,400	**–**	–
Proceeds from sales of financial assets at fair value through profit or loss	**174,082**	467,223	**–**	–
Proceeds from sales of biological assets	**113**	649	**–**	–
Dividends received from subsidiaries	**–**	–	**938,292**	635,459
Dividends received from joint ventures	**25,454**	12,325	**–**	–
Dividends received from associates	**3,397**	2,719	**–**	–
Dividends received from financial assets at fair value through other comprehensive income	**3,739**	3,258	**–**	–
Net cash (used in)/generated from investing activities	**(989,846)**	(866,798)	**612,727**	342,145

Statements of Cash Flows

For the financial year ended 31 December 2024

		Group		Company	
	Note	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of loans due to ultimate holding company		**–**	(331,665)	**–**	(331,665)
Repayment of loans to a subsidiary		**–**	–	**(822,900)**	–
Drawdown of loans from a subsidiary		**–**	–	**164,000**	150,000
Drawdown of borrowings		**10,714,968**	10,676,667	**500,000**	500,571
Repayment of borrowings		**(10,397,467)**	(9,969,836)	**(100,228)**	(100,000)
Payments of lease liabilities		**(68,688)**	(57,624)	**(6,602)**	(5,528)
Repayment of LLA liability		**(274,261)**	(300,247)	**–**	–
Dividends paid to shareholders		**(109,445)**	(401,297)	**(109,445)**	(401,297)
Dividends paid to non-controlling interests		**(146,066)**	(51,226)	**–**	–
Finance expense paid		**(166,624)**	(144,345)	**(85,087)**	(70,387)
Net cash used in financing activities		**(447,583)**	(579,573)	**(460,262)**	(258,306)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**219,255**	104,252	**171,157**	42,509
Effect of foreign exchange rate changes		**(14,126)**	21,876	**–**	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**1,523,234**	1,397,106	**111,176**	68,667
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	35	**1,728,363**	1,523,234	**282,333**	111,176

Statements of Cash Flows

For the financial year ended 31 December 2024

Cash flows and non-cash changes in liabilities arising from financing activities are as follows:

Group	At 1 January RM'000	Drawdown RM'000	Repayment# RM'000	Non-cash changes: Finance costs/ interest accretion RM'000	Interest capitalisation RM'000	Lease additions/ termination (net) RM'000	Foreign exchange movement/ transaction cost capitalisation RM'000	Fair value movement RM'000	At 31 December RM'000
2024									
Liabilities									
Islamic short term trade financing	1,991,255	10,204,011	(10,122,206)	37,049	51,566	–	–	–	2,073,060
Short term trade financing	6,178	–	(537)	537	–	–	(168)	–	6,010
Islamic term loans	433,266	–	(177,460)	14,513	–	–	–	–	270,319
Hire purchase	105,330	10,957	(20,448)	2,499	–	–	–	–	98,338
Sukuk	896,773	500,000	(154,825)	60,460	–	–	(2,500)	–	1,299,908
Total borrowings	3,432,802	10,714,968	(10,564,091)	115,058	51,566	–	(2,668)	–	3,747,635
Lease liabilities	382,525	–	(68,688)	20,999	–	75,573	(444)	–	409,965
LLA liability	3,513,813	–	(274,261)	–	–	–	–	423,935	3,663,487
	7,329,140	10,714,968	(10,907,040)	136,057	51,566	75,573	(3,112)	423,935	7,821,087
2023									
Liabilities									
Islamic short term trade financing	1,615,560	10,091,355	(9,794,495)	42,687	36,148	–	–	–	1,991,255
Short term trade financing	5,851	–	(697)	697	–	–	327	–	6,178
Islamic term loans	556,876	23,609	(170,833)	23,614	–	–	–	–	433,266
Hire purchase	49,983	61,703	(7,827)	1,471	–	–	–	–	105,330
Sukuk	497,374	500,000	(124,842)	26,741	–	–	(2,500)	–	896,773
Total borrowings	2,725,644	10,676,667	(10,098,694)	95,210	36,148	–	(2,173)	–	3,432,802
Lease liabilities	331,359	–	(57,624)	16,957	–	91,079	754	–	382,525
LLA liability	3,680,354	–	(300,247)	–	–	–	–	133,706	3,513,813
Loans due to ultimate holding company	333,316	–	(346,303)	12,987	–	–	–	–	–
	7,070,673	10,676,667	(10,802,868)	125,154	36,148	91,079	(1,419)	133,706	7,329,140

Included in the repayment are finance expense paid amounted to RM166,624,000 (2023: RM144,345,000).

The cash flows and non-cash changes arising from LLA liability is disclosed in Note 44 to the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2024

Cash flows and non-cash changes in liabilities arising from financing activities are as follows: (continued)

Company	At 1 January RM'000	Drawdown RM'000	Repayment# RM'000	Non-cash changes: Finance costs/ interest accretion RM'000	Interest/ transaction cost capitalisation RM'000	At 31 December RM'000
2024						
Loans due to a subsidiary	973,764	164,000	(853,135)	35,660	–	320,289
Lease liabilities	19,627	–	(6,602)	1,701	–	14,726
Hire purchase	571	–	(255)	26	–	342
Sukuk	896,773	500,000	(154,825)	60,460	(2,500)	1,299,908
	1,890,735	664,000	(1,014,817)	97,847	(2,500)	1,635,265
2023						
Loans due to a subsidiary	811,034	150,000	(30,907)	43,637	–	973,764
Loans due to ultimate holding Company	333,316	–	(346,303)	12,987	–	–
Lease liabilities	24,077	–	(5,528)	1,078	–	19,627
Hire purchase	–	571	–	–	–	571
Sukuk	497,374	500,000	(124,842)	26,741	(2,500)	896,773
	1,665,801	650,571	(507,580)	84,443	(2,500)	1,890,735

Included in the repayment are finance expense paid amounted to RM85,087,000 (2023: RM70,387,000).

Notes to the Financial Statements

For the financial year ended 31 December 2024

1 GENERAL INFORMATION

The Company is incorporated in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad.

The registered office and principal place of business of the Company is located at Level 21, Wisma FGV, Jalan Raja Laut, 50350 Kuala Lumpur.

The Company is principally an investment holding company with investments primarily in oil palm plantation and its related downstream activities, sugar refining, trading, logistics, marketing, rubber processing, research and development activities and related agribusiness activities. The principal activities of the subsidiaries are stated in Note 23 to the financial statements. There have been no significant changes in the nature of these activities of the Group and of the Company during the financial year.

2 BASIS OF PREPARATION

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

The financial statements of the Group and of the Company have been prepared under the historical cost convention unless otherwise indicated in the individual policy statements in Note 3 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period.

It also requires Directors to exercise their judgement in the process of applying the Group's and Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5.

(i) Accounting pronouncements that are effective and have been adopted by the Group and Company:

The Group and Company have applied the following accounting pronouncements for the first time for the financial year on 1 January 2024:

- Amendments to MFRS 101 'Classification of liabilities as current or non-current' ('2020 amendments') and 'Non-current Liabilities with Covenants' ('2022 amendments')
- Amendments to MFRS 16 'Lease Liability in a Sale and Leaseback'
- Amendments to MFRS 107 and MFRS 7 'Supplier Finance Arrangements'

The accounting pronouncements listed above did not have significant impact on the amounts recognised in prior periods and did not significantly affect the current or expected to affect future periods.

Notes to the Financial Statements
For the financial year ended 31 December 2024

2 BASIS OF PREPARATION (CONTINUED)

(ii) Accounting pronouncements that are effective after 1 January 2025 and have not been early adopted by the Group and Company:

A number of new standards and amendments to standards and interpretations are effective for the financial year beginning after 1 January 2025. The Group and Company has not early adopted these new standards and amendments. None of these is expected to have a significant effect on the financial statements of the Group and Company, except for the following set out below:

<u>Effective annual periods beginning on or after 1 January 2027</u>

- MFRS 18 'Presentation and Disclosure in Financial Statements' which aims to enhance the financial reporting quality and replaces MFRS 101 'Presentation of Financial Statements'. The new standard introduces a new structure of profit or loss statement whereby income and expenses are classified into 3 new main categories:
  i. Operating category which typically includes results from the main business activities
  ii. Investing category that presents the results of investments in associates and joint ventures and other assets that generate a return largely independently of other resources; and
  iii. Financing category that presents income and expenses from financing liabilities (such as bank borrowings and lease liabilities)

  The standard also requires the entity to present specific totals and subtotals in the statement of profit or loss, specifies the disclosure of management-defined performance measures as well as the aggregation and disaggregation of information in the financial statements and accompanying notes.

  MFRS 18 will be applied retrospectively. The Group and Company is currently assessing the financial impact that may arise from the adoption of the above amendments to published standards.

The following accounting pronouncements are currently being assessed by the Group and the Company and are not expected to have any significant impact on the financial statements of the Group and Company.

<u>Effective annual periods beginning on or after 1 January 2025</u>

- Amendments to MFRS 121 on 'Lack of Exchangeability'

<u>Effective annual periods beginning on or after 1 January 2026</u>

- Amendments to MFRS 9 & 7 on Amendments to Classification and Measurement of Financial Instruments

<u>Effective annual periods beginning on or after 1 January 2027</u>

- MFRS 19 'Subsidiary without Public Accountability: Disclosures' (effective 1 January 2027)

3 MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

(a) Basis of consolidation and investment in subsidiaries

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of financial year. Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Acquisition accounting

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group when the acquired sets of activities and assets meet the definition of a business. The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of the non-controlling interests. The Group recognises any non-current controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recognised as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 3(d)).

Predecessor accounting

Acquisitions of subsidiaries and businesses under common control that meet the conditions of a merger are accounted for using the predecessor basis of accounting. The acquisitions of Felda Global Ventures North America Sdn. Bhd. ("FGVNA") and plantation estates owned by Federal Land Development Authority ("FELDA") in prior financial years, which met the conditions of a merger have been accounted for using that basis.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation and investment in subsidiaries (continued)

Predecessor accounting (continued)

Under the predecessor basis of accounting, the results of subsidiaries and businesses under common control are presented as if the business combination had been effected throughout the current and previous years. The assets and liabilities combined are accounted for based on the carrying amounts from the perspective of the common control shareholder at the date of transfer. On consolidation, the cost of the business combination is cancelled with the values of the shares received. Any resulting credit or debit difference is classified as reorganisation reserve. Any share premium, capital redemption reserve and any other reserves which are attributable to share capital of the combined entities, to the extent that they have not been capitalised by a debit difference, are reclassified and presented as movement in other capital reserves.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated, unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency with the policies adopted by the Group.

Non-controlling interests is the equity in a subsidiary not attributable, directly or indirectly, to a parent. On an acquisition-by-acquisition basis, the Group measures any non-controlling interests in the acquiree at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. At the end of reporting period, non-controlling interests consists of amount calculated on the date of combinations and its share of changes in the subsidiary's equity since the date of combination.

The gain or loss on disposal of a subsidiary is the difference between net disposal proceeds and the Group's share of its net assets as of the date of disposal including the cumulative amount of any exchange differences or other reserves that relate to the subsidiary and is recognised in profit or loss.

All earnings and losses of the subsidiary are attributed to the parent and the non-controlling interests, even if the attribution of losses to the non-controlling interests results in a debit balance in the non-controlling interests.

In the Company's financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (Note 3(h)).

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in equity attributable to owners of the Group. The deficit in the non-controlling interests are to be reclassified to retained earnings upon liquidation of subsidiaries.

(c) Disposal of subsidiaries

When the Group ceases to consolidate because of a loss of control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(d) Goodwill

Goodwill represents the excess of the cost of acquisition of subsidiaries, associates and joint ventures over the Group's share of the fair value of their identifiable net assets including contingent liabilities at the date of acquisition. Goodwill on acquisition in respect of a subsidiary is included in the consolidated statement of financial position as intangible assets, or if arising in respect of an associate or joint ventures, is included in investments in associates or joint ventures. Negative goodwill represents the total of consideration transferred, non-controlling interest recognised and previously held interest measured being less than where the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(e) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment in an associate is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the associate in profit or loss, and the Group's share of movements in other comprehensive income of the associate in other comprehensive income. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interests in the associate, including any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. The Group's investments in associates includes goodwill identified on acquisition.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. An impairment loss is recognised for the amount by which the carrying amount of the associate exceeds its recoverable amount.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

Dilution gains and losses arising in investments in associates are recognised in profit or loss.

In the Company's financial statements, investments in associates are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investments in associates is assessed and written down immediately to its recoverable amount (Note 3(h)).

On disposal of the associates, the difference between net disposal proceeds and its carrying amount is charged/credited to profit or loss.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement. A joint operation is a joint arrangement whereby the joint operators have rights to the assets and obligations for the liabilities, relating to the arrangement.

Joint ventures

The Group's interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position. Under the equity method, the investment in a joint venture is initially recognised at cost, and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the joint venture in profit or loss, and the Group's share of movements in other comprehensive income of the joint venture in other comprehensive income. Dividends received or receivable from a joint venture are recognised as a reduction in the carrying amount of the investment. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures, including any long-term interests that, in substance, form part of the Group's net investment in the joint ventures, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Joint operations

In relation to the Group's interest in joint operations, the Group recognises its assets (including its share of any assets held jointly), liabilities (including its share of any liabilities incurred jointly), revenue from the sale of its share of the output arising from the joint operation (including share of the revenue from the sale of the output by the joint operation) and expenses (including its share of any expenses incurred jointly).

Where necessary, appropriate adjustments are made to the joint arrangements' financial statements to ensure consistency with the Group's accounting policies.

In the Company's financial statements, investments in joint arrangements are shown at cost less accumulated impairment losses.

Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount (Note 3(h)).

On disposal of a joint arrangement, the difference between net disposal proceeds and its carrying amount is charged/credited to profit or loss.

(g) Earnings per share

The Group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue. Diluted EPS is calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue, assuming conversion of any outstanding RCPS and RCCPS into ordinary shares.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets

Classification

The Group classifies its financial assets in the following categories:

(i) those to be measured subsequently at fair value (either through profit or loss or other comprehensive income); and
(ii) those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income ("FVOCI").

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

a) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss, together with foreign exchange gains and losses. Impairment losses are presented as separate line item in profit or loss.

b) FVOCI

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are recognised in profit or loss and impairment expenses are presented as separate line item in profit or loss.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Measurement (continued)

(i) Debt instruments (continued)

c) FVPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment

(i) Impairment for debt instruments and financial guarantee contracts

The Group and the Company assess on a forward looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group and the Company's financial instruments that are subject to the ECL model are as follows:

- Receivables
- Loans and amounts due from intercompany
- Contract assets

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss is deemed immaterial.

ECL represent a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group and the Company expect to receive, over the remaining life of the financial instrument. For financial guarantee contracts, the ECL is the difference between the expected payments to reimburse the holder of the guaranteed debt instrument less any amounts that the Company expects to receive from the holder, the debtor or any other party.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Impairment (continued)

(i) Impairment for debt instruments and financial guarantee contracts (continued)

a) General 3-stage approach for other receivables, deposits, loans due from intercompany and non-trade amounts due from intercompany

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12 month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required.

The measurement details of ECL are disclosed in the relevant notes to the financial assets.

b) Simplified approach for trade receivables, lease receivables, trade amounts due from intercompany and contract assets

The Group applies the MFRS 9 simplified approach to measure ECL which uses a lifetime ECL for trade receivables and contract assets.

The measurement details of ECL are disclosed in the relevant notes to the financial assets.

The credit risk assessment basis and credit risk rating of the debt instruments are disclosed in Note 4(a) to the financial statements.

(ii) Significant increase in credit risk

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

The following indicators are incorporated:

– internal credit rating;
– external credit rating (as far as available);
– actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
– actual or expected significant changes in the operating results of the debtor;
– significant increases in credit risk on other financial instruments of the same debtor;
– significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements;
– significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtor in the group and changes in the operating results of the debtor.

Macroeconomic information (such as market interest rates or growth rates) is incorporated as part of the internal rating model as applicable.

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

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Impairment (continued)

(iii) Definition of default and credit-impaired financial assets

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when the debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

(iv) Groupings of instruments for ECL measurement

a) Collective assessment

To measure ECL, trade receivables and contract assets arising from the Group have been grouped based on the days past due and shared credit risk characteristics as follows:

(i) Geographical region of customers
(ii) Customer division
(iii) Related company and external customers
(iv) Other shared credit risks

The contract assets relate to amounts due from customers on contracts and unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

b) Individual assessment

Trade receivables and contract assets which are in default or credit-impaired are assessed individually.

Other receivables, loans and amounts due from intercompany and financial guarantee contracts are assessed on individual basis for ECL measurement, as credit risk information is obtained and monitored separately.

(v) Write-off

a) Trade receivables and contract assets

Trade receivables and contract assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Impairment losses on trade receivables and contract assets are presented as net impairment losses on the face of profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item.

b) Other debt instruments

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Subsequent recoveries of amounts previously written off will result in impairment gains.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) Financial assets (continued)

Impairment (continued)

(vi) Subsidiaries, joint ventures and associates

An impairment loss is recognised for the amount by which the carrying amount of the subsidiary, joint venture or associate exceeds its recoverable amount. The recoverable amount is higher of an asset's fair value less costs of disposal and value-in-use. Any subsequent increase in recoverable amount is recognised in profit or loss.

(i) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, net of, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective finance method except for the LLA liability and derivatives in a loss position which are measured at fair value through profit or loss.

For financial liabilities other than the LLA liability and derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Gains or losses arising from changes in fair value of the LLA liability and derivatives are recognised in profit or loss within other gains/losses, net. Net gains or losses on derivatives include exchange differences.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the statement of financial position date.

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Foreign exchange differences are capitalised to the extent of the capitalisation of the related borrowing costs.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially difference terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial liabilities (continued)

When the basis to determine the future contractual cash flows of the borrowings are modified entirely as a result of Interbank Offered Rate ("IBOR") reform, the Group applied the reliefs provided in the Phase 2 amendments of IBOR reform with no modification gain or loss is recognised.

In situations where some or all of a change in the basis for determining the contractual cash flows of a borrowing does not meet the criteria of the Phase 2 amendments, the Group first applies the practical expedient to the changes required by IBOR reform, including updating the effective interest rate of the borrowings. Any additional changes are accounted for as modification of borrowings in accordance with the requirement in MFRS 9 (that is, assessed for modification or derecognition, with the resulting modification gain or loss recognised immediately in profit or loss where the borrowings is not derecognised).

The Group's Islamic term loan is based on 1-month and 3-month Kuala Lumpur Interbank Offered Rate ("KLIBOR"). The Group will closely monitor the regulators' announcement on the alternative benchmark rate or discontinuation of publication of the KLIBOR for the relevant tenor; and engage the counterparties to discuss necessary changes to the related contracts, including the Islamic profit rate swap the Group has entered into. There are no updates at 31 December 2024.

(j) Property, plant and equipment

Property, plant and equipment are initially stated at cost. All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See significant accounting policies Note 3(i) on borrowing costs. To the extent a legal or constructive obligation to a third party exists, the acquisition cost includes estimated cost of dismantling and removing the assets and restoring the site.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Group and the costs of the item can be measured reliably. The carrying amount of replaced parts are derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Major spare parts, stand-by equipment and servicing equipment are classified as property, plant and equipment rather than inventory when they are expected to be used during more than one period.

A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. The bearer plants of the Group are oil palm trees, rubber trees and mango trees. Immature bearer plants are measured at accumulated costs of planting of bearer plants, similar to accounting for a self-constructed item of property, plant and equipment. Bearer plants are classified as immature until the trees are available for harvest. At that point, bearer plants are measured at amortised cost and depreciated over their useful life.

Canine are bred and trained for security purposes. All direct costs for canine are accumulated until it matures. Subsequent to that, the costs that have been capitalised are amortised based on a straight line method over its expected useful productive life. The estimate maturity period for canine are 2 years old, having completed all required training and applying 8 years as the period of amortisation.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(j) Property, plant and equipment (continued)

Freehold land is not depreciated as it has an infinite life. Spare parts or servicing equipment recognised as property, plant and equipment would be depreciated over a period that does not exceed the useful life of the assets to which they relate. All property, plant and equipment are depreciated on a straight line basis to write off the cost of each asset to their residual values over their estimated useful lives as follows:

Property, plant and equipment	Estimated useful lives (years)
Buildings, structures and renovations	3 to 60
Plant and machinery	3 to 30
Motor vehicles	3 to 30
Office equipment, tools and other equipment	2 to 33
Bearer plants and livestock	
– Oil palm	22, or the lease term if shorter
– Rubber trees	20, or the lease term if shorter
– Others	25, or the lease term if shorter
– Livestock	5 to 8

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

Depreciation on property, plant and equipment ceases at the earlier of derecognition and classification as held for sale. Depreciation on assets under construction commences when the assets are ready for their intended use.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in "other operating income" in profit or loss.

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(k) Investment properties

Investment properties are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment property is measured initially at its cost, including related transaction costs and borrowing costs if the investment property meets the definition of qualifying asset.

After initial recognition, investment property is stated at cost less any accumulated depreciation and impairment losses. Freehold land is not depreciated as it has an infinite life. All investment properties are depreciated on a straight line basis to allocate the cost of each asset to their residual values over their estimated useful lives as follows:

Investment properties	Estimated useful lives (years)
Leasehold land	50 to 99
Buildings	20 to 50

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(k) Investment properties (continued)

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Gains and losses on disposals are determined by comparing net disposal proceeds with the carrying amount and are included in "other operating income" in profit or loss.

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(l) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. If such an indication exists, an asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each statement of financial position date.

Intangible assets with indefinite useful lives and intangible assets under development are not amortised but tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. The useful life of an intangible asset with an indefinite life is also reviewed annually to determine whether the useful life assessment continues to be supportable.

Intangible assets are amortised using the straight line basis over their estimated useful lives as follows:

Intangible assets	Estimated useful lives (years)
Brand	20 to 26
Software	3 to 5
Concession assets	16
Land use rights	35
Others	18

Amortisation on intangible assets under development commences when the assets are ready for their intended use.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(l) Intangible assets (continued)

The nature of the intangible assets are as follows:

(i) Brand relates to sugar brand 'Prai' and consumer brands 'Saji', 'Seri Pelangi', 'SunFlower', 'SunBear', and 'Yangambi' acquired as part of the acquisition of the related business.
(ii) Software relates to information technology ("IT") used within the Group.
(iii) Concession assets arise from a service concession arrangement whereby the Group has the right to charge the public services.
(iv) Land use rights relates to oil palm plantations in Indonesia.
(v) Intangible assets under development relates to IT system under development.

<u>Service concession agreement</u>

Concession assets arise from a service concession arrangement whereby the Group has the right to charge users of the public services. The estimated useful life of concession assets is the period the Group can charge users of the public services.

Subsequent costs and expenditures relate to infrastructure and equipment costs arising from the commitment to the concession contract are capitalised only when it is probable that the future economic benefits of these costs and expenditures will flow to the Group. All other repair and maintenance expenses that are routine in nature, are expensed and recognised in the profit or loss as incurred.

(m) Biological assets

<u>Oil Palm</u>

The Group attribute a fair value on the fresh fruit bunches ("FFB") at each statement 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 crude palm oil ("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 15 days prior to harvest, the FFB prior to 15 days 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 flows model which includes all cash inflows, cash outflows and imputed contributory asset charges where no actual cash flows 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 crude palm oil at the date of harvest, adjusted for freight, extraction rates, production, transportation, contributory asset charges and other cost to sell at the point of harvest.

<u>Dairy cows</u>

The fair value of dairy cows is determined based on income approach (Level 3 computation) for calves, computed using discounted cash flows model making reference on the assumptions of expected raw milk yield, raw milk price, mortality rate, feed cost, farm cost, contributory assets charges and other costs that will be incurred throughout the remaining periods up to its transformation into heifers. For heifers and mature dairy cows, the fair value are determined based on market approach (Level 2 computation), computed using recent market transactions, and adjusted accordingly to reflect the age, weight and body score.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(m) Biological assets (continued)

<u>Cash crops</u>

Cash crops comprise pineapples, banana, and corn. Cash crops are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected output method and the estimated market price of the biological assets.

Cash crops are classified as current and non-current assets based on the harvesting dates of the fruits. The Group's growing or unharvested produce are measured at their fair value. The Group estimates the fair value of unharvested agricultural produce using estimated number of fruits to harvest and estimated future selling prices less current growing costs and estimated future growing costs.

(n) Inventories

Inventories which consist of commodities based products and their related derivatives are stated at the lower of cost and net realisable value. Cost is determined using the weighted average and first-in first-out basis.

The cost of raw materials comprises direct costs of purchase. The costs of finished goods and work-in-progress comprise costs of raw materials, direct labour, other direct costs and appropriate proportions of manufacturing overheads based on normal operating capacity. It excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses.

(o) Impairment of non-financial assets

Assets that have an indefinite useful life, for example goodwill or intangible asset not ready to use, are not subject to amortisation and are tested annually for impairment, or when events or circumstances occur indicating that impairment may exist. Property, plant and equipment and other non-current non-financial assets, including intangible assets with definite useful lives, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The impairment loss is charged to profit or loss. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Impaired assets, except goodwill, are reviewed for possible reversal of impairment at each reporting date.

(p) Zakat

The Group recognises its obligations towards the payment of zakat on business. Zakat for the current period is recognised as and when the Group has a current zakat obligation as a result of a zakat assessment. The amount of zakat expense shall be assessed when a company within the Group has been in operation for at least 12 months, i.e. for the period known as "haul (eligible period)".

Zakat expense is determined based on the Group's financial results for the year. The amount of zakat paid is recognised as an expense in the financial year in which it is incurred.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(q) Current and deferred income tax

Tax expenses for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current and deferred tax is measured using the tax rates that have been enacted or substantially enacted at the statement of financial position date in the countries where the Group's subsidiaries, joint ventures and associates operate generate taxable income.

Deferred tax is provided for on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised.

Deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, joint ventures and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred and income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefits arising from reinvestment allowance and investment tax allowance is recognised when the tax credit is utilised.

(r) Foreign currencies

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional and presentation currency, and the Group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the statement of profit or loss, within finance costs.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(r) Foreign currencies (continued)

Group companies

The results and financial position of all Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each statement of comprehensive income are translated at average rate (unless this average is not reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognised in the foreign exchange reserve as a separate component of equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entities and translated at closing rate. Exchange differences arising are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and long-term advances are taken to the foreign exchange reserve within equity. When a foreign operation is sold, such exchange differences are recognised in profit or loss as part of the gain or loss on disposal.

(s) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to income are recognised in profit or loss over the periods to match the related costs for which the grants are intended to compensate.

The benefit of a loan at a below-market rate of interest received from a government, if any, is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Government grants relating to the purchase of assets are presented as a reduction of the carrying amount of the related assets. The government grant is recognised in profit or loss over the life of the related property, plant and equipment as a reduced depreciation expense.

(t) Revenue recognition

(i) Revenue from contracts with customers

Group's revenue which represents income arising in the course of the Group's and the Company's ordinary activities is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group and the Company transfer the control of the goods and services promised in a contract and the customer obtains control of the goods or services. Depending on the substance of the respective contract with customer, the control of the promised goods or services may transfer over time or at point in time.

A contract with customer exists when the contract has commercial substance, the Group, the Company and their customers have approved the contract and intend to perform their respective obligations, the Group's, the Company's and the customer's rights regarding the goods or services to be transferred and the payment terms can be identified, and it is probable that the Group and the Company will collect the consideration to which it will be entitled to in exchange of those goods or services.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

Revenue from contracts with customers is measured at its transaction price, being the amount of consideration which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties such as sales and service taxes or goods and service tax. If the amount of consideration varies due to discounts, rebates, penalties or other similar items, the Group and the Company estimate the amount of consideration that it expects to be entitled based on the expected value method or the most likely outcome but the estimation is constrained up to the amount that is highly probable of no significant reversal in the future. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract.

The Group's revenue is categorised in four divisions:

(a) Plantation Division

In the Plantation Division, the Group sells agricultural produce such as fresh fruit bunches ("FFB"), palm kernel ("PK") and rubber products. In the research, development and agri-services operations, the Group sells fertilisers, seedlings, rat poison, agronomic services, biomass generation (sale of electricity), and others.

Revenue from sales of agriculture produce and goods from these operations is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customers, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customers receive and use the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice. Customers are generally invoiced on a monthly basis and consideration is payable when invoiced.

Some contracts include multiple or bundled deliverables, such as the delivery of the goods on board vessels or tankers that are often bundled with freight services. In most cases, such delivery of goods is simple, does not include an integrated service, could be performed by another party and the customers can benefit from the sale of goods and freight services on its own or with the use of other resources. It is therefore accounted for as a separate performance obligation. There is no element of financing present as the sales is made with credit terms of up to 90 days. The transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include delivery of goods, revenue for the goods are recognised at a point in time when the goods are delivered, the legal title has passed and the customers have accepted the goods.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

The Group's revenue is categorised in four divisions: (continued)

(b) Oils and Fats Division

In the Oils and Fats Division, the Group sells crude palm oil ("CPO"), refined bleached deodorised oil (RBD), palm olein (PO) products, crude palm kernel oil (CPKO), packed product, fatty acids and glycerine and biodiesel.

Revenue from sales of goods from these operations is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customers, the risks of obsolescence and loss have been transferred to the customers, and either the customers have accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(c) Sugar Division

In the Sugar Division, the Group sells refined sugar and molasses.

Revenue from sales of goods from the sugar operations is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(d) Logistics and Support Division

In the Logistics and Support Division, the Group provides bulking, freight, transportation which covers International Freight Forwarding ("IFF")/Multi-Modal Transport Operator ("MTO"), forwarding, courier and jetty operation services, storage, trading, travel and tours, computer hardware and software solutions, project management consultancy, tolling and toll pack services.

Revenue from sales of goods from these operations is recognised net of discount and taxes at the point in time when control of the goods has transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery or shipment of goods to the specific location agreed with the customer, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the goods in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. This is determined based on the actual labour hours spent relative to the total expected labour hours. If the contract includes an hourly fee, revenue is recognised in the amount to which the Group has a right to invoice.

Estimates of revenues, costs or extent of progress toward completion are revised if circumstances change. Any resulting increase or decrease in the estimated revenue or cost is reflected in profit or loss in the period in which the circumstances that give rise to the revision become known by management.

Customers are generally invoiced on a monthly basis and consideration is payable when invoiced.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

The Group's revenue is categorised in four divisions: (continued)

(d) Logistics and Support Division (continued)

Some contracts include multiple deliverables, such as the sale of hardware, software, maintenace, construction, training and related installation services. If these services require significant integration and highly interrelated to each other, there is no distinct separate performance obligation hence no allocation of transaction price is required. However, if each of these services is simple, does not include an integrated service and could be performed by another party, it is then accounted for as a separate performance obligations. Where the contracts include multiple performance obligations, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the installation of hardware or software, revenue for the hardware or software is recognised at a point in time when the hardware or software is delivered, the legal title has passed and the customer has accepted the hardware.

Sales with a right of return

When the customer has a right to return the goods within a given period, the Group is obliged to refund the purchase price. Revenue is adjusted for the expected value of the returns and cost of sales were adjusted for the value of the corresponding goods expected to be returned.

A refund liability for the expected refunds to customers is recognised as adjustment to revenue and correspondingly in trade and other payables. At the same time, the Group has a right to recover the goods from the customer where the customer exercises his right of return and recognises a refund asset and a corresponding adjustment to cost of sales The refund asset is measured by reference to the former carrying amount of the product.

Accumulated experience is used to estimate such returns at the time of sale at a portfolio level using the expected value method. Because the number of goods returned has been steady for years, management assessed that it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Expected volume rebates/incentives

Certain goods may be sold with volume rebates/incentives comprising distribution incentive, insurance rebate, distribution rebate and special sales incentives. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume rebates/incentives.

Accumulated experience is used to estimate and provide for the rebates/incentives, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability for the expected volume rebates/incentives to customers in relation to sales made until the end of the reporting period is recognised as adjustment to revenue and correspondingly in trade and other payables.

Quality claims

The Group's obligation to provide quality claims against off-spec goods under the Group's standard contractual terms is recognised as a provision.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(t) Revenue recognition (continued)

(i) Revenue from contracts with customers (continued)

Receivables, contract asset and contract liabilities

A receivable is recognised when the goods are delivered or services are rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Contract asset is the right to consideration in exchange for goods or services that the Group has transferred to the customers. A contract asset is recognised when the services rendered by the Group exceed the amount already billed.

Contract liability is the Group's obligation to transfer goods or services to customers. A contract liability is recognised when the Group has received the sales consideration in advance or billings or payments by the customers exceed the services rendered by the Group.

Contract cost

The Group has elected the practical expedient to recognise incremental cost incurred to obtain contract with period of less than one year as an expense when incurred.

(ii) Revenue from other sources

Specific revenue recognition criteria for other revenue and income earned by the Group and Company are as follows:

a) Rental income
Rental income is recognised on a straight-line basis over the lease terms.

b) Finance income
Finance income is recognised using effective interest method.

Finance income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

c) Dividend income
Dividend income from investments are recognised in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits.

Dividends that clearly represents a recovery of part of the cost of an investment is recognised in other comprehensive income if it relates to an investment in equity instruments measured at FVOCI.

d) Compensation receivable
Compensation is estimated based on areas reclaimed by FELDA, recognised when vacant possession of the land is transferred.

(u) Dividend distribution

Dividends on ordinary shares are recognised as liabilities when proposed or declared before the statement of financial position date. A dividend proposed or declared after the statement of financial position date, but before the financial statements are authorised for issue, is not recognised as a liability at the statement of financial position date.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(v) Deposits, cash and bank balances

Deposits, cash and bank balances includes cash in hand, deposit held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(w) Leases

The Group as a lessee

Leases are recognised as a right-of-use ("ROU") asset and a corresponding liability at the date at which the leased asset is available for use by the Group and Company.

(a) ROU assets

ROU assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- decommissioning or restoration costs.

The ROU asset is depreciated over the shorter of the right-of-use asset's useful life and the lease term on a straight-line basis, as follows:

ROU assets	Estimated useful lives (years)
Leasehold land	50 to 933
Buildings, structures and renovations	3 to 60
Plant and machinery	3 to 30
Motor vehicles	3 to 30
Office equipment, tools and other equipment	2 to 3

The ROU assets are adjusted for any remeasurement of the lease liability.

At each statement of financial position date, the Group assess whether there is any indication of impairment. If such an indication exists, an analysis is performed to assess whether the carrying amount of the asset is fully recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. See significant accounting policies Note 3(o) on impairment of non-financial assets.

(b) Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date, if any;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option, if any; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option, if any.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Leases (continued)

The Group as a lessee (continued)

(b) Lease liabilities (continued)

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

The Group presents the lease liabilities as a separate line item in the statement of financial position. Interest expense on the lease liability is presented within the finance cost in the statement of profit or loss.

(c) Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities (refer to (d) below).

(d) Reassessment of lease liabilities

The Group initially estimates and recognises amounts expected to be payable under residual value guarantees as part of the lease liability. The amounts are reviewed, and adjusted if appropriate, at the end of each reporting period.

A change in lease payments (including rent concession, except for COVID-19-related rent concessions), other than those arising from a change in amounts expected to be payable under residual value guarantees or in an index or rate used to determine lease payments, is accounted for as a lease modification if it is not part of the original terms and conditions of the lease. The lease modification is accounted for as either a new lease or as a remeasurement of an existing lease liability, depending on the criteria set in MFRS 16.

(e) Short-term leases and leases of low value assets

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipments, office furnitures and water dispensers, which cost less than RM20,000 each if purchased new. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

The Group and Company do not separate any non-lease components from lease components, and instead account for each lease component and any associated non-lease components as a single lease component.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(w) Leases (continued)

The Group as a lessor

As a lessor, the Group determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to the lessee. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

(a) Finance leases

The Group classifies a lease as a finance lease if the lease transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group derecognises the underlying asset and recognises a receivable at an amount equal to the net investment in a finance lease. Net investment in a finance lease is measured at an amount equal to the sum of the present value of lease payments from lessee and the unguaranteed residual value of the underlying asset. Initial direct costs are also included in the initial measurement of the net investment. The net investments is subject to MFRS 9 impairment (refer to Note 8 on impairment of financial assets). In addition, the Group reviews regularly the estimated unguaranteed residual value.

Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return. The Group revises the lease income allocation if there is a reduction in the estimated unguaranteed residual value.

(b) Operating leases

The Group classifies a lease as an operating lease if the lease does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee.

The Group recognises lease payments received under operating lease as lease income on a straight-line basis over the lease term.

(c) Sublease classification

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the ROU asset arising from the head lease, not with reference to the underlying asset. If a head lease is short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

(d) Separating lease and non-lease components

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to the lease and non-lease components based on the stand-alone selling prices in accordance with the principles in MFRS 15.

(x) Employee benefits

(i) Short-term employee benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(x) Employee benefits (continued)

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred.

(iii) Defined benefit plan

A defined benefit plan is a retirement plan that defines an amount of retirement benefits to be paid, usually as a function of one or more factors such as age, years of service or compensation.

Certain companies within the Group operate non-funded defined benefit retirement plans. Under the plan, retirement benefits are determinable by reference to employees' earnings, designation and years of service and payable upon attaining the normal retirement age.

The liabilities in respect of defined benefit plans are the present value of the defined benefit obligations at the statement of financial position date less adjustments for actuarial gains/losses and unrecognised past service costs. The Group determines the present value of the defined benefit obligations with sufficient regularity such that the amounts recognised in the financial statements do not differ materially from the amounts that would be determined at the statement of financial position date.

The defined benefit obligations, calculated using the projected unit credit method, are determined by independent actuaries, considering the estimated future cash outflows using market yields at statement of financial position date of government securities that are denominated in the currency in which the benefits will be paid and that have terms of maturity approximating to the terms of the related pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Current service costs, past service costs and finance costs are recognised in immediately in profit or loss.

(iv) Termination benefits

The Group pays termination benefits in cases of termination of employment within the framework of a restructuring. Termination benefits are recognised as a liability and an expense when the Group has a detailed formal plan for the termination and is without realistic possibility of withdrawal.

(y) Contingent liabilities

The Group does not recognise a contingent liability but discloses its existence in the financial statements. A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence and non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare case where there is a liability that cannot be recognised because it cannot be measured reliably. However contingent liabilities do not include financial guarantee contracts.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(z) Equity instruments

Ordinary shares and special share are classified as equity. Other shares are classified as equity and/or liability according to the economic substance of the particular instrument.

The transaction costs of an equity transactions are accounted for as a deduction from equity, net of tax. Equity transaction costs comprise only those incremental external costs directly attributable to the equity transaction which would otherwise have been avoided.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

When treasury shares are vested to employees or employees of subsidiaries as part of equity settled share based compensation plan, the derecognition of treasury shares is adjusted against the reserve in respect of the plan within equity.

(aa) Segment reporting

Segment information is presented in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Group Management Committee.

(ab) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value.

The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

The fair values of various derivative instruments used for hedging purposes are disclosed in Note 34 to the financial statements. The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining hedged item is more than 12 months, and as a current asset or liability when the remaining maturity of the hedged item is less than 12 months.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ab) Derivative financial instruments and hedging activities (continued)

Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss within 'finance income/(costs)' and 'foreign exchange losses'.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). The gain or loss relating to the effective portion of interest rate swaps hedging variable rate borrowings is recognised in profit or loss and presented separately after net operating profit.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to profit or loss within 'finance income/(costs)' and 'foreign exchange losses'.

The Group will apply the following Phase 1 reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform' until the uncertainty arising from IBOR reform no longer being present:

- When considering the 'highly probable' requirement, the Group has assumed that the IBOR interest rate on which the Group's hedged borrowings is based does not change as a result of IBOR reform.
- In assessing whether the hedge is expected to be highly effective on a forward-looking basis the Group has assumed that the IBOR interest rate on which the cash flows of the hedged borrowings and the interest rate swap that hedges it are based is not altered by IBOR reform.
- The Group has not recycled the cash flow hedge reserve for designated hedges that are subject to the IBOR reform.

The Group has applied the following reliefs provided by the Amendments to MFRS 9 and MFRS 7 'Interest Rate Benchmark Reform – Phase 2':

- Hedge designation: When the Phase 1 amendments cease to apply, the Group will amend its hedge designation to reflect changes which are required by IBOR reform, but only to make one or more of the following changes:
  a) designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk;
  b) amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged; or
  c) amending the description of the hedging instrument.

  The Group amends its hedge documentation to reflect this change in designation by the end of the reporting period in which the changes are made. These amendments to the hedge documentation do not require the Group to discontinue its hedge relationships.

- Amounts accumulated in the cash flow hedge reserve: When the Group amends its hedge designation as described above, the accumulated amount outstanding in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. For discontinued hedging relationships, when the interest rate benchmark on which the hedged future cash flows were based has changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate for the purpose of assessing whether the hedged future cash flows are still expected to occur.

Notes to the Financial Statements
For the financial year ended 31 December 2024

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ac) Provisions

Provisions are recognised when:

- the Group has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources will be required to settle the obligation; and
- a reliable estimate of the amount can be made.

When it is probable that costs will exceed total contract revenue, a provision for onerous contract is recognised.

Where the Group expects a provision to be reimbursed (for example, under an insurance contract), the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

(ad) Non-current assets and disposal groups held for sale

Non-current assets and disposal groups (a group of assets to be disposed of in a single transaction and liabilities directly associated with those assets) are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for sale in its immediate condition. Management must be committed to the sale, which should be expected within one year from the date of classification as held for sale.

Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Group's accounting policies. Thereafter, the assets (or disposal group) are recognised at the lower of their carrying amount and fair value less cost to sell. Assets classified as held for sale, or included within a disposal group that is classified as held for sale, are not depreciated. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are included in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

A discontinued operation is a component of the Group's business that represents a separate major line of business or geographical area of operations or is a subsidiary acquired exclusively with a view to resale. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. A disposal group that is to be abandoned may also qualify.

Results from operations qualifying as discontinued operations are presented separately as a single amount on profit or loss. Results from operations qualifying as discontinued operations as of the balance sheet date for the latest period presented, that have previously been presented as results from continuing operations, are represented as results from discontinued operations for all periods presented.

In case conditions for classification of non-current assets and disposal groups as held for sale are no longer met, classification as held for sale ceases. Accordingly, results of operations, previously presented in discontinued operations, are reclassified and included in result from continuing operations for all periods presented. Non-current assets that ceases to be classified as held for sale are remeasured at the lower of their carrying amount before classification as held for sale, adjusted for any depreciation, amortisation or revaluations that would have been recognised had the asset or disposal group not been classified as held for sale, and its recoverable amount at the date of the subsequent decision to sell.

3 MATERIAL ACCOUNTING POLICIES (CONTINUED)

(ae) Construction contracts

The Group provides various construction contract services, including construction of information technology and networking equipment and property and engineering services.

Revenue from construction contracts is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect the consideration to which it will be entitled in exchange for the asset that will be transferred to the customer. Control of the asset is transferred over time as the Group's performance create or enhance an asset that the customer controls as the asset is created or enhanced. Revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. The Group recognises revenue over time using the input method, which is based on the level the proportion that the construction costs incurred to date bear to the estimated total costs for the construction contract. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. They are presented as recoverables, prepayments or other assets, depending on their nature.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.

Irrespective of whether the outcome of a construction contract can be estimated reliably when it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Construction contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the standalone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from construction contracts is measured at the fixed transaction price agreed net of expected liquidated ascertained damages ("LAD") payment, based on the expected value method.

Project management services

Revenue from project management fee is recognised upon performance of services.

(af) Fair value measurement

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

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

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT

(a) Financial risk management policies

The Group is exposed to market risk (including foreign currency risk, equity price risk, commodity price risk and finance rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group uses relevant derivative financial instruments to hedge the risk of such commercial exposure. Such derivative financial instruments are generally not held for trade or speculative purposes.

The Board of Directors has overall responsibility for the oversight of financial risk management which include risk identification, operational or strategic, and the subsequent action plans to manage these risks. Management is responsible for identifying, monitoring and managing the Group's risk exposures.

Market risk

(i) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States Dollar ("USD") for the Group. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities but excludes interest in foreign joint ventures and associates. The Group generally manages its currency exposure through foreign currency forward contracts.

The Company is not materially exposed to foreign exchange risks as its balances are largely held in Malaysian Ringgit.

Group

A 10% strengthening/weakening of the USD against the Malaysian Ringgit ("RM") at the date of statement of financial position would have a lower/higher impact to Group's profit after tax of approximately of RM3,195,000 (2023: RM17,690,000).

The above exposure mainly as a result of foreign exchange gains/losses on translation of foreign currency denominated deposits, cash and bank balances, trade receivables and payables and foreign exchange losses/gains on translation of foreign currency denominated borrowings. The analysis assumes that all other variables remain constant.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(ii) Price risk

Price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than finance or exchange rates).

Equity price risk

The Group is exposed to equity price risk arising from its investment in quoted and unquoted equity instruments. The quoted equity investments are listed on the Bursa Malaysia and foreign stock exchanges and classified as financial assets at fair value through other comprehensive income or financial asset at fair value through profit or loss based on the purpose for which the quoted equity investments were acquired. Unquoted investments are valued using the Price Earnings ("PE")/ Price to Book ("PB") comparative method and classified as financial assets at fair value through other comprehensive income. The sensitivity analysis in relation to equity price risk is as follows:

Group		**2024**		**2023**	
Financial assets	**Sensitivity factor**	**Impact to profit after tax RM'000**	**Impact to equity RM'000**	**Impact to profit after tax RM'000**	**Impact to equity RM'000**
Fair value through other comprehensive income:					
– unquoted	Comparable PE multiple and PB multiple variance by 5%	**–**	**7,231**	–	7,886
– quoted	Share price variance by 5%	**–**	**196**	–	163
Fair value through profit or loss					
– quoted	Share price variance by 5%	**5,397**	**–**	4,760	–
Total impact		**5,397**	**7,427**	4,760	8,049

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(ii) Price risk (continued)

Commodity price risk

The Group is exposed to commodity price risk since the prices of crude palm oil ("CPO") and their derivatives are subject to fluctuations due to unpredictable factors such as weather, changes in global demand and production, crude oil prices and global production of similar and competing crops.

Revenue of the Group is therefore subject to price fluctuations in the commodity market. The Group uses derivative contracts to mitigate a portion of such risks.

As at 31 December 2024, sensitivity analysis had been performed based on the Group's exposure to commodity prices as at settlement date for the Group's LLA liability and commodity derivative portfolios.

A 10% increase in commodity price index or a RM200/MT increase in CPO prices assumed in calculating the LLA liability, with all other variables being held constant, would increase or decrease the Group's profit after tax, by type of significant commodity and financial liability, by approximately:

	2024 RM'000	2023 RM'000
– Palm oil	**(4,191)**	(1,369)
– LLA liability	**(258,710)**	(272,217)
Net decrease	**(262,901)**	(273,586)

A 10% decrease in commodity price index or a RM200/MT decrease in CPO prices assumed in calculating the LLA liability, with all other variables being held constant, would increase or decrease the Group's profit after tax, by type of significant commodity and financial liability, by approximately:

	2024 RM'000	2023 RM'000
– Palm oil	**4,191**	1,369
– LLA liability	**260,280**	286,549
Net increase	**264,471**	287,918

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk

The Group's finance rate risk mainly arises from LLA liability and borrowings issued at variable rates which expose the Group to cash flow finance rate risk.

The Group has been in constant engagement with its lender to manage its finance rate risk and has been advised that the current KLIBOR is still being referenced for its borrowings. The Group has also been informed that currently, the lender shall be guided by further announcement by Bank Negara Malaysia ("BNM") on the timeline for the migration to the alternative reference rate ("ARR") upon the cessation of the current KLIBOR rate. Upon the issuance of the guidelines, the lenders will engage the Group on the transition plan.

The finance rate profile of the Group's and Company's finance bearing financial assets, based on carrying amounts as at the end of the reporting period is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial assets				
At fixed rate				
Fixed deposits	**1,358,841**	1,029,986	**273,950**	96,724
Loans due from subsidiaries	**–**	–	**700,682**	–
At floating rate (exposed to cash flow finance rate risk)				
Loans due from subsidiaries	**–**	–	**100,064**	490,308

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Market risk (continued)

(iii) Finance rate risk (continued)

The finance rate profile of the Group's and Company's finance bearing financial liabilities, based on carrying amounts as at the end of the reporting period is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Financial liabilities				
At fixed rate				
Loans due to a subsidiary	–	–	320,289	973,764
Sukuk	1,149,932	796,773	1,149,932	796,773
Islamic short term trade financing	2,073,060	1,991,255	–	–
Short term trade financing	6,010	6,178	–	–
Hire purchase	98,338	105,330	342	571
Islamic term loans	18,908	21,976	–	–
	3,346,248	2,921,512	1,470,563	1,771,108
At floating rate (exposed to cash flow finance rate risk)				
Islamic term loans	251,411	411,290	–	–
Sukuk	149,976	100,000	149,976	100,000
At fair value (exposed to cash flow finance rate risk)				
LLA liability	3,663,487	3,513,813	–	–
	4,064,874	4,025,103	149,976	100,000
	7,411,122	6,946,615	1,620,539	1,871,108

If discount rate on LLA liability increased/decreased by 50 basis points and finance rate on borrowings decreased/increased by 100 basis points with all other variables held constant, the profit after tax of the Group will increase by RM181,279,000 (2023: RM138,673,000) and decrease by RM201,889,000 (2023: RM154,648,000) respectively.

Other financial assets and financial liabilities are non-interest bearing and therefore are not affected by changes in finance rates.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk arises from cash and cash equivalents, contractual cash flows of debt investments carried at amortised cost and at fair value through other comprehensive income ("FVOCI"), favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to from outstanding receivables.

The Group adopts the policy of dealing with customers with an appropriate credit history, and obtaining sufficient security where appropriate, including payments in advance, security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement. This has lower down the probability of default by customers.

Receivables and amounts due from intercompany exposure are closely monitored and continuously followed up.

The Group's and Company's deposits, cash and bank balances were largely placed with major financial institutions in Malaysia. The Directors are of the view that the possibility of non-performance by these financial institutions, including those non-rated financial institutions, is remote on the basis of their financial strength.

(i) Impairment of financial assets

The Group's financial assets that are subject to the expected credit loss (ECL) model include trade receivables, contract assets, other receivables, amounts due from intercompany, debt investments carried at amortised cost and FVOCI. While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the impairment loss is expected to be immaterial.

a) Trade receivables, trade amounts due from intercompany and contract assets using simplified approach

The Group applies the MFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables, trade amounts due from intercompany and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to amounts due from customers on contracts and unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The expected loss rates are based on the payment profiles of sales over a period of 24 months before reporting date and the corresponding historical credit losses experienced within the current financial year. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade amounts due from intercompany and trade receivables that are credit impaired are assessed for ECL on individual basis.

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk (continued)

(i) Impairment of financial assets (continued)

a) Trade receivables, trade amounts due from intercompany and contract assets using simplified approach (continued)

The trade amounts due from intercompany and trade receivables are categorised into the following categories for ECL purposes:

Category	Group's definition of category
Credit-impaired	Default amounts that meets the unlikeliness to pay criteria (Note 3(h)(iii))
Non-credit impaired	Amounts that are not credit-impaired, including amounts assessed based on collective assessments.

b) Other receivables, loans due from intercompany and non-trade amounts due from intercompany using general 3-stage approach

The Group uses three categories for other receivables which reflect their credit risk and how the loss allowance is determined for each of those categories (3 stage approach). These financial assets are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the group, and a failure to make contractual payments for a period of greater than 365 days past due.

A summary of the assumptions underpinning the Group's ECL model is as follows:

Category	Group's definition of category	Basis for recognising ECL
Performing	Debtors have a low risk of default and a strong capacity to meet contractual cash flows	12 month ECL
Underperforming	Debtors for which there is a significant increase in credit risk or significant increase in credit risk is presumed if interest and/or principal repayments are 30 days past due	Lifetime ECL
Non-performing	Interest and/or principal repayments where there is evidence indicating the asset is credit-impaired	Lifetime ECL (credit-impaired)
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount	Asset is written off

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Credit risk (continued)

(i) Impairment of financial assets (continued)

b) Other receivables, loans due from intercompany and non-trade amounts due from intercompany using general 3-stage approach (continued)

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL incorporating the methodology below:

- PD ('probability of default') – the likelihood that the debtor would not be able to repay during the contractual period;
- LGD ('loss given default') – the percentage of contractual cash flows that will not be collected if default happens; and
- EAD ('exposure at default') – the outstanding amount that is exposed to default risk.

Loss allowance is measured at a probability-weighted amount that reflects the possibility that a credit loss occurs and the possibility that no credit loss occurs. No significant changes to estimation techniques or assumptions were made during the reporting period.

Impairment losses on financial assets are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off of financial assets are credited against the same line item.

(ii) Credit risk exposures

The maximum credit risk exposures for the financial assets equal to their respective carrying values after ECL. The details of ECL impact to the financial assets are disclosed in the respective financial assets' notes as applicable.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds. The Group maintains a sufficient level of cash and cash equivalents to meet the Group's working capital requirements by closely monitoring its cash flows. Due to the nature of its business, the Group has adopted prudent liquidity risk management in maintaining and obtaining sufficient credit facilities from financial institutions.

In addition to the Group's obligations, the Group has also confirmed its intention to provide continuing financial support to its subsidiary, MSM Malaysia Holdings Berhad, which is a separate public listed entity listed on the Main Market of Bursa Malaysia Securities Berhad. The financial support was provided as and when necessary to enable MSM Malaysia Holdings Berhad to meet its liabilities as they fall due. The financial support given to MSM Malaysia Holdings Berhad covers a period of twelve months from the date of the support letter, 24 March 2025.

Notes to the Financial Statements
For the financial year ended 31 December 2024

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

Cash flow forecasting is performed in the operating entities of the Group and then aggregated by management. Management monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal statements of financial position ratio targets. As at 31 December 2024, the Group has undrawn committed borrowing facilities amounting to RM1,660 million (2023: RM1,739 million), which are available unconditionally to the Group.

Surplus cash is invested in profit bearing current accounts, time deposits, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned forecasts.

The table below analyses the Group's non-derivative financial liabilities and net-settled derivative financial liabilities into relevant maturity groupings based on the remaining maturity periods at the reporting date to the contractual maturity dates. The table below summaries the maturity profile of the Group's and Company's financial liabilities based on the remaining maturity periods at the statement of financial position date. The amounts disclosed in the table below are based on contractual undiscounted cash flows:

Group	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2024					
LLA liability	**306,256**	**322,904**	**959,382**	**30,236,366**	**31,824,908**
Amount due to ultimate holding company	**224,972**	**–**	**–**	**–**	**224,972**
Amounts due to other related companies	**5,572**	**–**	**–**	**–**	**5,572**
Amount due to a joint venture	**238**	**–**	**–**	**–**	**238**
Amount due to an associate	**539**	**–**	**–**	**–**	**539**
Borrowings	**2,530,100**	**343,073**	**970,649**	**388,294**	**4,232,116**
Lease liabilities	**61,657**	**83,040**	**111,979**	**386,604**	**643,280**
Payables	**2,047,538**	**–**	**–**	**–**	**2,047,538**
Total undiscounted financial liabilities	**5,176,872**	**749,017**	**2,042,010**	**31,011,264**	**38,979,163**
At 31 December 2023					
LLA liability	268,741	274,290	866,907	32,428,722	32,838,660
Amount due to ultimate holding company	276,663	–	–	–	276,663
Amounts due to other related companies	5,950	–	–	–	5,950
Amount due to a joint venture	506	–	–	–	506
Amount due to an associate	331	–	–	–	331
Borrowings	2,479,139	338,836	990,074	79,247	3,887,296
Lease liabilities	41,780	68,995	107,209	296,257	514,241
Payables	1,262,136	–	–	–	1,262,136
Total undiscounted financial liabilities	4,335,246	682,121	1,964,190	31,804,226	39,785,783

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Financial risk management policies (continued)

Liquidity risk (continued)

Company	Less than 1 year RM'000	Between 1 and 2 years RM'000	Between 2 and 5 years RM'000	Over 5 years RM'000	Total RM'000
At 31 December 2024					
Loans due to a subsidiary	**156,369**	**10,346**	**31,090**	**206,422**	**404,227**
Amounts due to subsidiaries	**14,642**	**–**	**–**	**–**	**14,642**
Amounts due to other related companies	**264**	**–**	**–**	**–**	**264**
Borrowings	**172,588**	**192,760**	**866,892**	**388,294**	**1,620,534**
Lease liabilities	**6,080**	**6,080**	**3,547**	**–**	**15,707**
Payables	**66,131**	**–**	**–**	**–**	**66,131**
Total undiscounted financial liabilities	**416,074**	**209,186**	**901,529**	**594,716**	**2,121,505**
At 31 December 2023					
Loans due to a subsidiary	348,734	108,326	302,600	434,200	1,193,860
Amounts due to subsidiaries	8,824	–	–	–	8,824
Amounts due to other related companies	97	–	–	–	97
Borrowings	153,078	144,845	716,785	79,247	1,093,955
Lease liabilities	5,758	6,080	9,627	–	21,465
Payables	51,862	–	–	–	51,862
Total undiscounted financial liabilities	568,353	259,251	1,029,012	513,447	2,370,063

(b) Capital risk management policies

The Group's primary objectives on capital management policies are to safeguard the Group's ability to maintain healthy capital ratios to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2024 and 31 December 2023.

The Group considers its debts and total equity as capital and monitors capital using a gearing ratio, which is total debt divided by total equity. The Group includes borrowings and LLA liability within its total debt while loans due to subsidiaries are additionally included for the Company's total debt. Total equity includes share capital, reserves and retained earnings.

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management policies (continued)

The gearing ratio analysis for the Group and the Company is as disclosed below:

Group

With LLA liability

	2024 RM'000	2023 RM'000
Borrowings	**3,747,635**	3,432,802
LLA liability	**3,663,487**	3,513,813
Total debt	**7,411,122**	6,946,615
Total equity	**6,104,288**	5,971,915
Total capital with LLA liability	**13,515,410**	12,918,530
Gearing ratio	**121%**	116%

Without LLA liability

	2024 RM'000	2023 RM'000
Borrowings	**3,747,635**	3,432,802
Total debt	**3,747,635**	3,432,802
Total equity	**6,104,288**	5,971,915
Total capital without LLA liability	**9,851,923**	9,404,717
Gearing ratio	**61%**	57%

The Group is required to comply with certain financial covenants for its major debts facilities, including:

(i) consolidated net tangible position;
(ii) consolidated net debt and financing to equity ratio;
(iii) consolidated net debt and financing to earnings before interest, tax, depreciation and amortisation ("EBITDA") ratio; and
(iv) consolidated finance payment cover ratio.

MSM Malaysia Holdings Berhad ("MSMH"), a subsidiary of the Company would have not complied with one of the financial covenants for its Islamic term loan. MSMH has received a Supplemental Letter dated 18 December 2024 from the lender granting the waiver on the one out of three financial covenants i.e. consolidated net debt and financing to EBITDA for the financial year ended 31 December 2024. MSMH will continue to monitor the compliance of the financial covenants and will engage the lenders as and when required.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Capital risk management policies (continued)

Company

	2024 RM'000	2023 RM'000
Loans due to a subsidiary	**320,289**	973,764
Borrowings	**1,300,250**	897,344
Total debt	**1,620,539**	1,871,108
Total equity	**7,840,088**	7,244,216
Total capital	**9,460,627**	9,115,324
Gearing ratio	**21%**	26%

There is no financial covenant imposed for the Company.

(c) Fair value estimation

Amounts that are measured in the statement of financial position at fair value are disclosed by the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2024 and 31 December 2023:

Group 2024	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at fair value through profit or loss:				
(i) Derivatives				
– Foreign currency forward contracts	**–**	**655**	**–**	**655**
– Commodities futures contracts	**1,042**	**–**	**–**	**1,042**
(ii) Trading securities	**107,947**	**–**	**–**	**107,947**
Financial assets at fair value through other comprehensive income	**3,927**	**–**	**144,614**	**148,541**
Total assets	**112,916**	**655**	**144,614**	**258,185**
Liabilities				
Financial liabilities at fair value through profit or loss:				
(i) LLA liability	**–**	**–**	**3,663,487**	**3,663,487**
(ii) Derivatives				
– Foreign currency forward contracts	**–**	**2,383**	**–**	**2,383**
– Commodities futures contracts	**5,102**	**–**	**–**	**5,102**
Total liabilities	**5,102**	**2,383**	**3,663,487**	**3,670,972**

Notes to the Financial Statements
For the financial year ended 31 December 2024

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value estimation (continued)

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2024 and 31 December 2023 (continued):

Group 2023	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Assets				
Financial assets at fair value through profit or loss:				
(i) Derivatives				
– Foreign currency forward contracts	–	4,823	–	4,823
– Commodities futures contracts	7,112	–	–	7,112
(ii) Trading securities	95,197	–	–	95,197
Financial assets at fair value through other comprehensive income	3,257	–	157,716	160,973
Total assets	105,566	4,823	157,716	268,105
Liabilities				
Financial liabilities at fair value through profit or loss:				
(i) LLA liability	–	–	3,513,813	3,513,813
(ii) Derivatives				
– Foreign currency forward contracts	–	388	–	388
– Islamic profit rate swap	–	11	–	11
– Commodities futures contracts	15	–	–	15
Total liabilities	15	399	3,513,813	3,514,227

The Company has no financial assets and liabilities that are measured at fair value at 31 December 2024 and 31 December 2023.

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

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity investments listed in Bursa Malaysia Securities Berhad or foreign stock exchanges classified as trading securities or financial assets at fair value through other comprehensive income and commodity derivatives quoted on Malaysia Derivatives Exchange ("MDEX") for palm oil, sugar commodity futures contracts, brent crude oil option contracts and other foreign commodity exchanges.

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. Instruments included in Level 2 comprise foreign currency forward contracts and Islamic profit rate swap.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

4 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Fair value estimation (continued)

(iii) Financial instruments in Level 3

The following table present the changes in recurring Level 3 financial instruments during the financial year:

	Group 2024 RM'000	Group 2023 RM'000
LLA liability		
At 1 January	**3,513,813**	3,680,354
Fair value changes charged to profit or loss	**423,935**	133,706
Repayment during the financial year	**(274,261)**	(300,247)
At 31 December	**3,663,487**	3,513,813
Financial assets at fair value through other comprehensive income		
At 1 January	**157,716**	159,407
Additions	**1,595**	1,997
Fair value changes	**(26,006)**	(7,670)
Currency translation differences	**11,309**	3,982
At 31 December	**144,614**	157,716

(d) Offsetting financial assets and financial liabilities

There are no offsetting of financial assets and financial liabilities during the financial year for the Group and Company.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated by Directors and management and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Management has considered the impact of climate change, specifically on labour situation and El-Nino and La-Nina weather conditions together with their impact on the forecasted fresh fruit bunches yield during the preparation of the financial statements.

Notes to the Financial Statements
For the financial year ended 31 December 2024

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) LLA liability

The fair value of the LLA liability is measured using a discounted cash flow calculation using cash flow projections covering a 87 year period. The cash flow projection is approved by the LLA Steering Committee based on the 2025 approved financial budgets by the Directors plus the projection for the remaining period reflective of the forecasted operational results. As a result of the fair value assessment, the Group has recognised a LLA liability of RM3,663,487,000 (2023: RM3,513,813,000). Fair value changes for the LLA liability have been measured based on assumptions made on discount rate, crude palm oil prices, palm kernel prices, average yield of fresh fruit bunches and mature and immature estate costs. As at 31 December 2024, the Group adopted the most recent estimated changes in arriving at the fair value. The key assumptions incorporating the most recent developments in respect of yield and costs due to labour consideration and risks associated with the environmental (specifically in respect of the "El-Nino" and "La-Nina" conditions), social and governance ("ESG") factors and other parameters such as commodity prices have been considered. The key assumptions and the sensitivity analysis are as disclosed in Note 44 to the financial statements.

(ii) Goodwill relating to sugar business and palm upstream operations in Malaysia

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the recoverable amount of the cash generating units ("CGU") to which the goodwill is allocated. Estimating the recoverable amount requires management to make an estimate of the expected future cash flows from the CGUs and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The recoverable amounts of CGUs were determined based on the higher of fair value less cost to sell or value in use ("VIU") calculations. The fair value less cost to sell or VIU is the net present value of the projected future cash flows derived from the CGU discounted at an appropriate discount rate. Projected cash flows are estimates made based on historical and industry trends, general market and economic conditions and other available information.

As a result of the impairment assessment, the Group did not recognise any impairment loss (2023: Nil) for goodwill relating to sugar business and palm upstream operations in Malaysia during the financial year. The key assumptions and the sensitivity analysis are as disclosed in Note 22(a) to the financial statements.

(iii) Impairment of non-financial assets

The Group tests its non-financial assets for impairment if there is any objective evidence of impairment. Management has assessed that certain non-financial assets may be potentially impaired or the existing impairment may be reversed. The recoverable amounts of these assets were determined based on the higher of fair value less cost to sell or value in use ("VIU") calculations. The fair value less cost to sell or VIU is the net present value of the projected future cash flows derived from the CGU discounted at an appropriate discount rate. Projected cash flows are estimates made based on historical and industry trends, general market and economic conditions and other available information, including recent developments in respect of commodity prices, yield and costs due to labour shortage issues and risk associated with ESG factors.

As a result of the assessment, the Group has recognised a net impairment of RM161,939,000 (2023: RM119,463,000) on certain property, plant and equipment, right-of-use assets and intangible assets (other than goodwill). The key assumptions and the sensitivity analysis are as disclosed in Note 19 to the financial statements.

Company

The Company has assessed the impairment of its investment in its wholly owned subsidiaries, if there is any indication that the cost of investment will not be fully recovered. The recoverable amount of the investment was determined based on the equity value, which comprises its net assets or value in use calculations. As a result of this assessment, the Company has recognised an impairment loss of RM125,148,000 (2023: RM15,039,000) in the carrying value of its investments in subsidiaries.

5 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below (continued):

(iv) Deferred tax assets

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. This involves judgment regarding the future financial performance of the particular entity in which the deferred tax asset has been recognised. As at 31 December 2024, the Group has deferred tax assets of RM458,332,000 (2023: RM388,322,000) in respect of unused tax losses and deductible temporary differences of certain loss making subsidiaries of the Group. In evaluating whether it is probable that future taxable profits will be available in future periods, all available evidence was considered, including approved budgets, business plans, and analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes.

(v) Lease term of contracts with extension options

The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. In determining the lease term, the Group considers all relevant factors and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods of termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

During the financial year 2024, the Group has exercised its legal and contractual rights to extend the lease term for one of its leasehold lands in Prai by another 30 years. Refer to Note 20 to the financial statements for the details of the remeasurement of lease liability after taking into consideration the extended lease term.

6 REVENUE

The Group and Company derive the following types of revenue:

Group

	2024 RM'000	**2023 RM'000**
Revenue from contracts with customers	**21,619,694**	19,081,375
Revenue from other sources	**537,834**	277,811
	22,157,528	19,359,186

6 REVENUE (CONTINUED)

Group (continued)

(a) Disaggregation of revenue from contracts with customers:

	Plantation RM'000	Oils and Fats RM'000	Sugar RM'000	Logistics and Support Business RM'000	Corporate HQ and Others RM'000	Total RM'000
2024						
Major goods and services:						
Sales of crude palm oil ("CPO")	–	**8,672,772**	–	–	–	**8,672,772**
Sales of processed palm oil ("PPO")	–	**2,589,825**	–	–	–	**2,589,825**
Sales of refined sugar and molasses	–	–	**3,254,653**	–	–	**3,254,653**
Sales of palm kernel ("PK")	**50,468**	**543,267**	–	–	–	**593,735**
Sales of fertiliser, packed products and others	**680,516**	**1,809,710**	–	–	–	**2,490,226**
Sales of fatty acids	–	**1,160,458**	–	–	–	**1,160,458**
Sales of rubber products	**546,820**	–	–	–	–	**546,820**
Sales of crude palm kernel oil ("CPKO")	–	**1,285,605**	–	–	–	**1,285,605**
Sales of biodiesel products	–	**392,944**	–	–	–	**392,944**
Services rendered	**33,850**	–	**1,599**	**410,379**	–	**445,828**
Sales of fresh fruit bunches ("FFB")	**22,560**	–	–	–	–	**22,560**
Freight income	–	**53,085**	–	–	–	**53,085**
Others	**14,125**	**29,191**	–	**41,739**	**26,128**	**111,183**
	1,348,339	**16,536,857**	**3,256,252**	**452,118**	**26,128**	**21,619,694**
Timing of revenue recognition						
– at a point in time	**1,314,957**	**16,454,581**	**3,254,653**	**128,470**	**26,128**	**21,178,789**
– over time	**33,382**	**82,276**	**1,599**	**323,648**	–	**440,905**
	1,348,339	**16,536,857**	**3,256,252**	**452,118**	**26,128**	**21,619,694**
2023						
Major goods and services:						
Sales of CPO	–	8,143,582	–	–	–	8,143,582
Sales of PPO	–	1,743,861	–	–	–	1,743,861
Sales of refined sugar and molasses	–	–	3,040,806	–	–	3,040,806
Sales of PK	101,760	446,776	–	–	–	548,536
Sales of fertiliser, packed products and others	612,294	1,646,490	–	–	–	2,258,784
Sales of fatty acids	–	1,047,552	–	–	–	1,047,552
Sales of rubber products	397,811	–	–	–	–	397,811
Sales of CPKO	–	912,939	–	–	–	912,939
Sales of biodiesel products	–	378,744	–	–	–	378,744
Services rendered	37,812	–	2,336	390,679	1,017	431,844
Sales of FFB	36,788	–	–	–	–	36,788
Freight income	–	52,850	–	–	–	52,850
Others	13,645	26,610	–	17,221	29,802	87,278
	1,200,110	14,399,404	3,043,142	407,900	30,819	19,081,375
Timing of revenue recognition						
– at a point in time	1,166,159	14,319,944	3,040,806	99,104	29,802	18,655,815
– over time	33,951	79,460	2,336	308,796	1,017	425,560
	1,200,110	14,399,404	3,043,142	407,900	30,819	19,081,375

Notes to the Financial Statements
For the financial year ended 31 December 2024

6 REVENUE (CONTINUED)

Group (continued)

(b) Revenue from other sources

	2024 RM'000	2023 RM'000
Subsidy and Joint Industry Incentive from Kementerian Perdagangan Dalam Negeri ("KPDN") dan Kos Sara Hidup from sales of packed products and sugar products	**455,553**	202,932
Rental income	**78,829**	72,027
Finance income	**3,452**	2,852
	537,834	277,811

Company

	2024 RM'000	2023 RM'000
Revenue from contracts with customers	**141,815**	138,592
Revenue from other sources	**980,649**	209,977
	1,122,464	348,569
Revenue from contracts with customers		
Management fees:		
– Ultimate holding company	–	1,017
– Subsidiaries	**141,815**	137,575
	141,815	138,592
Timing of revenue recognition		
– over time	**141,815**	138,592
Revenue from other sources		
Dividend from subsidiaries:		
– unquoted	**945,292**	199,756
Finance income from financial institutions	**3,246**	1,141
Finance income from loan due from subsidiaries	**32,111**	9,080
	980,649	209,977

Notes to the Financial Statements
For the financial year ended 31 December 2024

Notes to the Financial Statements
For the financial year ended 31 December 2024

7 OTHER OPERATING INCOME

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Rental income	**6,902**	6,682	**593**	402
Compensation on land reclamation	**189**	2,141	**–**	–
Gain on disposal of property, plant and equipment (net)	**1,603**	5,142	**–**	–
Gain on disposal of assets held for sale	**–**	8,381	**–**	–
Gain on liquidation of a subsidiary	**–**	786	**–**	–
Dividend income from financial assets at fair value through other comprehensive income	**3,739**	3,258	**–**	–
Income from sale of scrap	**9,982**	12,705	**–**	–
Income from sludge oil	**8,898**	8,097	**–**	–
Income from penalty charges	**1,332**	2,468	**–**	–
Insurance reimbursement	**2,377**	9,679	**–**	–
Roundtable Sustainable Palm Oil ("RSPO") premium income	**6,911**	1,663	**–**	–
Foreign currency exchange gains	**22,723**	16,051	**554**	7,007
Income from electricity supply in relation to biomass project	**23,014**	15,993	**–**	–
Reversal of impairment on contract assets	**481**	521	**–**	–
Other operating income	**37,530**	27,627	**2,013**	2,490
	125,681	121,194	**3,160**	9,899

8 IMPAIRMENT/(REVERSAL OF IMPAIRMENT) OF FINANCIAL ASSETS (NET)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Reversal of impairment of receivables (net)	**(1,855)**	(2,733)	**–**	–
Reversal of impairment on amounts due from ultimate holding company (net)	**(1,438)**	(3,366)	**–**	–
Impairment loss/(reversal of impairment) on amounts due from other related companies	**7,471**	(8,272)	**–**	1,287
Reversal of impairment on amount due from a joint venture	**(1,335)**	(3,251)	**–**	–
Impairment loss/(reversal of impairment) on amounts due from subsidiaries (net)	**–**	–	**9,000**	(4,088)
	2,843	(17,622)	**9,000**	(2,801)

9 OTHER OPERATING EXPENSES

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Impairment loss on investment in subsidiaries	**–**	–	**125,148**	15,039
Impairment loss on goodwill	**–**	6,037	**–**	–
Realisation of foreign exchange reserve upon disposal of subsidiaries	**–**	6,362	**–**	–
Realisation of foreign exchange reserve upon liquidation of a subsidiary	**–**	970	**–**	–
Loss on disposal of subsidiaries	**–**	2,234	**–**	–
Loss on remeasurement of assets held for sale	**–**	2,328	**–**	–
Amount due from a subsidiary written off	**–**	–	**–**	28
Other operating expenses	**2,565**	4,596	**1,509**	294
	2,565	22,527	**126,657**	15,361

10 OTHER LOSSES, NET

	Group	
	2024 RM'000	**2023 RM'000**
Land Lease Agreement ("LLA"):		
– Fair value charges (Note 44)	**(423,935)**	(133,706)
Fair value changes in biological assets (net)	**42,343**	(25,885)
Financial assets at fair value through profit or loss		
– Fair value gains/(losses) (Note 29)	**2,660**	(1,172)
– Gain on disposal	**12,542**	9,528
Foreign currency forward contracts:		
– (Losses)/gains from mark-to-market and settlement (net)	**(9,112)**	11,042
Oil palm futures contracts:		
– Gains from mark-to-market and settlement (net)	**12,901**	4,076
Sugar futures contracts:		
– Gains from mark-to-market and settlement (net)	**1,978**	–
Brent crude oil forward option		
– (Losses)/gains from mark-to-market and settlement (net)	**(758)**	1,494
	(361,381)	(134,623)

Notes to the Financial Statements
For the financial year ended 31 December 2024

11 FINANCE INCOME AND COSTS

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Finance income:				
– finance income from financial institutions	**42,255**	35,123	**–**	–
Total finance income	**42,255**	35,123	**–**	–
Finance costs:				
– loans from ultimate holding company	**–**	(12,987)	**–**	(12,987)
– loans from a subsidiary	**–**	–	**(35,660)**	(43,637)
– Islamic short term trade financing	**(88,615)**	(78,835)	**–**	–
– short term trade financing	**(537)**	(697)	**–**	–
– Islamic term loans	**(14,513)**	(23,614)	**–**	–
– interest on lease liabilities	**(20,999)**	(16,957)	**(1,701)**	(1,078)
– hire purchase	**(2,499)**	(1,471)	**(26)**	–
– sukuk	**(60,460)**	(26,741)	**(60,460)**	(26,741)
Less: amount capitalised in additions of property, plant and equipment	**51,566**	36,148	**–**	–
Total finance costs	**(136,057)**	(125,154)	**(97,847)**	(84,443)
Net finance costs	**(93,802)**	(90,031)	**(97,847)**	(84,443)

Notes to the Financial Statements
For the financial year ended 31 December 2024

12 PROFIT FOR THE FINANCIAL YEAR

Profit for the financial year is stated after charging/(crediting):

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Matured estates operating expenses (collection, upkeep, cultivation and general charges)	**680,000**	514,302	**–**	–
Cost of raw materials and chemicals for production and manufacturing	**14,496,117**	12,290,349	**–**	–
Cost of purchasing CPO	**1,028,922**	1,202,941	**–**	–
Cost of petrol, diesel and natural gas	**401,440**	401,755	**–**	–
Property, plant and equipment (Note 19):				
– Depreciation	**666,330**	661,503	**1,268**	1,441
– Write offs	**5,822**	9,674	**–**	–
– Gain on disposal (net)	**(1,603)**	(5,142)	**–**	–
– Impairment*	**116,822**	81,308	**–**	–
Right-of-use assets (Note 20):				
– Depreciation	**84,839**	80,318	**4,361**	4,361
– Impairment/(reversal of impairment)*	**40,337**	(491)	**–**	–
Investment properties (Note 21):				
– Depreciation	**7,075**	7,705	**882**	882
Intangible assets (Note 22):				
– Amortisation	**16,193**	12,549	**1,942**	2,883
– Impairment*	**4,780**	44,683	**–**	–
Biological assets (Note 31)				
– Write off	**343**	79	**–**	–
– Loss on disposal	**895**	1,014	**–**	–
Assets held for sale (Note 36):				
– Loss on remeasurement	**–**	2,328	**–**	–
– Gain on disposal	**–**	(8,381)	**–**	–
Allowance for inventories obsolescence	**6,948**	5,230	**–**	–
Inventories written off	**9,535**	5,136	**–**	–
Termination of lease contracts (net)	**(2,261)**	299	**–**	–
Short-term lease payments	**15,093**	17,849	**22**	27
Rental of low value assets	**8,544**	9,676	**–**	–
Rental of other equipment (service contracts)	**28**	29	**–**	–
Repairs and maintenance of refining plants and mills	**247,177**	252,597	**–**	–
Repairs and maintenance of motor vehicles	**32,996**	30,810	**–**	–
Transportation, loading and handling	**266,255**	244,405	**–**	–

* Net impairment/(reversal of impairment) amounting to RM161,939,000 of property, plant and equipment, intangible assets (other than goodwill) and right-of-use assets are included in cost of sales.

Notes to the Financial Statements
For the financial year ended 31 December 2024

12 PROFIT FOR THE FINANCIAL YEAR (CONTINUED)

Profit for the financial year is stated after charging/(crediting): (continued)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Principal auditors' remuneration:				
– Audit fee	**4,467**	4,358	**674**	659
– Other assurance services	**1,471**	1,937	**1,187**	1,187
– Non-audit fee	**595**	908	**544**	1,283
Member firms of principal auditors' remuneration:				
– Audit fee	**985**	964	**–**	–
Other firms of auditors' remuneration:				
– Audit fee	**119**	111	**–**	–
Staff costs*	**2,244,494**	2,025,815	**109,659**	79,553
Professional and technical fees	**38,974**	41,152	**19,173**	18,125
Contributions to Yayasan Felda	**8,500**	5,000	**1,325**	673
Net realised foreign exchange (gain)/loss	**(8,751)**	10,583	**(91)**	(7,007)
Net unrealised foreign exchange (gain)/loss	**(3,992)**	2,668	**(463)**	294
Research and non-capitalised development costs	**12,088**	12,926	**–**	–
Unwinding of discount for provision for asset retirement	**372**	418	**–**	–

* Staff costs (excluding Directors' remuneration) are analysed as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Wages, salaries and bonuses	**1,684,236**	1,474,657	**79,698**	56,644
Defined contribution plan	**169,302**	142,848	**13,366**	9,788
Defined benefit plan	**7,575**	17,837	**142**	384
Other employee benefits	**383,381**	390,473	**16,453**	12,737
	2,244,494	2,025,815	**109,659**	79,553

Staff cost included in costs of sales amounted to RM1,725,252,000 (2023: RM1,567,877,000) and RM97,151,000 (2023: RM60,534,000) for the Group and Company respectively.

13 DIRECTORS' REMUNERATION

	Receivable from the Company RM'000	**Receivable from subsidiaries RM'000**	**Group RM'000**
2024			
Fees:			
– Independent Non-Executive	**749**	**71**	**820**
– Non-Independent Non-Executive	**1,076**	**53**	**1,129**
	1,825	**124**	**1,949**
Benefit in kind:			
– Non-Independent Non-Executive	**51**	**–**	**51**
Other benefits:			
– Independent Non-Executive	**218**	**37**	**255**
– Non-Independent Non-Executive	**175**	**17**	**192**
	393	**54**	**447**
Total	**2,269**	**178**	**2,447**
2023			
Fees:			
– Independent Non-Executive	879	140	1,019
– Non-Independent Non-Executive	981	–	981
	1,860	140	2,000
Benefit in kind:			
– Non-Independent Non-Executive	16	–	16
Other benefits:			
– Independent Non-Executive	291	46	337
– Non-Independent Non-Executive	159	–	159
	450	46	496
Total	2,326	186	2,512

14 ZAKAT

	Group	
	2024 RM'000	**2023 RM'000**
Movement of zakat liability:		
At beginning of financial year	**–**	–
Current financial year's zakat expense	**11,474**	34,162
Zakat paid	**(11,474)**	(34,162)
At end of financial year	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

15 TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Malaysian income tax:				
– In respect of current financial year	**203,617**	150,596	**7,847**	7,308
– In respect of prior financial year	**(4,092)**	8,328	**(2,143)**	3,130
Foreign income tax:				
– In respect of current financial year	**18,214**	23,204	**–**	–
Deferred tax (Note 47)	**12,822**	7,710	**(3,850)**	5,721
Tax expense	**230,561**	189,838	**1,854**	16,159

A reconciliation of income tax expense applicable to profit before taxation after zakat at the Malaysian statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Profit before taxation after zakat	**554,328**	302,280	**707,236**	115,944
Add/(less):				
Share of results of:				
– Associates	**1,903**	1,498	**–**	–
– Joint ventures	**(31,681)**	(24,836)	**–**	–
	524,550	278,942	**707,236**	115,944
Malaysian corporate tax rate of 24% (2023: 24%)	**125,892**	66,946	**169,737**	27,827
Tax effect of:				
– different tax rates in other countries	**1,313**	836	**–**	–
– expenses not deductible for tax purposes	**68,565**	74,961	**61,382**	30,692
– income not subject to tax	**(21,977)**	(25,710)	**(227,124)**	(47,441)
– (over)/under provision of income tax in prior financial year	**(4,092)**	8,328	**(2,143)**	3,130
– temporary differences not recognised as deferred tax	**60,528**	64,099	**–**	–
– temporary differences previously not recognised as deferred tax	**332**	378	**2**	1,951
Tax expense	**230,561**	189,838	**1,854**	16,159

16 DIVIDEND

Dividends declared and paid are as follows:

	Group and Company			
	2024		2023	
	Dividend per share Sen	Amount of dividend RM'000	Dividend per share Sen	Amount of dividend RM'000
Final single-tier dividend for the financial year ended 31 December 2023, paid on 12 April 2024	**3.0**	**109,445**	–	–
(2023: Final single-tier dividend for the financial year ended 31 December 2022, paid on 13 April 2023)	**–**	**–**	11.0	401,297
	3.0	**109,445**	11.0	401,297

On 28 February 2025, the Board of Directors agreed to declare the payment of a final single-tier dividend of 5.0 sen per ordinary share in respect of financial year ended 31 December 2024, amounting to RM182.41 million, which is not taxable in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967.

17 EARNINGS PER SHARE

	Group	
	2024	2023
Basic and diluted EPS (sen)	**7.6**	2.8

The basic earnings per share ("EPS") has been calculated based on the consolidated profit after taxation attributable to equity shareholders of the Company and divided by the weighted number of ordinary shares in issue during the financial year. There are no potential ordinary shares as at 31 December 2024 and 31 December 2023.

	Group	
	2024	2023
Profit for the financial year attributable to equity shareholders (RM'000)	**276,252**	101,618
Weighted average number of ordinary shares in issue (thousands)	**3,648,152**	3,648,152

Notes to the Financial Statements
For the financial year ended 31 December 2024

Notes to the Financial Statements
For the financial year ended 31 December 2024

18 SEGMENT REPORTING

Operating segments are reported in a manner consistent with the internal management reporting provided to the chief operating decision maker ("CODM"), which is the Group Management Committee ("GMC").

The GMC considers the business by product related activities. The reportable segments for the financial year ended 31 December 2024 have been identified as follows:

- Plantation Division – Plantation estates and mill activities including cultivation, harvesting and production of fresh fruit bunches ("FFB") and processing of FFB into crude palm oil ("CPO") and palm kernel ("PK"), research and development activities, fertilisers processing, rubber processing and production, sale of planting materials and security.
- Oils and Fats Division – Trading of CPO, refining of CPO, fractionation of refined bleached deodorised palm oil ("RBDPO") and Palm Olein ("PO"), crushing of PK, production of oleochemicals namely fatty acid and glycerine, processing and sales of biodiesel products, production of consumer bulk and packed products.
- Sugar Division – Sugar refining, sales and marketing of refined sugar and molasses.
- Logistics and Support Division – Bulking and transportation facilities and services, information technology and travel.

Corporate HQ, Others and Elimination mainly relates to the inclusion of investment holding companies within the Group and Group consolidation adjustments, which are not part of the operating segments.

The reportable segments and the entities included in the respective segments have been changed from the financial year ended 31 December 2023 due to the changes in the internal reporting structure to the CODM. Commencing from 1 January 2024, certain businesses activities and trading of CPO, which were previously part of Plantation Division, have now been included under Oils and Fats Division. Comparatives have been restated to conform to the revised reportable segments.

The GMC assesses the performance of the operating segments based on profit before zakat and taxation.

18 SEGMENT REPORTING (CONTINUED)

The segment information provided to the GMC for the reportable segments for the financial year reported is as follows:

2024	Plantation RM'000	Oils and Fats RM'000	Sugar RM'000	Logistics and Support RM'000	Corporate HQ, Others and Elimination RM'000	Total RM'000
Total segment revenue	6,610,787	20,125,140	3,790,333	933,056	308,742	31,768,058
Less: Inter-segment revenue	(5,261,257)	(3,420,730)	(246,081)	(402,531)	(279,931)	(9,610,530)
Revenue from external customers and other sources	1,349,530	16,704,410	3,544,252	530,525	28,811	22,157,528
Profit/(loss) before zakat and taxation for the financial year	260,655	205,261	79,334	157,013	(136,461)	565,802
Zakat						(11,474)
Taxation						(230,561)
Profit after taxation for the financial year						323,767
Other information:						
Cooking oil subsidy and joint industry incentive from KPDN	–	167,553	288,000	–	–	455,553
Finance income	8,960	18,205	7,112	3,438	4,540	42,255
Finance costs	(3,927)	(38,270)	(44,312)	(5,737)	(43,811)	(136,057)
Depreciation and amortisation	(520,845)	(72,735)	(82,582)	(80,419)	(17,856)	(774,437)
(Write-off)/write-back						
– property, plant and equipment	(1,359)	(1,133)	(918)	(2,187)	(225)	(5,822)
– biological assets	–	–	–	–	(343)	(343)
– inventories	57	(8,269)	(944)	–	(379)	(9,535)
(Impairment)/reversal of impairment loss (net)						
– financial assets	(1,835)	(546)	1,242	(627)	(1,077)	(2,843)
– non-financial assets	(154,931)	882	–	–	(7,890)	(161,939)
Fair value changes in LLA liability	(423,935)	–	–	–	–	(423,935)
Share of results of joint ventures	–	31,057	–	624	–	31,681
Share of results of associates	126	–	–	–	(2,029)	(1,903)
Capital expenditure	823,751	92,455	63,675	70,100	18,068	1,068,049

Notes to the Financial Statements
For the financial year ended 31 December 2024

Notes to the Financial Statements
For the financial year ended 31 December 2024

18 SEGMENT REPORTING (CONTINUED)

The segment information provided to the GMC for the reportable segments for the financial year reported is as follows: (continued)

2023	Plantation RM'000	Oils and Fats RM'000	Sugar RM'000	Logistics and Support RM'000	Corporate HQ, Others and Elimination RM'000	Total RM'000
Total segment revenue	5,829,037	17,391,423	3,300,710	833,089	336,041	27,690,300
Less: Inter-segment revenue	(4,628,928)	(2,837,084)	(209,569)	(353,630)	(301,903)	(8,331,114)
Revenue from external customers and other sources	1,200,109	14,554,339	3,091,141	479,459	34,138	19,359,186
Profit/(loss) before zakat and taxation for the financial year	38,718	267,093	(23,145)	149,130	(95,354)	336,442
Zakat						(34,162)
Taxation						(189,838)
Profit after taxation for the financial year						112,442
Other information:						
Cooking oil subsidy and joint industry incentive from KPDN	–	154,932	48,000	–	–	202,932
Finance income	7,730	14,921	7,957	3,301	1,214	35,123
Finance costs	3,714	(34,579)	(47,760)	(3,943)	(42,586)	(125,154)
Depreciation and amortisation	(506,709)	(71,803)	(83,732)	(78,310)	(21,521)	(762,075)
Write-off						
– property, plant and equipment	(8,183)	(281)	(947)	(263)	–	(9,674)
– biological assets	–	–	–	–	(79)	(79)
– inventories	(110)	(4,715)	(152)	–	(159)	(5,136)
Reversal of impairment/(impairment) loss (net)						
– financial assets	16,518	(1,219)	514	1,809	–	17,622
– non-financial assets	(111,026)	(7,371)	–	–	(7,103)	(125,500)
Fair value changes in LLA liability	(133,706)	–	–	–	–	(133,706)
Share of results of joint ventures	–	24,237	–	599	–	24,836
Share of results of associates	449	–	–	–	(1,947)	(1,498)
Capital expenditure	719,165	101,575	61,691	161,513	18,572	1,062,516

18 SEGMENT REPORTING (CONTINUED)

The revenue from external parties reported to the GMC is measured in a manner consistent with that in the statement of comprehensive income.

Revenues from external customers are derived from sales of goods and provisions of services as disclosed in Note 6.

The analysis of external revenue by end customer geographical location is as follows:

	2024 RM'000	2023 RM'000
Malaysia	**15,389,223**	13,453,886
Overseas:		
– India	**1,798,310**	1,797,011
– China	**800,819**	456,556
– Pakistan	**983,188**	773,556
– Asia (excluding Malaysia, China, Pakistan and Indonesia)	**1,268,907**	1,036,994
– United States	**1,122,338**	1,011,311
– Europe	**188,778**	294,570
– Africa	**332,711**	303,384
– New Zealand	**63,782**	41,001
– Indonesia	**61,771**	44,735
– Others	**147,701**	146,182
	22,157,528	19,359,186

Segment assets and segment liabilities are not disclosed as these are not reported to the CODM.

The analysis of non-current assets (excluding financial assets, tax recoverable and deferred tax assets) by geographical location is as follows:

	2024 RM'000	2023 RM'000
Malaysia	**11,595,275**	11,416,439
Overseas:		
– United States	**283,597**	272,936
– Pakistan	**14,562**	16,570
– Indonesia	**7,018**	8,091
– Others	**1,917**	2,269
	11,902,370	11,716,305

In the current financial year, one (2023: one) major customer in the Oils and Fats Division contributed RM1,351,020,000 (6%) (2023: RM1,250,949,000 (7%)) to the Group's total revenues.

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT

Group 2024	Freehold land RM'000	Buildings, structures and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, tools and other equipment RM'000	Assets under construction RM'000	Bearer plants and livestock RM'000	Total RM'000
Cost								
At 1 January 2024	52,896	3,389,742	4,396,714	609,267	410,714	388,761	5,784,128	15,032,222
Additions	–	26,642	122,343	58,328	33,474	355,140	453,345	1,049,272
Disposals	–	(7,190)	(26,599)	(11,833)	(452)	–	–	(46,074)
Write offs	–	(9,615)	(31,964)	(10,906)	(8,319)	(1,022)	(95,665)	(157,491)
Reclassification	–	181,621	120,670	37,867	37,397	(377,555)	–	–
Transfer to intangible asset (Note 22)	–	(17,436)	(55,650)	–	(1,329)	(6,760)	–	(81,175)
Exchange differences	(539)	(5,134)	(14,661)	(99)	(649)	(464)	–	(21,546)
At 31 December 2024	52,357	3,558,630	4,510,853	682,624	470,836	358,100	6,141,808	15,775,208
Accumulated depreciation/impairment								
At 1 January 2024	–	1,361,319	2,382,824	325,963	302,585	110,158	2,641,084	7,123,933
Charge for the financial year	–	130,735	240,975	65,882	48,003	–	180,735	666,330
Impairment loss	–	40,408	34,963	1,798	1,387	267	37,999	116,822
Disposals	–	(5,592)	(26,594)	(11,609)	(412)	–	–	(44,207)
Write offs	–	(8,424)	(29,222)	(10,399)	(8,204)	–	(95,420)	(151,669)
Reclassification	–	21,162	(32,097)	3,058	7,877	–	–	–
Transfer to intangible asset (Note 22)	–	(7,198)	(30,024)	–	(769)	–	–	(37,991)
Exchange differences	–	(2,268)	(11,057)	(129)	(587)	–	–	(14,041)
At 31 December 2024	–	1,530,142	2,529,768	374,564	349,880	110,425	2,764,398	7,659,177
Net book value at 31 December 2024	52,357	2,028,488	1,981,085	308,060	120,956	247,675	3,377,410	8,116,031

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Group 2023	Freehold land RM'000	Buildings, structures and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, tools and other equipment RM'000	Assets under construction RM'000	Bearer plants and livestock RM'000	Total RM'000
Cost								
At 1 January 2023	51,955	3,266,432	4,098,833	554,580	383,337	329,903	5,608,934	14,293,974
Additions	–	26,269	95,967	86,963	33,697	387,161	375,913	1,005,970
Disposals	–	(829)	(5,317)	(949)	(8,797)	–	–	(15,892)
Write offs	–	(8,515)	(23,782)	(24,612)	(7,546)	(1,139)	(89,719)	(155,313)
Reclassification	–	114,542	196,483	(426)	10,119	(320,718)	–	–
Transfer from asset held for sale (Note 36)	–	–	11,585	–	–	–	–	11,585
Transfer to biological asset (Note 31)	–	–	–	–	–	(6,994)	–	(6,994)
Disposal of subsidiaries (Note 23(c))	–	(8,512)	(894)	(6,687)	(1,114)	(206)	(118,478)	(135,891)
Exchange differences	941	355	23,839	398	1,018	754	7,478	34,783
At 31 December 2023	52,896	3,389,742	4,396,714	609,267	410,714	388,761	5,784,128	15,032,222
Accumulated depreciation/impairment								
At 1 January 2023	–	1,258,115	2,100,848	300,904	272,368	110,158	2,523,617	6,566,010
Charge for the financial year	–	126,554	246,924	55,374	46,374	–	186,277	661,503
(Reversal of impairment)/impairment loss	–	(3,816)	27,737	–	321	–	57,066	81,308
Disposals	–	(579)	(2,762)	(922)	(4,971)	–	–	(9,234)
Write offs	–	(3,219)	(23,204)	(23,644)	(6,841)	–	(88,731)	(145,639)
Reclassification	–	(10,133)	14,910	(154)	(4,623)	–	–	–
Transfer from asset held for sale (Note 36)	–	–	2,554	–	–	–	–	2,554
Disposal of subsidiaries (Note 23(c))	–	(5,719)	(887)	(5,898)	(976)	–	(38,328)	(51,808)
Exchange differences	–	116	16,704	303	933	–	1,183	19,239
At 31 December 2023	–	1,361,319	2,382,824	325,963	302,585	110,158	2,641,084	7,123,933
Net book value at 31 December 2023	52,896	2,028,423	2,013,890	283,304	108,129	278,603	3,143,044	7,908,289

Included in the additions of property, plant and equipment were RM49,325,000 (2023: RM33,924,000) in relation to capitalised finance cost for bearer plants at average finance rate of 5.5% (2023: 4.7%) per annum, RM2,241,000 (2023: RM2,224,000) in relation to capitalised borrowing costs for other qualifying assets at average finance rate of 4.5% (2023: 2.8%) per annum and RM24,791,000 (2023: nil) in unpaid balances included in other payables.

Net book value of the property, plant and equipment pledged as security to borrowings amounted to RM264,556,000 (2023: RM260,627,000).

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Bearer plants and livestock

Bearer plants comprise oil palm, rubber trees and coconut trees. Immature bearer plants are capitalised as capital work in progress.

	Mature				Immature						
Group 2024	**Oil palm RM'000**	**Rubber trees RM'000**	**Others RM'000**	**Total RM'000**	**Oil palm RM'000**	**Rubber trees RM'000**	**Others RM'000**	**Total RM'000**	**Nursery RM'000**	**Livestock RM'000**	**Total bearer plants and livestock RM'000**
Cost											
At 1 January 2024	4,681,554	150,346	676	4,832,576	746,805	102,815	27,884	877,504	73,916	132	5,784,128
Additions	–	–	–	–	397,175	–	15,003	412,178	41,098	69	453,345
Write offs	(95,665)	–	–	(95,665)	–	–	–	–	–	–	(95,665)
Reclassification from:											
– immature	180,959	361	–	181,320	(180,959)	(361)	–	(181,320)	–	–	–
– planting	–	–	–	–	25,040	–	–	25,040	(25,040)	–	–
At 31 December 2024	4,766,848	150,707	676	4,918,231	988,061	102,454	42,887	1,133,402	89,974	201	6,141,808
Accumulated depreciation/impairment											
At 1 January 2024	2,425,248	144,695	676	2,570,619	1,016	67,596	198	68,810	1,609	46	2,641,084
Charge for the financial year	175,165	5,554	–	180,719	–	–	–	–	–	16	180,735
Impairment loss	4	–	–	4	10,495	26,788	712	37,995	–	–	37,999
Write offs	(95,420)	–	–	(95,420)	–	–	–	–	–	–	(95,420)
Reclassification	1,089	–	–	1,089	–	–	–	–	(1,089)	–	-
At 31 December 2024	2,506,086	150,249	676	2,657,011	11,511	94,384	910	106,805	520	62	2,764,398
Net book value at 31 December 2024	2,260,762	458	–	2,261,220	976,550	8,070	41,977	1,026,597	89,454	139	3,377,410

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

(a) Bearer plants and livestock (continued)

	Mature				Immature						
Group 2023	**Oil palm RM'000**	**Rubber trees RM'000**	**Others RM'000**	**Total RM'000**	**Oil palm RM'000**	**Rubber trees RM'000**	**Others RM'000**	**Total RM'000**	**Nursery RM'000**	**Livestock RM'000**	**Total bearer plants and livestock RM'000**
Cost											
At 1 January 2023	4,597,634	136,059	676	4,734,369	696,500	112,654	15,235	824,389	50,103	73	5,608,934
Additions	–	–	–	–	299,215	4,476	12,649	316,340	59,512	61	375,913
Write offs	(89,689)	–	–	(89,689)	–	(28)	–	(28)	–	(2)	(89,719)
Reclassification from:											
– immature	259,259	14,287	–	273,546	(259,259)	(14,287)	–	(273,546)	–	–	–
– planting	–	–	–	–	35,715	–	–	35,715	(35,715)	–	–
Disposal of subsidiaries	(91,773)	–	–	(91,773)	(26,705)	–	–	(26,705)	–	–	(118,478)
Exchange differences	6,123	–	–	6,123	1,339	–	–	1,339	16	–	7,478
At 31 December 2023	4,681,554	150,346	676	4,832,576	746,805	102,815	27,884	877,504	73,916	132	5,784,128
Accumulated depreciation/impairment											
At 1 January 2023	2,340,130	129,923	676	2,470,729	–	52,131	198	52,329	520	39	2,523,617
Charge for the financial year	180,796	5,472	–	186,268	–	–	–	–	–	9	186,277
Impairment loss	30,196	9,300	–	39,496	1,016	15,465	–	16,481	1,089	–	57,066
Write offs	(88,729)	–	–	(88,729)	–	–	–	–	–	(2)	(88,731)
Disposal of subsidiaries	(38,328)	–	–	(38,328)	–	–	–	–	–	–	(38,328)
Exchange differences	1,183	–	–	1,183	–	–	–	–	–	–	1,183
At 31 December 2023	2,425,248	144,695	676	2,570,619	1,016	67,596	198	68,810	1,609	46	2,641,084
Net book value at 31 December 2023	2,256,306	5,651	–	2,261,957	745,789	35,219	27,686	808,694	72,307	86	3,143,044

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment RM'000	Motor vehicle RM'000	Building, structure and renovation RM'000	Work in progress RM'000	Total RM'000
2024					
Cost					
At 1 January 2024	**16,078**	**1,004**	**5,071**	**197**	**22,350**
Addition	**130**	**–**	**–**	**3**	**133**
Reclassification	**–**	**–**	**197**	**(197)**	**–**
At 31 December 2024	**16,208**	**1,004**	**5,268**	**3**	**22,483**
Accumulated depreciation					
At 1 January 2024	**14,305**	**381**	**2,088**	**–**	**16,774**
Charge for the financial year	**863**	**126**	**279**	**–**	**1,268**
At 31 December 2024	**15,168**	**507**	**2,367**	**–**	**18,042**
Net book value at 31 December 2024	**1,040**	**497**	**2,901**	**3**	**4,441**
2023					
Cost					
At 1 January 2023	15,535	374	5,071	129	21,109
Addition	543	630	–	68	1,241
At 31 December 2023	16,078	1,004	5,071	197	22,350
Accumulated depreciation					
At 1 January 2023	13,146	374	1,813	–	15,333
Charge for the financial year	1,159	7	275	–	1,441
At 31 December 2023	14,305	381	2,088	–	16,774
Net book value at 31 December 2023	1,773	623	2,983	197	5,576

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment

Financial year ended 31 December 2024

a) Asian Plantations Limited ("APL")

During the financial year, due to the unfavourable performance against budget resulting from continued shortages of labour, low mill utilisation factor, lower FFB yield and lower FFB external supply, APL continued to be in a loss making position. The lower mill utilisation factor as compared to the previous year was primarily due to the withdrawal of a key FFB supplier during the financial year 2024. FFB yield remained low in the financial year 2024 due to a shortage of foreign workers for harvesting and estate upkeep. The Group has performed an updated impairment assessment by engaging an external valuer to review the revised discounted cash flow projections.

As a result of the impairment assessment, the recoverable amount of the assets was RM150,700,000, which resulted in the impairment loss of RM55,881,000 for property, plant and equipment and RM38,322,000 for right-of-use assets. The impairment loss totalling RM94,203,000 was recognised as the Group's impairment of non-financial assets and was included as an impairment loss within the Plantation Division in the Group's segment reporting (Note 18).

The recoverable amount was determined using the fair value through cost to sell calculation (Level 3 fair value calculation), based on the valuation report obtained from the external valuer. The key assumptions used in the valuation were as follows:

	2024	2023
(i) CPO price (RM/MT)	**3,225**	3,000
(ii) PK price (RM/MT)	**1,890**	1,870
(iii) FFB price (RM/MT)	**600**	580
(iv) FFB Yield (MT/Ha)	**0.1 – 8.0**	0.2 – 22.0
(v) Upkeep and cultivation cost (RM/Ha)	**130 – 640**	1,680 – 2,016
(vi) Harvesting and transportation cost (RM/MT)	**166 – 200**	120 – 180
(vii) General and administrative charges (RM/MT)	**600 – 810**	1,000 – 1,450

The sensitivity of the APL's recoverable amount to changes in key assumptions is as follows:

Key assumptions	Sensitivity	Recoverable amount lower by RM'000
Upkeep and cultivation cost	Increase by RM191/Ha – RM593/Ha	(2,409)
Harvesting and transportation cost	Increased by RM169/MT – RM206/MT	(1,806)

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2024 (continued)

b) FGV Plantations (Malaysia) Sdn. Bhd. ("FGVPM")

Rubber plantation assets

In view of the adverse results in the rubber operation arising from lower rubber yield and the Board's approval of the rubber strategy, an impairment assessment was performed on the rubber operations in FGVPM.

Based on the impairment assessment, the recoverable amount of the rubber plantation in FGVPM was RM8,530,000, which resulted in the impairment loss of RM26,788,000 for property, plant and equipment. The impairment loss was recognised as the Group's impairment of non-financial assets and included as an impairment loss within the Plantation Division in the Group's segment reporting (Note 18).

The recoverable amount was determined based on the fair value through cost to sell calculation (Level 3 fair value calculation) using cash flow projection. The cash flow projection was based on approved financial budgets by the Board of Directors, covering a period of 6 years in line with the approved strategy plan. The key assumptions used in the valuation were as follows:

		2024	2023
(i)	Planted rubber hectarage	**5,920**	7,079
	– Own tapping (ha)	**406 – 2,555**	846 – 7,079
	– Outsource (ha)	**354 – 2,381**	nil
(ii)	Rubber price (RM/kg)	**6.83 – 8.45**	5.90 – 6.20
(iii)	Rubber yield (kg/ha per annum)	**650**	1,141 – 1,250
(iv)	Mature cost (RM/kg)	**7.55 – 10.98**	5.88 – 5.99
(v)	Discount rate	**9.5%**	9.5%
(vi)	Cashflow projection period	**6 years**	14 years

The sensitivity of the rubber plantation recoverable amount to changes in key assumptions is as follows:

Key assumptions	Sensitivity	Recoverable amount lower by RM'000
Rubber price	Reduce by RM0.25 cents per kg	(756)
Rubber yield	Reduce by 100 kg/ha per annum	(2,259)
Mature cost per hectare	Increase by 5%	(1,311)

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2024 (continued)

c) FGV Palm Industries Sdn. Bhd. ("FGVPI")

Biogas plant

During the financial year, an impairment assessment was performed for the three biogas plants, which were in loss-making positions due to low electricity generation. Based on the impairment assessment, the recoverable amount of these biogas plant was RM7,300,000, which resulted in the impairment loss of RM1,820,000 for property, plant and equipment and RM4,780,000 for intangible assets.

The recoverable amount was determined using value-in-use calculation based on cash flow projections covering a 5 to 8 years period, representing the remaining useful lives of the assets. The key assumptions on the assessment were as follows:

		2024	2023
(i)	Electricity production (KwH'000)	**2,500 – 4,900**	8,400 – 14,000
(ii)	Electricity rate (RM/KwH)	**0.40 – 0.70**	0.40
(iii)	Production cost (RM/KwH)	**0.37 – 1.22**	0.28 – 0.57
(iv)	Maintenance cost per annum (RM'000)	**450 – 1,000**	450 – 1,000
(v)	Discount rate	**10%**	10%
(vi)	Projection period	**5 – 8 years**	9 years

Biomass power plant

During the financial year, a biomass power plant remained in a loss-making position due to low utilisation factors, which had been identified as indicator for impairment of the asset. Based on the impairment assessment, the recoverable amount of the biomass power plant was RM39,300,000, which resulted in the impairment loss of RM2,548,000 for property, plant and equipment.

The recoverable amount was determined using value-in-use calculation based on cash flow projections covering a 15 year period, representing the remaining useful life of the assets. The key assumptions on the assessment were as follows:

		2024	2023
(i)	Export utilisation factor	**22% – 34%**	17% – 37%
(ii)	Electricity rate (RM/KwH)	**0.80**	0.80
(iii)	Other income per annum (RM'000)	**9,452 – 11,154**	13,672
(iv)	Total cost per annum (RM'000)	**25,320 – 34,232**	27,427 – 29,142
(v)	Discount rate	**10%**	10%

All impairment losses in FGVPI were recognised as the Group's impairment of non-financial assets and included as impairment loss within the Plantation Division in the Group's segment reporting (Note 18).

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2024 (continued)

d) FGV Rubber Industries Sdn. Bhd. ("FGVRI")

As at 31 December 2024, certain factories within FGVRI incurred losses due to insufficient production volume to cover fixed costs, which had been identified as an indicator of impairment.

Based on the impairment assessment, the recoverable amount of two factories were nil, which resulted in a full impairment of RM8,463,000 for property, plant, and equipment and RM1,187,000 for right-of-use assets. The impairment loss totalling RM9,650,000 was recognised as the Group's impairment of non-financial assets and included as an impairment loss within the Plantation Division in the Group's segment reporting (Note 18).

The recoverable amount was determined using value in use calculation using cash flow projections. The key assumptions used in the valuation were as follows:

	2024	2023
(i) Revenue growth rate	**3%**	3%
(ii) Sales volume (MT)	**25,486 – 36,161**	25,486
(iii) Selling price (sen/kg)	**742 – 762**	676
(iv) Gross profit margin	**5%**	4%
(v) Discount rate	**9%**	10%

e) FGV Integrated Farming Holdings Sdn. Bhd. ("FGVIF")

Continued losses in FGVIF due to lower sales volume have been identified as an impairment indicator impairment for the assets. Based on the impairment assessment, the recoverable amount of the assets in FGVIF was RM3,400,000, which resulted in the impairment loss of RM6,928,000 for property, plant and equipment. The impairment loss was recognised as the Group's impairment of non-financial assets and included as an impairment loss within the Corporate HQ and Others in the Group's segment reporting (Note 18).

The recoverable amount was determined using the fair value through cost to sell calculation (Level 3 fair value calculation), based on the valuation report obtained from the external valuer.

f) MSM Sugar Refinery (Johor) Sdn. Bhd. ("MSM Johor")

MSM Johor has recorded continuous losses due to its low utilisation capacity since previous financial years, and this has been identified as indicator for impairment for the assets.

The recoverable amount was determined using value in use calculation based on cash flow projection which was approved by the Board of Directors. The key assumptions of the projection were based on the 2025 to 2027 approved financial budget by the Directors and it covers a finite projection period of 23 years (2023: 25 years), based on the useful life of the property, plant and equipment.

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2024 (continued)

e) MSM Sugar Refinery (Johor) Sdn. Bhd. ("MSM Johor") (continued)

The recoverable amount of MSM Johor's assets calculated based on a value in use calculation was RM1,388 million, which exceeded the carrying value by RM207 million (2023: recoverable amount was RM1,340 million, which exceeded the carrying value by RM159 million). The calculation was based on single scenario assessment (2023: probability weighted average assessment based on three scenarios).

The carrying amount of MSM Johor CGU includes property, plant and equipment, right-of-use assets and working capital. The key assumptions used for the value in use calculation are:

	2024	2023
Key assumptions		
Selling price, RM/MT*	**2,685 – 4,470**	2,967 – 4,564
Selling price of packed products subject to price control, RM/MT#	**3,690**	3,690 – 4,190
Raw sugar price, RM/lb	**0.84 – 0.91**	0.96 – 1.04
Utilisation factor	**28.6% – 60.4%**	26.6% – 59.0%
Sales volume, MT'000	**286 – 604**	266 – 587
Freight charges, RM/MT	**206 – 217**	157.5 – 180.0
Natural gas price, RM/MMBtu	**44.5 – 46.4**	44.5 – 48.4
Long term growth rate %	**2.0%**	2.0%
Discount rate % (pre-tax)	**12.4%**	12.4%

* Excluding products subject to price control

\# In deriving the key assumption of selling price of products subject to price control, the Directors of the MSM Holdings Berhad Group ("MSM Group") have applied three probability weighted scenario for prior year on the assumptions surrounding the selling prices based on the management's ongoing discussion with relevant authorities. In 2024, the Directors of MSM Group have applied a single scenario assessment to the selling price assumption for products subject to price control, which is fixed at RM3,690/MT. This is based on the Directors' assessment of the latest development in the pricing mechanism of the products subject to price control.

The sensitivity on the MSM Johor's assets VIU recoverable amount to key assumptions are as follows:

Key assumptions	Sensitivity	2024 VIU lower by RM'000	2023 Changes in carrying amount by RM'000
Selling price of product subject to price control	Selling price remain at RM2,690/MT*	**(1,143,737)**	(1,267,012)

* Represents existing ceiling price for products subject to price control

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2023

a) FGV Plantations (Malaysia) Sdn. Bhd. (“FGVPM”)

An updated impairment assessment was performed in the previous financial year due to continuing loss making on the rubber operations in FGVPM driven by reduction in planted rubber hectarage as well as lower overall average selling price.

Based on the impairment assessment, the recoverable amount of the rubber plantation in FGVPM was RM40,871,000, which resulted in the impairment loss of RM24,765,000 for property, plant and equipment. The impairment loss was recognised as the Group’s impairment of non-financial assets and included as impairment loss within the Plantation Division in the Group’s segment reporting (Note 18).

The recoverable amount was determined using fair value through cost to sell calculation (Level 3 fair value calculation) using cash flow projections covering a 20 year period. The cash flow projection was based on 2024 approved financial budgets by the Board of Directors of the Company plus the projection for the remaining period reflective of the forecasted operational results. The key assumptions used in the valuation were as follows:

(i)	Planted rubber hectarage	Up to 4,109 hectares
(ii)	Rubber price	RM5.90 per kg to RM6.20 per kg
(iii)	Rubber yield	1,141 kg/ha to 1,250 kg/ha per annum
(iv)	Mature cost	RM5.88 per kg to RM5.99 per kg
(v)	Discount rate	9.5%
(vi)	Cashflow projection period	20 years

Reduction in planted mature rubber hectarage from the previous financial year arising from increased skilled labour shortages.

The sensitivity of the rubber plantation recoverable amount to changes in key assumptions was as follows:

Key assumptions	Sensitivity	Recoverable amount lower by RM’000
Rubber price	Reduce by RM0.25 cents per kg	(22,802)
Rubber yield	Reduce by 100 kg/ha per annum	(6,667)
Mature cost per hectare	Increase by 5%	(6,189)

b) PT. Citra Niaga Perkasa and PT. Temila Agro Abadi (“PT CNP” and “PT TAA”)

In the previous financial year, Board of Directors had approved the divestment of the 95% equity stake in PT CNP and PT TAA, indirect subsidiaries of the Company due to continuing losses of the two Indonesian subsidiaries plantation, as a result of high production cost, low age profile and affected planting activities.

The financial impact of the disposal of PT CNP and PT TAA is reflected in Note 23(c) to the financial statements.

Based on the disposal price offered, the recoverable amount of the two subsidiaries were RM103,929,000, which resulted in the total impairment loss of RM9,327,000 for property, plant and equipment and RM38,646,000 for intangible assets. The impairment loss totalling RM47,973,000 was recognised as the Group’s impairment of non-financial assets and included as impairment loss within the Plantation Division in the Group’s segment reporting (Note 18).

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2023 (continued)

c) FGV Palm Industries Sdn. Bhd. (“FGVPI”)

A biomass power plant continued to be in a loss making position as a result of low utilisation factors in the previous financial year, which had been identified as indicator for impairment of the asset. Based on the impairment assessment, the recoverable amount of the biomass power plant was RM41,100,000, which resulted in the impairment loss of RM9,100,000 for property, plant and equipment.

The recoverable amount was determined using value-in-use calculation based on cash flow projections covering a 15 year period. The key assumptions on the assessment were as follows:

(i)	Export utilisation factor	17% – 37%
(ii)	Electricity rate (RM/KwH)	0.8
(iii)	Other income per annum (RM’000)	13,672
(iv)	Total cost per annum (RM’000)	27,427 – 29,142

All impairment losses in FGVPI was recognised as the Group’s impairment of non-financial assets and included as impairment loss within the Plantation Division in the Group’s segment reporting (Note 18).

d) FGV Kernel Products Sdn. Bhd. (“FGVKP”)

As at 31 December 2023, certain mills in FGVKP were in loss making position due to the downward trend of selling price for palm kernel expeller (“PKE”), crude palm kernel oil (“CPKO”) as well as low utilisation factor, and this had been identified as an indicator impairment for the assets.

Based on the impairment assessment, one of the mill’s recoverable amount of RM719,000, resulted in the impairment loss of RM7,181,000 for property, plant and equipment. The impairment loss was recognised as the Group’s impairment of non-financial assets and included as impairment loss within the Plantation Division in the Group’s segment reporting (Note 18).

The recoverable amount was determined using value-in-use calculation based on cash flow projections. The key assumption used for the value-in-use calculation were as follows:

(i)	Estimated selling price CPKO (per MT)	RM3,079 – RM3,900
(ii)	Estimated selling price PKE	RM519 – RM618
(iii)	Utilisation capacity (%)	35%
(iv)	Utilisation capacity (MT)	66,000
(v)	Discount rate	10%

Notes to the Financial Statements
For the financial year ended 31 December 2024

19 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Significant impairment of property, plant and equipment (continued)

Financial year ended 31 December 2023 (continued)

e) Pontian United Plantation Berhad ("PUP Group")

The recoverable amount of the estates in PUP Group was determined based on the valuation report obtained from an external valuer using income approach (level 3 fair value computation) with cash flow projections covering a 25 year period. Based on the valuation, the recoverable amount of this estate was RM18,725,000, which resulted in the impairment loss of RM18,931,000 for property, plant and equipment. The impairment loss which was primarily driven by the reducing trend of CPO prices had been recognised as the Group's impairment of non-financial assets and had been included as impairment loss within the Plantation Division in the Group's segment reporting (Note 18).

The key assumptions used in the valuation were as follows:

(i)	CPO price (RM/MT)	2,915 – 3,600
(ii)	PK price (RM/MT)	1,500 – 1,895
(iii)	Cost of production (RM/Ha)	2,500 – 4,500
(iv)	FFB yield (MT/Ha)	7 – 24.50
(v)	Discount rate	9.5%

The Group leases out certain of its buildings and structures, mainly relating to tanks, pipelines and installations and warehouses, to tenants under operating leases. The Group is not exposed to any material impact of lease payments subject to variable lease considerations.

Operating lease receipts represent rentals receivable by the Group for natural oil tanks and oil pipeline system rented out.

The future aggregate minimum lease receivables under non-cancellable operating lease are as follows:

	Group	
	2024 RM'000	**2023 RM'000**
Within 1 year	**1,155**	2,368
Between 1 and 2 years	**1,155**	2,368
Between 2 and 3 years	**1,155**	2,368
Between 3 and 4 years	**1,155**	2,368
Between 4 and 5 years	**1,155**	2,368
	5,775	11,840

Rental income recognised in profit or loss during the financial year amounted to RM1,854,000 (2023: RM1,892,000).

Notes to the Financial Statements
For the financial year ended 31 December 2024

20 RIGHT-OF-USE ASSETS

Group 2024	Leasehold land RM'000	Buildings, structures and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, tools and other equipment RM'000	Total RM'000
Cost						
At 1 January 2024	2,631,995	269,573	67,955	5,251	6,593	2,981,367
Additions	3,173	19,471	13,779	94	2,252	38,769
Remeasurement of lease contracts	40,835	27	–	–	–	40,862
Termination of lease contracts	(10,018)	(4,651)	–	(504)	–	(15,173)
Reclassification	19,112	(19,112)	–	–	–	–
Currency translation differences	(115)	–	(1,952)	–	–	(2,067)
At 31 December 2024	2,684,982	265,308	79,782	4,841	8,845	3,043,758
Accumulated depreciation/ impairment						
At 1 January 2024	513,890	207,873	55,972	3,309	4,374	785,418
Charge for the financial year	54,878	19,978	6,641	60	3,282	84,839
Impairment	39,509	828	–	–	–	40,337
Termination of lease contracts	(2,705)	(3,471)	–	(504)	–	(6,680)
Reclassification	3,810	(3,810)	–	–	–	–
Currency translation differences	(115)	–	(1,520)	–	–	(1,635)
At 31 December 2024	609,267	221,398	61,093	2,865	7,656	902,279
Net book value at 31 December 2024	2,075,715	43,910	18,689	1,976	1,189	2,141,479

20 RIGHT-OF-USE ASSETS (CONTINUED)

Group 2023	Leasehold land RM'000	Buildings, structures and renovations RM'000	Plant and machinery RM'000	Motor vehicles RM'000	Office equipment, tools and other equipment RM'000	Total RM'000
Cost						
At 1 January 2023	2,548,993	267,145	63,287	3,279	6,593	2,889,297
Additions	56,381	13,439	1,776	1,972	–	73,568
Remeasurement of lease contracts	62,083	–	–	–	–	62,083
Termination of lease contracts	(25,922)	(11,011)	–	–	–	(36,933)
Disposal of subsidiaries (Note 23(c))	(9,807)	–	–	–	–	(9,807)
Currency translation differences	267	–	2,892	–	–	3,159
At 31 December 2023	2,631,995	269,573	67,955	5,251	6,593	2,981,367
Accumulated depreciation/ impairment						
At 1 January 2023	489,515	196,800	46,578	1,227	4,374	738,494
Charge for the financial year	50,097	20,908	7,231	2,082	–	80,318
Reversal of impairment	–	(491)	–	–	–	(491)
Termination of lease contracts	(25,922)	(9,344)	–	–	–	(35,266)
Currency translation differences	200	–	2,163	–	–	2,363
At 31 December 2023	513,890	207,873	55,972	3,309	4,374	785,418
Net book value at 31 December 2023	2,118,105	61,700	11,983	1,942	2,219	2,195,949

Group

As at 31 December 2024, the carrying amount of right-of-use assets under land arrangements with FELDA amounted to RM322,318,000 (2023: RM336,437,000). FELDA is in the midst of applying the land titles from respective state authorities.

During the financial year 2024, the Group has exercised its legal and contractual rights to extend the lease term for one of the leasehold land in Prai by another 30 years. As at the reporting date, the Group is in discussion with the landlord to negotiate and finalise the lease arrangement terms which include the lease rental rate and lease term as the landlord has not agreed to the lease term extension notification issued by the Group and the proposed rental rate. The Directors are of the view that the negotiations will be concluded in accordance with the Group's legal and contractual rights of the lease agreement as supported by external legal advices.

Accordingly, the Group has remeasured the lease liability by making a corresponding adjustment to the right-of-use assets, after taking into consideration the extended lease term by another 30 years using the increase in rental rate of other comparable leases entered into by the Group.

Included in the additions of right-of-use assets of RM56,381,000 in the previous financial year, was the extension of land lease agreement, in which RM31,188,000 payment was made in the financial year ended 2024 (2023: payment of RM25,193,000). However, certain lease agreement is expected to be finalised in financial year ending 2025.

Notes to the Financial Statements
For the financial year ended 31 December 2024

20 RIGHT-OF-USE ASSETS (CONTINUED)

Company	Buildings RM'000
2024	
Cost	
At 1 January 2024/31 December 2024	**39,251**
Accumulated depreciation	
At 1 January 2024	**23,259**
Charge for the financial year	**4,361**
At 31 December 2024	**27,620**
Net book value at 31 December 2024	**11,631**
2023	
Cost	
At 1 January 2023/31 December 2023	39,251
Accumulated depreciation	
At 1 January 2023	18,898
Charge for the financial year	4,361
At 31 December 2023	23,259
Net book value at 31 December 2023	15,992

Total cash outflow for leases of the Group and the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Short term lease payments	**15,093**	17,849	**22**	27
Rental of low value assets	**8,544**	9,676	**–**	–
Payments of lease liabilities	**68,688**	57,624	**6,602**	5,528
	92,325	85,149	**6,624**	5,555

21 INVESTMENT PROPERTIES

Group	Freehold RM'000	Leasehold RM'000	Buildings RM'000	Total RM'000
2024				
Cost				
At 1 January/31 December 2024	**32,006**	**7,080**	**141,656**	**180,742**
Accumulated depreciation				
At 1 January 2024	**–**	**2,190**	**112,478**	**114,668**
Charge for the financial year	**–**	**19**	**7,056**	**7,075**
At 31 December 2024	**–**	**2,209**	**119,534**	**121,743**
Net book value at 31 December 2024	**32,006**	**4,871**	**22,122**	**58,999**
2023				
Cost				
At 1 January 2023	32,006	21,591	127,145	180,742
Reclassification	–	(14,511)	14,511	–
At 31 December 2023	32,006	7,080	141,656	180,742
Accumulated depreciation				
At 1 January 2023	–	3,561	103,402	106,963
Charge for the financial year	–	310	7,395	7,705
Reclassification	–	(1,681)	1,681	–
At 31 December 2023	–	2,190	112,478	114,668
Net book value at 31 December 2023	32,006	4,890	29,178	66,074

	Buildings	
Company	2024 RM'000	2023 RM'000
Cost		
At 1 January/31 December	**17,627**	17,627
Accumulated depreciation/impairment		
At 1 January	**8,090**	7,208
Charge for the financial year	**882**	882
At 31 December	**8,972**	8,090
Net book value at 31 December	**8,655**	9,537

Notes to the Financial Statements
For the financial year ended 31 December 2024

21 INVESTMENT PROPERTIES (CONTINUED)

The following amounts have been recognised in profit or loss:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Rental income from investment properties	**7,603**	8,077	**593**	402
Direct operating expenses arising from investment properties that generate rental income	**(2,245)**	(1,598)	**(373)**	(12)
Direct operating expenses arising from investment properties that did not generate rental income	**–**	–	**(45)**	(45)

The fair value of the investment properties above as at 31 December 2024 is estimated at RM263,013,000 (2023: RM252,160,000) for the Group and RM20,060,000 (2023: RM20,000,000) for the Company based on independent valuations carried out by registered professional valuers using the comparison method by reference to recent transactions involving other similar properties in the vicinity. The valuation is a Level 2 fair value estimation.

Leasing arrangements – The Group and Company as a lessor

The investment properties are leased to tenants under operating leases. The Group and the Company are not exposed to any variable lease considerations under the arrangements.

22 INTANGIBLE ASSETS

Group	Goodwill RM'000	Brand RM'000	Software RM'000	Concession assets RM'000	Others RM'000	Intangible assets under development RM'000	Total RM'000
Net book value							
2024							
At 1 January 2024	803,035	62,037	12,371	–	1,131	11,019	889,593
Additions	–	–	3,185	1,285	–	12,264	16,734
Reclassification	–	–	13,590	–	–	(13,590)	–
Amortisation charge	–	(4,493)	(5,637)	(5,119)	(944)	–	(16,193)
Impairment loss	–	–	–	(4,780)	–	–	(4,780)
Transfer from property, plant and equipment (Note 19)	–	–	–	43,184	–	–	43,184
Exchange differences	–	–	–	–	(7)	–	(7)
At 31 December 2024	803,035	57,544	23,509	34,570	180	9,693	928,531
Expected remaining useful lives (years) – 31 December 2024		6 – 13	1 – 5	8	2		

The transfer of assets from property, plant and equipment of RM43,184,000 relates to the Group's revenue generation from the sale of electricity under the Service Concession Agreement ("SCA") with Tenaga Nasional Berhad ("TNB") via the Renewable Energy Power Purchase Agreement ("REPPA"). Under the service concession agreement, TNB pays the Group based on the total electricity generated at the agreed rate. The concession period encompasses most of the assets' useful life.

The REPPA held by the Group is recognised as a single asset in accordance with MFRS 138, "Intangible Assets", in view that they are required for the generation, operation and maintenance, sale of electricity energy and generating capacity of the plant.

Group	Goodwill RM'000	Brand RM'000	Software RM'000	Land use rights RM'000	Others RM'000	Intangible assets under development RM'000	Total RM'000
Net book value							
2023							
At 1 January 2023	809,072	66,687	13,291	43,412	719	6,802	939,983
Additions	–	–	2,732	–	651	6,966	10,349
Reclassification	–	–	2,749	–	–	(2,749)	–
Amortisation charge	–	(4,650)	(6,401)	(1,229)	(269)	–	(12,549)
Impairment loss	(6,037)	–	–	(38,646)	–	–	(44,683)
Disposal of subsidiaries (Note 23(c))	–	–	–	(5,387)	–	–	(5,387)
Exchange differences	–	–	–	1,850	30	–	1,880
At 31 December 2023	803,035	62,037	12,371	–	1,131	11,019	889,593
Expected remaining useful lives (years) – 31 December 2023		7 – 14	1 – 5	–	3		

Notes to the Financial Statements
For the financial year ended 31 December 2024

22 INTANGIBLE ASSETS (CONTINUED)

Company	Software RM'000	Intangible asset under development RM'000	Total RM'000
Net book value			
2024			
At 1 January 2024	3,305	10,403	13,708
Additions	1,093	12,264	13,357
Amortisation charge	(1,942)	–	(1,942)
Reclassification	17,687	(17,687)	–
At 31 December 2024	20,143	4,980	25,123
2023			
At 1 January 2023	4,890	4,957	9,847
Additions	487	6,257	6,744
Amortisation charge	(2,883)	–	(2,883)
Reclassification	811	(811)	–
At 31 December 2023	3,305	10,403	13,708

(a) Impairment test for goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) as follows:

	Group 2024 RM'000	Group 2023 RM'000
Sugar business operations in Malaysia	576,240	576,240
Palm upstream operations in Malaysia	226,795	226,795
	803,035	803,035

(i) Sugar business operations in Malaysia

The goodwill of RM576,240,000 (2023: RM576,240,000) relates to the acquisition of the sugar business by the Group and is allocated to MSM Malaysia Holdings Berhad ("MSMH"). This represents the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of the Cash Generating Unit ("CGU") is determined based on value-in-use ("VIU") calculations using cash flows projections which is approved by the Board of Directors. The key assumptions of the projection are based on 2025 to 2029 cash flow forecasts approved by the Directors and applying a terminal value multiple using a long term sustainable growth rate.

22 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

(i) Sugar business operations in Malaysia (continued)

The recoverable amount calculated based on VIU exceeded the carrying value by RM404 million (2023: RM868 million).

The key assumptions used for the CGU's VIU calculation are:

	2024	2023
Selling price, RM per metric tonne ("MT")*	**2,685 – 4,470**	2,967 – 4,654
Selling price of products subject to price control, (RM/MT)**	**3,690**	3,690 – 4,190
Selling price of Premium Grain Sugar, (RM/MT)	**3,550 – 4,470**	4,200 – 4,564
Raw sugar price, RM/lb	**0.84 – 0.91**	0.96 – 1.04
Sales volume, MT'000	**1,066 – 1,210**	922 – 1,162
Sales vourne of Premium Grain Sugar, MT'000	**23 – 45**	21 – 45
Freight charges, RM/MT	**206 – 217**	157.5 – 188.5
Natural gas price, RM/MMBtu	**44.5 – 46.4**	44.5 – 48.8
Terminal value growth rate	**2%**	2%
Discount rate, pre-tax	**11.4% – 12.4%**	11.4% – 12.4%

* Excluding products subject to price control

** In deriving the key assumption of selling price of products subject to price control, the Directors of the MSM Group have applied three probability weighted scenario for the prior year on the assumptions surrounding the selling prices based on the management's ongoing discussion with relevant authorities. In 2024, the Directors of MSM Group have applied a single scenario assessment to the selling price assumption for products subject to price control, which is fixed at RM3,690/MT. This is based on the Directors' assessment of the latest development in the pricing mechanism of the products subject to price control.

Included in the key assumptions is the lease term related to a sugar refinery in Prai, which was determined to be 30 years. This is consistent with MSM Group Director's assessment on the Group's legal and contractual rights of the lease agreement set out in Note 20.

The sensitivity on the goodwill arising from the sugar business operations in Malaysia recoverable amount to key assumptions are as follows:

Key assumptions	Sensitivity	VIU lower by RM'000
2024		
Selling price of products subject to price control	Selling price remain at RM2,690/MT*	(1,900,430)

* Represents existing ceiling price for products subject to price control.

All changes taken in isolation, a reduction in selling price of products subject to price control by RM137/MT, decrease in raw sugar price by USD0.39 cents/lb, increase in discount rate by 1.32%, decrease in domestic sales volume by 20,000MT, increase in freight charges by USD6.74/MT, or increase in natural gas prices by RM8.00/MMBtu would result in the recoverable amount being equal to the carrying amount.

22 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

(i) Sugar business operations in Malaysia (continued)

The sensitivity on the goodwill arising from the sugar business operations in Malaysia recoverable amount to key assumptions are as follows: (continued)

Key assumptions	Sensitivity	VIU lower by RM'000
2023		
Selling price of products subject to price control	Selling price remain at RM2,690/MT*	(2,311,900)

* Represents existing ceiling price for products subject to price control.

All changes taken in isolation, a reduction in selling price of products subject to price control by RM291/MT, increase in raw sugar price by USD0.24 cents/lb, decrease in terminal value growth rate by 3.6%, increase in discount rate by 2.6%, decrease in domestic sales volume by 30,000MT, increase in freight charges by USD15.68/MT, or increase in natural gas prices by RM17.45/MMBtu would result in the recoverable amount being equal to the carrying amount.

The above sensitivity analysis is based on the movement of individual key assumptions while holding all other assumptions constant.

(ii) Palm upstream operations in Malaysia

Goodwill of RM226,795,000 (2023: RM226,795,000) for palm upstream operations in Malaysia comprise of RM127,238,000 (2023: RM127,238,000) for Pontian United Plantations Berhad ("PUP") and RM99,557,000 (2023: RM99,557,000) for Yapidmas, a group of subsidiaries of PUP. The Group's palm upstream operations in Malaysia are combined for the purposes of goodwill impairment testing as they represent the lowest level within the Group at which goodwill is monitored for internal management purpose.

The recoverable amount of the palm upstream operations CGU is determined using a fair value less cost to sell calculation (Level 3 fair value computation) using cash flow projections covering a 25 year period. The key assumptions are as follows:

a) FGV Plantations (Malaysia) Sdn. Bhd.

	2024			2023		
	Short Term	Mid Term	Long Term	Short Term	Mid Term	Long Term
Key assumptions						
CPO Price (per MT)	**4,000**	**3,800**	**3,345**	3,600	3,000 – 3,340	2,900
PK Price (per MT)	**2,200**	**2,090**	**1,970**	1,800	1,500 – 1,670	1,800
Average FFB yield (MT/ha)	**17.1**	**18.2**	**18.4 – 21.0**	15.9	16.8 – 17.7	18.1 – 21.1
Mature estate cost (per hectare)	**7,612**	**7,758**	**7,869 – 14,878**	6,906	6,742 – 6,807	6,428
Immature estate cost (per hectare)	**7,411**	**7,735**	**6,890 – 14,830**	5,985	5,817 – 5,951	5,469
Discount rate		**9.5%**			9.5%	
Projection period		**86 years**			87 years	

b) PUP Group

	2024	2023
Key assumptions		
Long Term CPO price (per MT)	**3,249**	2,915
Long Term Average FFB price (per MT)	**630**	540
FFB projected yield (MT/ha planted area)	**1.9 – 28**	1.8 – 26.6
Rate of return on capital	**9.0 – 9.5%**	9.0 – 9.5%
Deferred basic land value rate	**3.0%**	3.0%

Notes to the Financial Statements
For the financial year ended 31 December 2024

22 INTANGIBLE ASSETS (CONTINUED)

(a) Impairment test for goodwill (continued)

(ii) Palm upstream operations in Malaysia (continued)

c) FGV Palm Industries Sdn. Bhd.

	2024	2023
Key assumptions		
Tolling income (RM Million)	**927.7 – 1,034.6**	893.1 – 1,573.5
FFB processed (mil MT)	**13.7 – 15.1**	13.2 – 16.5
Tolling rate (RM/MT)	**68.3 – 68.7**	67.2 – 95.5
By-product revenue (RM Million)	**184.9 – 209.3**	182.1 – 276.0
Oil margin incentive receivable (RM Million)	**15.0**	84.0
Processing cost (RM Million)	**830.7 – 931.4**	804.0 – 1,442.7
Biomass/renewable energy cost (RM Million) – increasing at inflation rate of 2.4% per annum	**133.5 – 142.1**	112.1 – 179.4
Discount rate	**9.5%**	9.5%

The Group's review includes an impact assessment of changes in key assumptions. Based on the sensitivity analysis performed, the Directors concluded that no reasonable change in any of the base case assumptions would cause the carrying amount of the CGU to exceed the recoverable amount.

a) CPO and PK price
CPO and PK price are determined based on the forecast provided by the Group's trading arm subsidiary, based on industry trend and historical prices.

b) Average FFB yield and estate costs
The average FFB yield and estate costs are based on forecast provided by the Group's upstream operations management, the Group's agronomists, based on the 2025 approved budget plus the projection for the remaining period reflective of the forecasted operations results, taking into considerations historical results, industry trend, and other available information, including recent developments in respect of commodity prices, yield and costs due to labour consideration and risk associated with ESG factors.

c) Discount rate
The post-tax discount rate used reflects specific industry risks relating to the palm plantation operations including consideration of comparison with comparable peer companies in Malaysia.

(iii) Others

In the previous financial year, an impairment assessment was performed due to continuous loss making in FGV Dairy Farm Sdn. Bhd ("FGVDF") and its subsidiary, FGV Dairy Industries Sdn. Bhd. ("FGVDI").

Based on the impairment assessment, the recoverable amount of cattle and dairy operations continued to project a negative cash flow, which resulted in the full impairment loss of RM6,037,000 for goodwill, which arose from the acquisition of cattle and dairy operations and were allocated to FGVDF and its subsidiary, FGVDI. The impairment loss had been recognised in other operating expenses and had been included as impairment loss within the Corporate HQ, Others and Elimination in the Group's segment reporting (Note 18).

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES

	Company	
	2024 RM'000	**2023 RM'000**
At cost less accumulated impairment		
(i) Malaysian quoted shares:		
Ordinary shares		
At 1 January/31 December	**208,590**	208,590
(ii) Malaysian unquoted shares:		
Ordinary shares:		
At 1 January	**6,662,472**	6,675,479
Impairment loss (Note 23(d))	**(125,148)**	(15,039)
Conversion of amount due from a subsidiary into investment in equity of the subsidiary (Note 27)	**1,637**	2,032
At 31 December	**6,538,961**	6,662,472
(iii) Foreign unquoted shares:		
At 1 January/31 December	**9,232**	9,232
(iv) Redeemable and Non-voting Convertible Preference Shares ("RCPS")/Redeemable Cumulative and Non-voting Convertible Preference Shares ("RCCPS")*:		
At 1 January/31 December	**1,580,549**	1,580,549
(v) Capital contribution to subsidiaries:		
At 1 January/31 December	**15,482**	15,482
Total	**8,352,814**	8,476,325
Market value of Malaysian quoted shares, based on Group's effective interest	**423,054**	577,217

The disclosure of market value of Malaysia quoted shares is based on Level 1 fair value computation.

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

* The key terms of RCPS are as follows:

(i) The dividend payable is based on the performance of the investment to be declared by the Board of Directors of the investment company as they shall deem fit;

(ii) The holder of the RCPS does not have the right to vote at any general meeting except for as stated in the Schedule 2 of the Subscription Agreement;

(iii) The holder of the RCPS will be entitled to convert part or whole of the RCPS into ordinary shares of RM1 each on the basis of one RCPS for one new ordinary shares of RM1 each issued and fully paid-up on or before the redemption; and

(iv) The issuer will have the right at any time to redeem in whole or in part thereof at the par value of RM0.01 for each RCPS issued.

The key terms of RCCPS are as follows:

(i) The dividend payable is based on the net proceed received by the investment company to be declared by the Board of Directors of the investment company as they shall deem fit;

(ii) The holder of the RCCPS does not have the right to vote at any general meeting except for as stated in the Schedule 2 of the Subscription Agreement;

(iii) The holder of the RCCPS will be entitled to convert part or whole of the RCCPS into ordinary shares of RM1 each on the basis of one RCCPS for one new ordinary shares of RM1 each issued and fully paid-up on or before the redemption; and

(iv) The issuer will have the right at any time to redeem in whole or in part thereof at the par value of RM0.01 for each RCCPS issued.

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows:

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Direct subsidiaries										
FGV Sugar Sdn. Bhd.	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**–**	–	**100.0**	100.0
Felda Global Ventures Perlis Sdn. Bhd.	Malaysia	Dormant	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
FGV Resources Sdn. Bhd. (Note 1)	Malaysia	Dissolved	**–**	100.0	**–**	100.0	**–**	–	**–**	–
FGV USA Properties, Inc.*	United States of America	Operator of residential real estate in USA	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
MSM Malaysia Holdings Berhad	Malaysia	Investment holding	**11.0**	11.0	**51.0**	51.0	**49.0**	49.0	**–**	–
FGV Downstream Sdn. Bhd.	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**–**	–	**100.0**	100.0
FGV Plantations Sdn. Bhd.	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**–**	–	**100.0**	100.0
FGV Shared Service Centre Sdn. Bhd.	Malaysia	Provide transactional processing activities for Finance and Human Resources functions of FGV Holdings Berhad Group of companies	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
FGV R&D Sdn. Bhd.	Malaysia	Research and development	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
FGV Capital Sdn. Bhd.	Malaysia	Undertake the business of all kinds of treasury services	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
FGV Investment (L) Pte. Ltd	Malaysia	Investment holding and investment management	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Direct subsidiaries (continued)										
Pontian United Plantations Berhad	Malaysia	Investment holding, provision of management services, cultivation of oil palm and sales of fresh fruit bunches	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
Felda Holdings Bhd.	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
FGV Research Sdn. Bhd.	Malaysia	Investment holding	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
FGV Integrated Farming Holdings Sdn. Bhd.	Malaysia	Investment holding, wholesale of paddy, rice, retail sale of other food products, manufacturing of animal feed product and plantation of fruits	**100.0**	100.0	**100.0**	100.0	**–**	–	**–**	–
Indirect subsidiaries										
Subsidiaries of MSM Malaysia Holdings Berhad										
MSM Prai Berhad	Malaysia	Sugar refining, sales and marketing of sugar products and investment holding	**–**	–	**51.0**	51.0	**49.0**	49.0	**–**	–
MSM Trading & Distribution Sdn. Bhd.	Malaysia	Dormant	**–**	–	**51.0**	51.0	**49.0**	49.0	**–**	–
MSM Sugar Refinery (Johor) Sdn. Bhd.	Malaysia	Carry on business in sugar product and by-product and to import raw sugar and others for milling and refining of sugar	**–**	–	**51.0**	51.0	**49.0**	49.0	**–**	–
Subsidiary of MSM Prai Berhad										
MSM Logistics Sdn. Bhd.	Malaysia	Provision of transportation services	**–**	–	**51.0**	51.0	**49.0**	49.0	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of FGV Downstream Sdn. Bhd.										
Felda Global Ventures North America Sdn. Bhd.	Malaysia	Investment holding	**–**	–	**100.0**	100.0	**–**	–	**100.0**	100.0
FGV Biotechnologies Sdn. Bhd.	Malaysia	Processing and sale of biodiesel products	**–**	–	**100.0**	100.0	**–**	–	**–**	–
FGV Green Energy Sdn. Bhd.	Malaysia	Processing and sale of biodiesel products	**–**	–	**60.0**	60.0	**40.0**	40.0	**–**	–
Subsidiaries of Felda Global Ventures North America Sdn. Bhd.										
Twin Rivers Technologies Holdings, Inc.#	United States of America	Investment holding	**–**	–	**100.0**	100.0	**–**	–	**–**	–
Twin Rivers Technologies Holdings-Enterprise De Transformation De Graines Oleagineuses Du Quebec Inc*	Canada	Investment holding	**–**	–	**100.0**	100.0	**–**	–	**–**	–
Subsidiaries of Twin Rivers Technologies Holding, Inc.										
Twin Rivers Technologies Manufacturing Corporation#	United States of America	Procurement, processing and supply of fatty acids	**–**	–	**100.0**	100.0	**–**	–	**–**	–
TRT Europe GambH#	Germany	Dormant	**–**	–	**100.0**	100.0	**–**	–	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiary of Twin Rivers Technologies Manufacturing Corporation										
Fore River Transportation Corporation#	United States of America	Operation, management and maintenance of a railroad service	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of FGV Plantations Sdn. Bhd.										
FGV Plantations (Malaysia) Sdn. Bhd.	Malaysia	Production and sales of FFB, rubber cup-lump and other agricultural products	–	–	**100.0**	100.0	–	–	–	–
FGV Kalimantan Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
FGV Trading Sdn. Bhd.	Malaysia	Buying and selling of commodity products either through physical or paper transactions, carrying on marketing activities and undertaking of investment activities	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of FGV Plantations (Malaysia) Sdn. Bhd.										
Asian Plantations Limited#	Singapore	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Asian Plantations (Sarawak) Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Asian Plantations (Sarawak) II Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of Asian Plantations Limited										
Asian Plantations (Sarawak) III Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of Asian Plantations (Sarawak) Sdn. Bhd.										
BJ Corporation Sdn. Bhd.	Malaysia	Oil palm plantation	–	–	**100.0**	100.0	–	–	–	–
Incosetia Sdn. Bhd.	Malaysia	Oil palm plantation	–	–	**100.0**	100.0	–	–	–	–
Fortune Plantation Sdn. Bhd.	Malaysia	Oil palm plantation	–	–	**100.0**	100.0	–	–	–	–
Asian Plantations Milling Sdn. Bhd.	Malaysia	Oil palm milling	–	–	**100.0**	100.0	–	–	–	–
Subsidiary of Incosetia Sdn. Bhd.										
South Asian Farms Sdn. Bhd.	Malaysia	Dormant	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of Asian Plantations (Sarawak) II Sdn. Bhd.										
Kronos Plantation Sdn. Bhd.	Malaysia	Oil palm plantation	–	–	**100.0**	100.0	–	–	–	–
Grand Performance Sdn. Bhd.	Malaysia	Oil palm plantation	–	–	**100.0**	100.0	–	–	–	–
Subsidiary of Asian Plantations Sarawak III Sdn. Bhd.										
Jubilant Paradise Sdn. Bhd.	Malaysia	Oil palm plantation	–	–	**60.0**	60.0	**40.0**	40.0	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of FGV Kalimantan Sdn. Bhd.										
PT Bumi Agro Nusantara[#]	Indonesia	Management and consulting services	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of FGV Investment (L) Pte. Ltd.										
FGV Cambodia (L) Pte. Ltd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of FGV Cambodia (L) Pte. Ltd.										
FGV-CVC (Cambodia) Co. Ltd.[#]	Cambodia	Production and export of rubber blocks	–	–	**75.0**	75.0	**25.0**	25.0	–	–
Subsidiaries of Pontian United Plantations Berhad										
Redefined Land Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Kilang Kelapa sawit Pontian Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Bangsan Sdn. Bhd.	Malaysia	Investment holding	–	–	**100.0**	100.0	–	–	–	–
Sabahanya Plantations Sdn. Bhd.[@]	Malaysia	Investment holding and cultivation of oil palm	–	–	**100.0**	100.0	–	–	–	–
Pontian Fico Plantations Sdn. Bhd.	Malaysia	Investment holding, cultivation and purchase of oil palm FFB, processing, saled of its finished products	–	–	**78.3**	78.3	**21.7**	21.7	–	–
Pontian Orico Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm and sales of oil palm seedlings	–	–	**78.3**	78.3	**21.7**	21.7	–	–
Pontian Pendirosa Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm and investment holding	–	–	**78.3**	78.3	**21.7**	21.7	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of Pontian United Plantations Berhad (continued)										
Pontian Materis Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm and investment holding	–	–	**78.3**	78.3	**21.7**	21.7	–	–
Pontian Hillco Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	–	–	**78.3**	78.3	**21.7**	21.7	–	–
Pontian Subok Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	–	–	**78.3**	78.3	**21.7**	21.7	–	–
Yapidmas Plantation Sdn. Bhd.	Malaysia	Cultivation of oil palm and provision of management services	–	–	**100.0**	100.0	–	–	–	–
Sri Kehuma Sdn. Bhd.	Malaysia	Cultivation of oil palm	–	–	**100.0**	100.0	–	–	–	–
Ladang Kluang Sdn. Bhd.	Malaysia	Cultivation of oil palm	–	–	**100.0**	100.0	–	–	–	–
Tanah Emas Oil Palm Processing Sdn. Bhd.	Malaysia	Operation of a palm oil mill	–	–	**100.0**	100.0	–	–	–	–
Subsidiaries of Sabahanya Plantations Sdn. Bhd										
Rawajaya Sdn. Bhd.	Malaysia	Cultivation of oil palm	–	–	**100.0**	100.0	–	–	–	–
Blossom Plantations Sdn. Bhd.	Malaysia	Cultivation of oil palm	–	–	**100.0**	100.0	–	–	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of Felda Holdings Bhd.										
FGV Palm Industries Sdn. Bhd.	Malaysia	Investment holding, provision of tolling services related to the processing of FFB into crude palm oil and palm kernel and the sale of by-products from tolling activities	–	–	**72.0**	72.0	**28.0**	28.0	–	–
FGV Agri Services Sdn. Bhd.	Malaysia	Research and development, providing advisory services and production and sale of agricultural products	–	–	**76.9**	76.9	**23.1**	23.1	–	–
Felda Travel Sdn. Bhd.	Malaysia	Travel and tour agent	–	–	**100.0**	100.0	–	–	**100.0**	100.0
Malaysia Cocoa Manufacturing Sdn. Bhd.	Malaysia	Ceased operations in 2014	–	–	**100.0**	100.0	–	–	–	–
FGV Fertiliser Sdn Bhd.	Malaysia	Manufacture and sales of fertilisers	–	–	**100.0**	100.0	–	–	–	–
FGV Prodata Systems Sdn. Bhd.	Malaysia	Provisions of information technology solutions, sales of computer hardware, software and equipment and system support services	–	–	**80.0**	80.0	**20.0**	20.0	–	–
FGV Johore Bulkers Sdn. Bhd.	Malaysia	Storing and handling of vegetable oil and trading in palm kernel shell	–	–	**73.1**	73.1	**26.9**	26.9	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of Felda Holdings Bhd. (continued)										
FGV Rubber Industries Sdn. Bhd.	Malaysia	Processing of raw latex to concentrated latex and Standard Malaysia Rubber ("SMR"), manufacturing, trading and distribution of rubber related products	–	–	**71.4**	71.4	**28.6**	28.6	–	–
Felda Engineering Services Sdn. Bhd.	Malaysia	Engineering services including project management, sale of industrial equipment and property management	–	–	**51.0**	51.0	**49.0**	49.0	–	–
FGV Transport Services Sdn. Bhd.	Malaysia	Provision of liquid and general cargo transportation, courier and forwarding services and jetty operation services	–	–	**51.0**	51.0	**49.0**	49.0	–	–
FGV Security Services Sdn. Bhd.	Malaysia	Provision of security services, sale of security appliances, sales and provision of services of fire protection equipment, pest control and training services	–	–	**51.0**	51.0	**49.0**	49.0	–	–
F.W.Q. Enterprises (Pvt.) Ltd.*	Pakistan	Provision of liquid cargo storage terminal/jetty/berth facilities		–	**65.0**	65.0	**35.0**	35.0	–	–
FGV Logistics Sdn. Bhd. (Note 2)	Malaysia	Provision of transportation		–	**100.0**	90.0	–	–	–	–
FGV Products Sdn. Bhd.	Malaysia	Sales, marketing, and distribution of retail packed consumer products		–	**100.0**	100.0	–	–	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of FGV Palm Industries Sdn. Bhd.										
FGV Refineries Sdn. Bhd.	Malaysia	Provision of crude palm oil and palm kernel processing service	**–**	–	**48.0**	48.0	**52.0**	52.0	**–**	–
FGV Kernel Products Sdn. Bhd.	Malaysia	Buying and processing oil palm kernels, refined palm oil products and selling its products	**–**	–	**60.0**	60.0	**40.0**	40.0	**–**	–
Delima Oil Products Sdn. Bhd.	Malaysia	Manufacture of other food products N.E.C, wholesale of paddy, rice, flour, other grains and sugar and export and import of other foodstuffs	**–**	–	**72.0**	72.0	**28.0**	28.0	**–**	–
FGV Marketing Services Sdn. Bhd.	Malaysia	Marketing of FGV Holdings Berhad group of companies' commodity products	**–**	–	**36.7**	36.7	**63.3**	63.3	**–**	–
FNI Biofuel Sdn. Bhd.*	Malaysia	Manufacturing of biomass fuel from empty fruit bunch	**–**	–	**72.0**	72.0	**28.0**	28.0	**–**	–
Subsidiary of FGV Marketing Services Sdn. Bhd.										
PT. Cashgrow Ventures#	Indonesia	Commodity trading	**–**	–	**34.9**	34.9	**65.1**	65.1	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiaries of FGV Rubber Industries Sdn. Bhd.										
Feltex Co. Ltd.*	Thailand	Processing and marketing of latex concentrate	**–**	–	**36.4**	36.4	**63.6**	63.6	**–**	–
P.T. Felda Indo Rubber*	Indonesia	Under liquidation	**–**	–	**50.0**	50.0	**50.0**	50.0	**–**	–
Subsidiaries of FGV Johore Bulkers Sdn. Bhd.										
FGV Bulkers Sdn. Bhd.	Malaysia	Storage and export of crude and refined palm oil, oleochemical products, palm kernel oil, palm kernel expeller and palm kernel shell, tank and warehouse rentals	**–**	–	**86.3**	86.3	**13.7**	13.7	**–**	–
Langsat Bulkers Sdn. Bhd.	Malaysia	Handling, storing and transhipping biodiesel, biofuel, palm oil products, oleo chemicals, soft oils and other vegetable oils	**–**	–	**73.1**	73.1	**26.9**	26.9	**–**	–
Subsidiary of FGV Bulkers Sdn. Bhd.										
FGV Grains Terminal Sdn. Bhd.	Malaysia	Handling, storage transportation, mixing and blending of palm kernel meal and grains	**–**	–	**70.3**	70.3	**29.7**	29.7	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiary of Felda Engineering Services Sdn. Bhd.										
Felda Properties Sdn. Bhd.	Malaysia	Property development and management, project management for logging activities and acting as manager in managing projects on behalf of FELDA	**–**	–	**51.0**	51.0	**49.0**	49.0	**–**	–
Subsidiary of FGV Research Sdn. Bhd.										
FGV Applied Technologies Sdn. Bhd.	Malaysia	Research and Development of mechanisation, automation, milling, biomass, bio and oleo chemicals and food technology	**–**	–	**100.0**	100.0	**–**	–	**–**	–
Subsidiaries of FGV Integrated Farming Holdings Sdn. Bhd.										
FGV Dairy Farm Sdn. Bhd.	Malaysia	Engaged in the business of agriculture, general trading and properties	**–**	–	**60.0**	60.0	**40.0**	40.0	**–**	–
FGV Agro Fresh Technology Sdn. Bhd.	Malaysia	Internet retail of groceries, including fresh produce and and food items, and and the trading, import, export, distribution and wholesaling of food products	**–**	–	**52.0**	52.0	**48.0**	48.0	**–**	–
FGV Chuping Agro Valley Sdn. Bhd.	Malaysia	Rubber, mango and oil palm plantation	**–**	–	**100.0**	100.0	**–**	–	**–**	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Details of subsidiaries are as follows: (continued)

Name of subsidiary	Place of business/ country of incorporation	Nature of business	Proportion of ordinary shares directly held by FGVH		Proportion of ordinary shares held by the Group		Proportion of ordinary shares held by non-controlling interests		Proportion of RCPS/ RCCPS held by the Group	
			2024 %	2023 %	2024 %	2023 %	2024 %	2023 %	2024 %	2023 %
Indirect subsidiaries (continued)										
Subsidiary of FGV Dairy Farm Sdn. Bhd.										
FGV Dairy Industries Sdn. Bhd.	Malaysia	Manufacturing and trading of dairy products	**–**	–	**60.0**	60.0	**40.0**	40.0	**–**	–
Subsidiary of FGV Trading Sdn. Bhd.										
FGV-PU India Pte. Ltd.	India	Sale regional office including market intelligence and business development work for India market	**–**	–	**70.0**	70.0	**30.0**	30.0	**–**	–

The proportion of voting rights in the subsidiary undertakings held directly by the parent company do not differ from the proportion of ordinary shares held.

* Audited by firms other than member firms of PricewaterhouseCoopers International Limited
# Audited by member firms of PricewaterhouseCoopers International Limited, which are separate and independent legal entities from PricewaterhouseCoopers, Malaysia
@ 30% equity stake in Sabahanya Plantations Sdn. Bhd. is held in trust for the beneficial interest of the Group.

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Strike off and share subscription of subsidiaries during the financial year

Note 1 On June 2024, the process to strike off the name of FGV Resources Sdn. Bhd. ("FGVR"), a wholly owned subsidiary of the Company, from the Register of the Companies Commission of Malaysia under Section 550 of the Companies Act 2016 ("the Act") has been completed and FGVR was deemed duly dissolved under the Act. The dissolvement did not have material financial impact to the Group and the Company for the financial year ended 31 December 2024.

Note 2 During the financial year, Felda Holdings Bhd. ("FHB"), a wholly owned subsidiary of the Company, has fully subscribed to the remaining 1,800,000 ordinary shares held by non-controlling interests, representing 10% of the total issued and paid-up capital in FGV Logistics Sdn. Bhd. ("FGVL"), for a cash consideration of RM1,400,000.

(c) Disposal and share subscription of subsidiaries in the previous financial year

(i) On 20 November 2023, FGV Kalimantan Sdn. Bhd., a wholly-owned subsidiary of the Company, disposed its 95% equity interest in PT. Citra Niaga Perkasa ("PTCNP") and PT. Temila Agro Abadi ("PTTAA"), for a total consideration of RM103,929,000, resulting in a loss on disposal of RM2,234,000 to the Group.

The effects of the disposal of PTCNP and PT TAA on the financial position of the Group as at the previous financial year end is as follows:

Net assets disposed	RM'000
Property, plant and equipment	84,083
Right-of-use assets	9,807
Intangible assets	5,387
Inventories	354
Receivables	3,222
Biological assets	799
Cash and cash equivalents	293
Payables	(40)
Non-controlling interests	2,258
Net assets disposed	106,163
Loss on disposal of subsidiaries	(2,234)
Proceeds from disposal	103,929
Less: Cash and cash equivalents	(293)
Net cash inflow from disposal of subsidiaries	103,636

On the disposal of PTCNP and PTTAA, the Group also recognised a loss of RM6.36 million arising from realisation of accumulated foreign exchange differences in foreign exchange reserve to profit or loss. This resulted in a cumulative loss on disposal of subsidiaries of RM8,594,000.

(ii) In the previous financial year, FHB, a wholly owned subsidiary of the Company, had subscribed 3,600,000 ordinary shares in its 72% interest in FGV Palm Industries Sdn. Bhd. ("FGVPI"), for a total consideration of RM3,600,000 and 1,400,000 ordinary shares, which was equivalent to RM1,400,000, had been subscribed by FGVPI's non-controlling interest.

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(d) Impairment on investment in subsidiaries

As at 31 December 2024

FGV Plantations Sdn. Bhd. ("FGVP")

During the financial year, the Company performed an impairment assessment of its investment in FGV Plantations Sdn. Bhd., the intermediate holding company of APL, as there is an indication that the cost of investment will not be fully recovered. The recoverable amount of FGVP have been determined based on the value-in-use ("VIU") calculation which is determined based on the equity value of the subsidiary, computed based on net present value of the projected future cash flows, which are adjusted for financing and tax cash flows. These calculations require the use of estimates and key assumptions which are consistent with those used and disclosed in Note 22 (a)(ii)(a) and Note 44 of the financial statements.

Based on the net equity value recoverable amount of FGVP of RM1,310,363,000, this has resulted in an additional impairment of RM124,682,000 to the Company's investment in FGVP.

The sensitivity on the FGVP's equity value to key assumption is as follows:

2024

Key assumption	Sensitivity	Equity value lower by RM'000
Discount rate	Increase by 0.5%	(144,367)

FGV Research Sdn. Bhd. ("FGV Research")

During the financial year, the Company performed an impairment assessment of its investment in FGV Research, a wholly owned subsidiary, as there is an indication that the cost of investment will not be fully recovered. The recoverable amount of the investment was determined based on the subsidiary's equity value and it was assessed to approximate the value of its net assets as at 31 December 2024. The recoverable amount was assessed at RM8,646,000, resulting in an impairment of RM466,000 in the carrying value of the Company's investment in FGV Research.

As at 31 December 2023

FGV Integrated Farming Holdings Sdn. Bhd. ("FGVIF")

The Company assessed the impairment of its investments in FGVIF a wholly owned subsidiary, due to projected negative cash flow. The recoverable amount was determined based on value in use of the investment, computed based on the net present value of the projected future cash flows derived from the CGU discounted at 7%. Based on the value in use assessment, the recoverable amount was nil, which resulted in the impairment loss of RM15,039,000 in the carrying value of the Company's investment in FGVIF.

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group (other subsidiaries that have non-controlling interests are individually not significant).

	MSM Malaysia Holdings Berhad Group		FGV Palm Industries Sdn. Bhd.	
	2024	**2023**	**2024**	**2023**
Interest held by non-controlling interest	**49%**	49%	**28%**	28%

Summarised statements of financial position

	MSM Malaysia Holdings Berhad Group		FGV Palm Industries Sdn. Bhd.	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current				
Assets	**1,256,194**	989,263	**801,600**	825,501
Liabilities	**(1,448,761)**	(1,144,087)	**(185,072)**	(95,949)
Total current net (liabilities)/assets	**(192,567)**	(154,824)	**616,528**	729,552
Non-current				
Assets	**1,930,320**	1,901,490	**1,103,290**	1,076,446
Liabilities	**(241,395)**	(281,590)	**(580,090)**	(316,415)
Total non-current net assets	**1,688,925**	1,619,900	**523,200**	760,031
Net assets	**1,496,358**	1,465,076	**1,139,728**	1,489,583

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Summarised financial information on subsidiaries with material non-controlling interests (continued)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group (other subsidiaries that have non-controlling interests are individually not significant). (continued)

Summarised statements of comprehensive income

	MSM Malaysia Holdings Berhad Group		FGV Palm Industries Sdn. Bhd.	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Revenue	**3,544,733**	3,091,223	1,094,720	1,005,006
Profit/(loss) before zakat and taxation	**74,964**	(28,013)	**32,482**	39,042
Taxation and zakat	**(43,710)**	(21,871)	**(9,494)**	(16,879)
Profit/(loss) for the financial year	**31,254**	(49,884)	**22,988**	22,163
Other comprehensive income/(loss)	**28**	213	**(236)**	(343)
Total comprehensive income/(loss)	**31,282**	(49,671)	**22,752**	21,820
Profit/(loss) attributable to non-controlling interest	**15,314**	(24,443	**6,437**	6,206
Total comprehensive income/(loss) attributable to non-controlling interest	**15,328**	(24,339)	**6,371**	6,110
Accumulated non-controlling interest	**684,110**	668,782	**319,124**	417,084
Dividends paid to non-controlling interest	**–**	–	**104,331**	21,223

Notes to the Financial Statements
For the financial year ended 31 December 2024

23 INVESTMENT IN SUBSIDIARIES (CONTINUED)

(e) Summarised financial information on subsidiaries with material non-controlling interests (continued)

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group (other subsidiaries that have non-controlling interests are individually not significant). (continued)

Summarised statements of cash flows

	MSM Malaysia Holdings Berhad Group		FGV Palm Industries Sdn. Bhd.	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Cash flow generated from/(used in) operations	**257,509**	(95,753)	**234,037**	120,626
Retirement benefits paid	**–**	–	**(2,056)**	(1,577)
Zakat paid	**(1,000)**	(1,000)	**(631)**	(2,260)
Income tax paid	**(30,662)**	(14,211)	**(21,031)**	(44,356)
Net cash generated from/(used in) operating activities	**225,847**	(110,964)	**210,319**	72,433
Net cash (used in)/generated from investing activities	**(39,208)**	(33,580)	**(47,213)**	91,304
Net cash (used in)/generated from financing activities	**(291,269)**	202,471	**(16,780)**	(201,347)
Net (decrease)/increase in cash and cash equivalents	**(104,630)**	57,927	**146,326**	(37,610)
Effect of foreign exchange rate changes	**(61)**	(571)	**–**	–
Cash and cash equivalents at beginning of financial year	**278,320**	220,964	**114,581**	152,191
Cash and cash equivalents at end of financial year	**173,629**	278,320	**260,907**	114,581

24 INTERESTS IN ASSOCIATES

	Group	
	2024 RM'000	2023 RM'000
Share of net assets of associates	**53,086**	58,060

Summarised financial information in respect of the associates' revenue and Group's share of results of its associates is set out below:

	Group	
	2024 RM'000	2023 RM'000
Associates' revenue	**59,503**	86,486
Group's share of results for the financial year	**(1,903)**	(1,498)

Set out below are details of the associates of the Group as at 31 December 2024. The associates as listed below have share capital consisting of ordinary and RCPS shares, which are held directly and indirectly by the Group, have financial years ended 31 December, unless otherwise stated, and are measured by way of equity accounting.

Name of company	Place of business/ country of incorporation	Group's effective interest		Nature of business
		2024 %	2023 %	
Indirect associates				
Associates of Felda Holdings Bhd.				
Nilai Education Sdn. Bhd.	Malaysia	**30.0**	30.0	(i)
FKW Global Commodities (PVT) Limited	Pakistan	**30.0**	30.0	(ii)
Associate of Pontian United Plantation Berhad				
Malacca Plantation Sdn. Bhd.	Malaysia	**34.3**	34.3	(iii)

(i) Management of an educational institute
(ii) Commodity trading
(iii) Investment holding and cultivation of oil palm

There are no material contingent liabilities relating to the Group's interests in the associates.

The associate companies above are private companies and have no quoted market price available for their shares.

Notes to the Financial Statements
For the financial year ended 31 December 2024

24 INTERESTS IN ASSOCIATES (CONTINUED)

Summarised financial information for associates

Set out below are the summarised financial information for Malacca Plantation Sdn. Bhd. and the aggregate of other associate ("insignificant in aggregate") which are accounted for using the equity method:

Summarised statements of financial position

	Malacca Plantation Sdn. Bhd.		Insignificant in aggregate		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current						
Cash and cash equivalents	**29,839**	21,323	**2,403**	1,475	**32,242**	22,798
Other current assets (excluding cash)	**12,565**	13,779	**26,314**	24,262	**38,879**	38,041
Total current assets	**42,404**	35,102	**28,717**	25,737	**71,121**	60,839
Financial liabilities (excluding trade payables)	**(833)**	(404)	**–**	–	**(833)**	(404)
Other current liabilities (including trade payables)	**(311)**	(156)	**(51,842)**	(44,635)	**(52,153)**	(44,791)
Total current liabilities	**(1,144)**	(560)	**(51,842)**	(44,635)	**(52,986)**	(45,195)
Non-current						
Assets	**51,943**	67,293	**93,994**	96,013	**145,937**	163,306
Financial liabilities	**–**	–	**(571)**	(114)	**(571)**	(114)
Total non-current liabilities	**–**	–	**(571)**	(114)	**(571)**	(114)
Net assets	**93,203**	101,835	**70,298**	77,001	**163,501**	178,836

Summarised statements of comprehensive income

	Malacca Plantation Sdn. Bhd.		Insignificant in aggregate		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	**12,816**	11,181	**46,687**	75,305	**59,503**	86,486
Profit/(loss) before zakat and taxation	**369**	1,307	**(5,655)**	(3,609)	**(5,286)**	(2,302)
Tax and zakat expense	**–**	–	**(1,108)**	(2,883)	**(1,108)**	(2,883)
Profit/(loss) for the financial year	**369**	1,307	**(6,763)**	(6,492)	**(6,394)**	(5,185)
Other comprehensive income/(loss)	**–**	–	**1,083**	(4,511)	**1,083**	(4,511)
Total comprehensive income/(loss)	**369**	1,307	**(5,680)**	(11,003)	**(5,311)**	(9,696)
Dividends received from associates	**3,090**	2,575	**307**	144	**3,397**	2,719

The information above reflects the figures after group adjustments on the amounts presented in the financial statements of the associates.

Notes to the Financial Statements
For the financial year ended 31 December 2024

24 INTERESTS IN ASSOCIATES (CONTINUED)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interests in associates.

	Malacca Plantation Sdn. Bhd.		Insignificant in aggregate		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Opening net assets	**101,835**	108,028	**77,001**	88,484	**178,836**	196,512
Profit/(loss) for the financial year	**369**	1,307	**(6,763)**	(6,492)	**(6,394)**	(5,185)
Dividend	**(9,001)**	(7,500)	**(1,023)**	(480)	**(10,024)**	(7,980)
Other comprehensive income/(loss)	**–**	–	**1,083**	(4,511)	**1,083**	(4,511)
Closing net assets	**93,203**	101,835	**70,298**	77,001	**163,501**	178,836
Interest in associates	**34.3%**	34.3%	**30%**	30%	**30%–34.3%**	30%–34.3%
Carrying value	**31,997**	34,960	**21,089**	23,100	**53,086**	58,060

25 INTERESTS IN JOINT VENTURES

	Group	
	2024 RM'000	2023 RM'000
Share of net assets of joint ventures	**602,325**	593,623

The joint ventures' revenue, Group's share of results and capital commitments of its joint ventures are as follows:

	Group	
	2024 RM'000	2023 RM'000
Joint ventures' revenue	**6,888,438**	7,057,799
Group's share of results for the financial year	**31,681**	24,836
Share of capital commitments of joint ventures	**45,850**	97,365

Notes to the Financial Statements
For the financial year ended 31 December 2024

25 INTERESTS IN JOINT VENTURES (CONTINUED)

Set out belows are details of the joint ventures of the Group as at 31 December 2024. The joint ventures as listed below have share capital consisting solely of ordinary shares and have financial years ended 31 December, unless otherwise stated, and are measured by way of equity accounting, other than Kuala Muda Estate Joint Venture, which is based on their share of net assets.

Name of company	Country of incorporation	Group's effective interest		Nature of business
		2024 %	2023 %	
Indirect joint ventures				
Joint venture of FGV Downstream Sdn. Bhd.				
FGV Iffco Sdn. Bhd.	Malaysia	**50.0**	50.0	(i)
Joint venture of FGV Kalimantan Sdn. Bhd.				
Trurich Resources Sdn. Bhd.	Malaysia	**50.0**	50.0	(ii)
Joint ventures of Felda Holdings Bhd.				
FPG Oleochemicals Sdn. Bhd.	Malaysia	**50.0**	50.0	(iii)
Malaysia Pakistan Venture Sdn. Bhd.# (30 June)	Malaysia	**37.3**	37.5	(iv)
Mapak Edible Oils (Pvt) Ltd.# (30 June)	Pakistan	**30.0**	30.0	(v)
FTJ Biopower Sdn. Bhd.#	Malaysia	**43.0**	43.0	(vi)
Indirect joint operation				
Kuala Muda Estate Joint Venture	Malaysia	**50.0**	50.0	(vii)

(i) Refining and packing of palm oil and kernel based products
(ii) Dormant
(iii) Manufacturing and selling of oleochemical products
(iv) Investment holding
(v) Refining and marketing of industrial palm oil products
(vi) Developing, constructing, operating and maintaining a power plant
(vii) Cultivation of oil palms

The Group treated these entities as joint ventures as the shareholder agreements require unanimous consent over decisions about relevant activities among the partners.

The joint venture companies above are private companies and have no quoted market price available for their shares.

There are no material contingent liabilities relating to the Group's interest in the joint ventures.

Notes to the Financial Statements
For the financial year ended 31 December 2024

25 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures

Set out below are the summarised financial information for FGV Iffco Sdn. Bhd. ("FISB"), FPG Oleochemicals Sdn. Bhd. ("FPG") and the aggregate for other joint ventures ("insignificant in aggregate") which are accounted for using the equity method.

Summarised statements of financial position

	FISB		FPG		Insignificant in aggregate		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current								
Cash and cash equivalents	**203,133**	135,687	**41,341**	188,413	**21,742**	21,335	**266,216**	345,435
Other current assets (excluding cash)	**1,037,225**	662,954	**526,833**	404,812	**271,869**	249,449	**1,835,927**	1,317,215
Total current assets	**1,240,358**	798,641	**568,174**	593,225	**293,611**	270,784	**2,102,143**	1,662,650
Financial liabilities (excluding trade payables)	**(270,340)**	(254,186)	**–**	–	**(1,537)**	(1,608)	**(271,877)**	(255,794)
Other current liabilities (including trade payables)	**(766,180)**	(358,401)	**(137,518)**	(99,417)	**(117,293)**	(109,380)	**(1,020,991)**	(567,198)
Total current liabilities	**(1,036,520)**	(612,587)	**(137,518)**	(99,417)	**(118,830)**	(110,988)	**(1,292,868)**	(822,992)
Non-current								
Assets	**109,685**	103,568	**384,659**	343,067	**78,142**	88,342	**572,486**	534,977
Liabilities	**(8,161)**	(5,792)	**(39,524)**	(58,975)	**(18,354)**	(16,329)	**(66,039)**	(81,096)
Net assets	**305,362**	283,830	**775,791**	777,900	**234,569**	231,809	**1,315,722**	1,293,539

Notes to the Financial Statements
For the financial year ended 31 December 2024

25 INTERESTS IN JOINT VENTURES (CONTINUED)

Summarised financial information for joint ventures (continued)

Summarised statements of comprehensive income

	FISB		FPG		Insignificant in aggregate		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Revenue	**4,566,264**	4,815,425	**1,797,601**	1,535,018	**524,573**	707,356	**6,888,438**	7,057,799
Depreciation and amortisation	**(13,744)**	(18,660)	**(19,381)**	(17,066)	**–**	–	**(33,125)**	(35,726)
Interest expense	**(13,514)**	(25,756)	**(2,796)**	(2,187)	**–**	–	**(16,310)**	(27,943)
Profit/(loss) before taxation	**77,311**	24,022	**(6,618)**	32,050	**27,750**	61,631	**98,443**	117,703
Tax (expense)/income	**(20,923)**	(19,094)	**4,509**	(9,188)	**(11,836)**	(24,840)	**(28,250)**	(53,122)
Profit/(loss) for the financial year	**56,388**	4,928	**(2,109)**	22,862	**15,914**	36,791	**70,193**	64,581
Other comprehensive (loss)/income	**(4,814)**	55,906	**–**	–	**15,031**	(47,662)	**10,217**	8,244
Total comprehensive income/(loss)	**51,574**	60,834	**(2,109)**	22,862	**30,945**	(10,871)	**80,410**	72,825
Dividends received from joint ventures	**15,021**	10,001	**–**	–	**10,433**	2,324	**25,454**	12,325

The information above reflects the figures after group adjustments on the amounts presented in the financial statements of the joint ventures.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of its interest in joint ventures.

	FISB		FPG		Insignificant in aggregate		Total	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Opening net assets	**283,830**	242,998	**777,900**	755,038	**231,809**	250,427	**1,293,539**	1,248,463
Profit/(loss) for the financial year	**56,388**	4,928	**(2,109)**	22,862	**15,914**	36,791	**70,193**	64,581
Dividend	**(30,042)**	(20,002)	**–**	–	**(28,185)**	(7,747)	**(58,227)**	(27,749)
Other comprehensive (loss)/income	**(4,814)**	55,906	**–**	–	**15,031**	(47,662)	**10,217**	8,244
Closing net assets	**305,362**	283,830	**775,791**	777,900	**234,569**	231,809	**1,315,722**	1,293,539
Interest in joint ventures	**50%**	50%	**50%**	50%	**30%-50%**	30%-50%	**30%-50%**	30%-50%
Carrying value	**152,681**	141,914	**387,895**	388,950	**61,749**	62,759	**602,325**	593,623
Unrecognised share of loss	**–**	–	**–**	–	**–**	–	**–**	–

26 RECEIVABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current assets				
Other receivables *(Note i)*	**28,377**	22,954	**–**	–
Deposits	**5,241**	5,241	**–**	–
Prepayments *(Note ii)*	**142,470**	136,557	**–**	–
	176,088	164,752	**–**	–
Loss allowance:				
Deposits	**(5,241)**	(5,241)	**–**	–
	170,847	159,511	**–**	–
Current assets				
Trade receivables	**1,285,215**	1,338,931	**–**	–
Other receivables *(Note i)*	**134,868**	89,947	**3,983**	6,305
Prepayments *(Note ii)*	**53,786**	48,409	**258**	275
Deposits *(Note iii)*	**42,202**	47,741	**2,971**	5,442
Sales and services tax ("SST") receivable	**588**	620	**–**	–
	1,516,659	1,525,648	**7,212**	12,022
Loss allowance:				
Trade receivables	**(165,225)**	(166,204)	**–**	–
Other receivables	**(20,013)**	(22,739)	**–**	–
Deposits	**(2,922)**	(3,053)	**–**	–
	1,328,499	1,333,652	**7,212**	12,022
Total	**1,499,346**	1,493,163	**7,212**	12,022

(Note i) Included in non-current other receivables of the Group are lease receivables which represent outstanding net present value of receipts under leasing arrangements amounting to RM28,377,000 (2023: RM22,954,000). Included in current other receivables of the Group are cooking oil subsidy and sugar incentive receivable from Kementerian Perdagangan Dalam Negeri Dan Kos Sara Hidup of RM22,371,000 (2023: RM26,813,000) and RM24,000,000 (2023: RM24,000,000) respectively, amounts placed with brokers for CPO and sugar futures trading facilities totalling RM30,171,000 (2023: RM19,508,000) and lease receivables which represent outstanding net present value of receipts under leasing arrangements amounting to RM8,279,000 (2023: RM12,713,000).

(Note ii) Included in non-current and current prepayments is a security deposit amounting to RM62,120,000 (2023: RM62,120,000) paid to ultimate holding company under the LLA dated 1 November 2011, which shall be set off towards any payment of the lease amount prior to expiry or sooner upon reclamation of land under the LLA, and prepayment for purchase of precious metal to catalyse certain reactions in its production process at cost amounting to RM70,778,000 (2023: RM68,531,000).

(Note iii) Included in current deposits of the Group are deposit in relation to medical insurance facilities amounting to RM7,815,000 (2023: RM7,991,000).

Notes to the Financial Statements
For the financial year ended 31 December 2024

26 RECEIVABLES (CONTINUED)

The receivables are denominated as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
– Ringgit Malaysia	**817,482**	765,546	**7,212**	12,022
– United States Dollar	**674,362**	723,511	**–**	–
– Thai Baht	**5,408**	2,728	**–**	–
– Pakistan Rupee	**1,101**	460	**–**	–
– Singapore Dollars	**527**	451	**–**	–
– Indian Rupee	**193**	196	**–**	–
– Euro	**175**	179	–	–
– Indonesian Rupiah	**98**	92	**–**	–
	1,499,346	1,493,163	**7,212**	12,022

The credit terms of trade receivables are up to 90 days (2023: 90 days).

(a) Reconciliation of loss allowance

(i) Trade receivables using simplified approach

The loss allowance for trade receivables as at 31 December 2024 reconciles to the opening loss allowance balance as follows:

Group	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	15,058	153,307	168,365
(Decrease)/increase in loss allowance (net)	(1,283)	305	(978)
Write-offs	(134)	(4,341)	(4,475)
Foreign exchange movements	–	3,292	3,292
Loss allowance as at 31 December 2023/1 January 2024	13,641	152,563	166,204
Transfer	(9,832)	9,832	–
(Decrease)/increase in loss allowance (net)	(543)	1,450	907
Write-offs	–	(52)	(52)
Foreign exchange movements	–	(1,834)	(1,834)
Closing loss allowance as at 31 December 2024	3,266	161,959	165,225

Notes to the Financial Statements
For the financial year ended 31 December 2024

26 RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

(i) Trade receivables using simplified approach (continued)

The following table contains an analysis of the credit exposure of trade receivables for which an ECL allowance is recognised, based on collective and individual impairment assessment:

Group	Current RM'000	Up to 30 days past due RM'000	31 days to 90 days past due RM'000	More than 91 days past due RM'000	Total RM'000
31 December 2024					
Gross carrying amount	**974,676**	**107,973**	**31,723**	**170,913**	**1,285,215**
Individual impairment					
– credit impaired	**–**	**–**	**–**	**(161,959)**	**(161,959)**
	974,676	**107,973**	**31,723**	**8,954**	**1,123,256**
Expected credit loss rate	**0%**	**0.2%**	**3.3%**	**18.9%**	
Collective impairment	**(312)**	**(202)**	**(1,061)**	**(1,691)**	**(3,266)**
Carrying amount (net of loss allowance)	**974,364**	**107,701**	**30,662**	**7,263**	**1,119,990**
31 December 2023					
Gross carrying amount	1,058,981	67,961	23,306	188,683	1,338,931
Individual impairment					
– credit impaired	–	–	–	(152,563)	(152,563)
	1,058,981	67,961	23,306	36,120	1,186,368
Expected credit loss rate	0%	0.2%	0.5%	36.9%	
Collective impairment	(78)	(107)	(115)	(13,341)	(13,641)
Carrying amount (net of loss allowance)	1,058,903	67,854	23,191	22,779	1,172,727

Notes to the Financial Statements
For the financial year ended 31 December 2024

26 RECEIVABLES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

(ii) Other receivables and deposits using general 3 stage approach

The loss allowance for other receivables and deposits as at 31 December 2024 reconciles to the opening loss allowance for that provision as follows:

Group	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	–	10,333	22,324	32,657
(Decrease)/increase in loss allowance (net)	–	(2,855)	1,100	(1,755)
Transfer	–	(6,080)	6,080	–
Foreign exchange movements	–	–	131	131
Loss allowance as at 31 December 2023/1 January 2024	–	1,398	29,635	31,033
Decrease in loss allowance (net)	–	(3)	(2,759)	(2,762)
Write-offs	–	(20)	–	(20)
Foreign exchange movements	–	–	(75)	(75)
Closing loss allowance as at 31 December 2024	–	1,375	26,801	28,176
31 December 2024				
Gross carrying amount	**173,003**	**8,161**	**29,524**	**210,688**
Loss allowance	**–**	**(1,375)**	**(26,801)**	**(28,176)**
Carrying amount (net of loss allowance)	**173,003**	**6,786**	**2,723**	**182,512**
31 December 2023				
Gross carrying amount	128,074	8,174	29,635	165,883
Loss allowance	–	(1,398)	(29,635)	(31,033)
Carrying amount (net of loss allowance)	128,074	6,776	–	134,850

Notes to the Financial Statements
For the financial year ended 31 December 2024

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current assets				
Amounts due from:				
Subsidiary	**–**	–	**45,622**	37,970
Joint ventures	**137,513**	138,848	**–**	–
	137,513	138,848	**45,622**	37,970
Loss allowance:				
Subsidiary	**–**	–	**(37,385)**	(30,937)
Joint ventures	**(137,513)**	(138,848)	**–**	–
	–	–	**8,237**	7,033
Current assets				
Amounts due from:				
Ultimate holding company	**41,820**	35,992	**4,610**	4,575
Subsidiaries	**–**	–	**58,876**	56,399
Joint ventures	**166,419**	134,877	**–**	–
Associate	**38**	38	**–**	–
Other related companies	**206,188**	66,687	**2,974**	2,824
	414,465	237,594	**66,460**	63,798
Loss allowance:				
Ultimate holding company	**(2,225)**	(3,663)	**(4,033)**	(4,033)
Subsidiaries	**–**	–	**(8,142)**	(5,590)
Other related companies	**(12,121)**	(4,650)	**(1,287)**	(1,287)
	(14,346)	(8,313)	**(13,462)**	(10,910)
	400,119	229,281	**52,998**	52,888
	400,119	229,281	**61,235**	59,921
Current liabilities				
Amounts due from:				
Ultimate holding company	**(224,972)**	(276,663)	**–**	–
Subsidiaries	**–**	–	**(14,642)**	(8,824)
Joint ventures	**(238)**	(506)	**–**	–
Associate	**(539)**	(331)	**–**	–
Other related companies	**(5,572)**	(5,950)	**(264)**	(97)
	(231,321)	(283,450)	**(14,906)**	(8,921)

The amounts due from/(to) ultimate holding company, joint ventures, an associate and other related companies are unsecured, free of financial charges and have credit terms ranging from 15 to 120 days (2023: 15 to 120 days).

The amounts due from/(to) subsidiaries are unsecured, free of financial charges and have credit term of 30 to 180 days (2023: 30 to 180 days).

Notes to the Financial Statements
For the financial year ended 31 December 2024

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

All amounts due from/(to) ultimate holding company, subsidiaries, joint ventures, an associate and other related companies are denominated in Ringgit Malaysia.

Amounts due from subsidiaries

	Company 2024 RM'000	Company 2023 RM'000
At 1 January	**57,842**	460,148
Net movement during the financial year#	**11,766**	(404,334)
(Increase)/decrease in loss allowance during the financial year	**(9,000)**	4,088
Write-off	**–**	(28)
Conversion into ordinary shares* (Note 23)	**(1,637)**	(2,032)
At 31 December	**58,971**	57,842
Analysed as:		
Non-current	**8,237**	7,033
Current	**50,734**	50,809
	58,971	57,842

\# Included in the movement in the previous financial year was the third interim dividend for the financial year 2022 received from subsidiaries amounted to RM435,700,000.

* Conversion into ordinary shares

Financial year ended 31 December 2024

(i) On 13 February 2024, the Company subscribed for 166,650 ordinary shares of USD1.00 each from FGV Investment (L) Pte. Ltd. ("FGVI"), a wholly-owned subsidiary of the Company, satisfied via a conversion of an amount due from FGVI of USD166,650, equivalent to RM795,000.

(ii) On 19 March 2024, the Company subscribed for 179,920 ordinary shares of USD1.00 each from FGVI, a wholly-owned subsidiary of the Company, satisfied via a conversion of an amount due from FGVI of USD179,920, equivalent to RM842,000

Financial year ended 31 December 2023

(iii) On 29 March 2023, the Company subscribed for 122,210 ordinary shares of USD1.00 each from FGVI, a wholly-owned subsidiary of the Company, satisfied via a conversion of an amount due from FGVI of USD122,210, equivalent to RM571,000.

(iv) On 22 May 2023, the Company subscribed for 70,993 ordinary shares of USD1.00 each from FGVI, satisfied via a conversion of an amount due from FGVI of USD70,993, equivalent to RM332,000.

(v) On 28 July 2023, the Company subscribed for 149,985 ordinary shares of USD1.00 each from FGVI, satisfied via a conversion of an amount due from FGVI of USD149,985, equivalent to RM695,000.

(vi) On 11 September 2023, the Company subscribed for 94,435 ordinary shares of USD1.00 each from FGVI, satisfied via a conversion of an amount due from FGVI of USD94,435, equivalent to RM434,000.

Notes to the Financial Statements
For the financial year ended 31 December 2024

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

(a) Reconciliation of loss allowance

Amounts due from subsidiaries using general 3 stage approach

The loss allowance for amounts due from subsidiaries as at 31 December 2024 reconciles to the opening loss allowance balance as follows:

Company	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	–	–	40,615	40,615
Decrease in loss allowance (net)	–	–	(4,088)	(4,088)
Loss allowance as at 31 December 2023/1 January 2024	–	–	36,527	36,527
Increase in loss allowance (net)	–	–	9,000	9,000
Closing loss allowance as at 31 December 2024	–	–	45,527	45,527

The following table contains an analysis of the credit exposure of amounts due from subsidiaries for which an ECL allowance is recognised, based on individual impairment assessment:

Company	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
31 December 2024				
Gross carrying amount	**58,971**	**–**	**45,527**	**104,498**
Loss allowance	**–**	**–**	**(45,527)**	**(45,527)**
Carrying amount (net of loss allowance)	**58,971**	**–**	**–**	**58,971**
31 December 2023				
Gross carrying amount	57,842	–	36,527	94,369
Loss allowance	–	–	(36,527)	(36,527)
Carrying amount (net of loss allowance)	57,842	–	–	57,842

During the financial year, the significant increase in the loss allowance relates to increase in ECL on an amount due from subsidiaries as the curtailment of the subsidiary's business in the current financial year is expected to adversely affect its ability to settle the amount due to the Company in a timely manner.

Notes to the Financial Statements
For the financial year ended 31 December 2024

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

Trade amounts due from ultimate holding company, joint ventures and other related companies using simplified approach

The loss allowance for trade amounts due from ultimate holding company and other related companies as at 31 December 2024 reconciles to the opening loss allowance balance as follows:

Company	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	13,825	6,126	19,951
Decrease in loss allowance (net)	(8,523)	(3,115)	(11,638)
Loss allowance as at 31 December 2023/1 January 2024	5,302	3,011	8,313
Increase/(decrease) in loss allowance (net)	7,306	(1,273)	6,033
Closing loss allowance as at 31 December 2024	12,608	1,738	14,346

The following table contains an analysis of the credit exposure trade amounts due from ultimate holding company, joint ventures and other related companies for which an ECL allowance is recognised, based on individual impairment assessment:

Group	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
31 December 2024			
Gross carrying amount	**407,906**	**6,559**	**414,465**
Individual assessment	**(12,608)**	**(1,738)**	**(14,346)**
Carrying amount (net of loss allowance)	**395,298**	**4,821**	**400,119**
31 December 2023			
Gross carrying amount	224,078	13,516	237,594
Individual assessment	(5,302)	(3,011)	(8,313)
Closing loss allowance as at 31 December 2024	218,776	10,505	229,281

During the financial year, the increase in the loss allowance relates to increase in ECL on amounts due from other related companies due to long outstanding amounts balances.

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

Amounts due from other related companies using general 3 stage approach

The loss allowance for amounts due from other related companies as at 31 December 2024 as follows:

Company	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	–	–	–	–
Increase in loss allowance (net)	–	1,287	–	1,287
Closing loss allowance as at 31 December 2023/ 31 December 2024	–	1,287	–	1,287

The following table contains an analysis of the credit exposure of amounts due from other related companies for which an ECL allowance is recognised, based on individual impairment assessment:

Company	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
31 December 2024				
Gross carrying amount	**1,687**	**1,287**	**–**	**2,974**
Loss allowance	**–**	**(1,287)**	**–**	**(1,287)**
Carrying amount (net of loss allowance)	**1,687**	**–**	**–**	**1,687**
31 December 2023				
Gross carrying amount	1,537	1,287	–	2,824
Loss allowance	–	(1,287)	–	(1,287)
Carrying amount (net of loss allowance)	1,537	–	–	1,537

27 AMOUNTS DUE FROM/(TO) ULTIMATE HOLDING COMPANY, SUBSIDIARIES, JOINT VENTURES, AN ASSOCIATE AND OTHER RELATED COMPANIES (CONTINUED)

(a) Reconciliation of loss allowance (continued)

Non-trade amounts due from joint ventures using general 3 stage approach

The loss allowance for non-trade amounts due from joint ventures as at 31 December 2024 reconciles to the opening loss allowance balance as follows:

Group	Performing RM'000	Under-performing RM'000	Non-performing RM'000	Total RM'000
Opening loss allowance as at 1 January 2023	–	–	142,099	142,099
Decrease in loss allowance (net)	–	–	(3,251)	(3,251)
Loss allowance as at 31 December 2023/1 January 2024	–	–	138,848	138,848
Decrease in loss allowance (net)	–	–	(1,335)	(1,335)
Loss allowance as at 31 December 2024	–	–	137,513	137,513

The following table contains an analysis of the credit exposure non-trade amounts due from joint ventures for which an ECL allowance is recognised, based on individual impairment assessment:

Group	Performing RM'000	Non-performing RM'000	Total RM'000
31 December 2024			
Gross carrying amount	**–**	**137,513**	**137,513**
Individual assessment	**–**	**(137,513)**	**(137,513)**
Carrying amount (net of loss allowance)	**–**	**–**	**–**
31 December 2023			
Gross carrying amount	–	138,848	138,848
Individual assessment	–	(138,848)	(138,848)
Carrying amount (net of loss allowance)	–	–	–

Notes to the Financial Statements
For the financial year ended 31 December 2024

28 LOANS DUE FROM SUBSIDIARIES

	Company 2024 RM'000	Company 2023 RM'000
At 1 January	**490,308**	207,011
Additions	**1,342,000**	1,238,897
Repayment	**(1,031,562)**	(955,600)
At 31 December	**800,746**	490,308
Analysed as:		
Non-current	**750,000**	–
Current	**50,746**	490,308
	800,746	490,308

Effective finance rate for the loans are as follows:

	Company 2024 Finance rate %	Company 2024 Effective finance rate	Company 2023 Finance rate %	Company 2023 Effective finance rate
Term loan	**Fixed/floating**	**4.68–5.71**	–	–
Short term loan	**Floating**	**3.05–5.85**	Floating	3.83–5.78

Financing terms of short term loans due from subsidiaries are between 30 to 365 days (2023: 30 to 365 days).

The loans are denominated as follows in Ringgit Malaysia.

Notes to the Financial Statements
For the financial year ended 31 December 2024

29 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2024 RM'000	2023 RM'000
At 1 January	**95,197**	81,355
Additions	**174,169**	483,674
Disposals	**(161,540)**	(457,695)
Fair value losses credited to profit or loss (Note 10)	**2,660**	(1,172)
Currency translation differences	**(2,539)**	(10,965)
As at 31 December	**107,947**	95,197
Analysed as:		
Current	**105,414**	89,857
Non-current	**2,533**	5,340
	107,947	95,197

During the financial year, the Group disposed bond funds for a consideration of RM174.08 million (2023: RM467.22 million), resulting in a gain on disposal of RM12.54 million (2023: RM9.53 million).

	Group	
	2024 RM'000	2023 RM'000
Quoted investments:		
In Malaysia	**91**	88
Outside Malaysia	**107,856**	95,109
	107,947	95,197

Financial assets at fair value through profit or loss are denominated in the following currencies:

	Group	
	2024 RM'000	2023 RM'000
– Ringgit Malaysia	**91**	88
– Australian Dollar	**3,020**	2,320
– Pakistan Rupee	**104,836**	92,789
	107,947	95,197

30 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME ("FVOCI")

	Group	
	2024 RM'000	2023 RM'000
At 1 January	**160,973**	162,670
Additions	**1,595**	1,997
Fair value changes	**(25,353)**	(7,676)
Currency translation differences	**11,327**	3,982
At 31 December	**148,541**	160,973
Analysed as:		
Non-current	**148,541**	160,973

The financial assets at FVOCI comprise the following:

	Group	
	2024 RM'000	2023 RM'000
Quoted equity securities:		
– In Malaysia	**3,927**	3,257
Unquoted equity securities:		
– In Malaysia	**69,121**	77,490
– Outside Malaysia	**75,493**	80,226
	144,614	157,716

The Group has irrevocably elected non-trading equity securities above at initial recognition to present its fair value changes in other comprehensive income. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group and not held for trading purpose.

Financial assets at FVOCI are denominated in the following currencies:

	Group	
	2024 RM'000	2023 RM'000
– Ringgit Malaysia	**73,048**	80,747
– United States Dollar	**75,493**	80,226
	148,541	160,973

The fair values of unquoted securities are based on the average of price-to-book or price earnings ratio of similar equities in the market and is a Level 3 fair value computation (Note 4(c)).

Notes to the Financial Statements
For the financial year ended 31 December 2024

31 BIOLOGICAL ASSETS

Group	Oil Palm RM'000	Dairy Cow RM'000	Cash Crop RM'000	Total RM'000
2024				
At 1 January	**65,087**	**537**	**4,180**	**69,804**
Transfer to inventories	**(65,087)**	**–**	**–**	**(65,087)**
Addition	**–**	**1,537**	**506**	**2,043**
Fair value changes	**110,920**	**(311)**	**(3,179)**	**107,430**
Sales of livestock	**–**	**(1,008)**	**–**	**(1,008)**
Written off	**–**	**(105)**	**(238)**	**(343)**
At 31 December	**110,920**	**650**	**1,269**	**112,839**
2023				
At 1 January	86,698	1,491	–	88,189
Transfer to inventories	(85,953)	–	–	(85,953)
Transfer from property, plant and equipment (Note 19)	–	–	6,994	6,994
Disposal of subsidiaries (Note 23(c))	(799)	–	–	(799)
Addition	–	1,034	1,959	2,993
Fair value changes	65,087	(246)	(4,773)	60,068
Sales of livestock	–	(1,663)	–	(1,663)
Written off	–	(79)	–	(79)
Foreign exchange movement	54	–	–	54
At 31 December	65,087	537	4,180	69,804

Analysed as:

	2024 RM'000	2023 RM'000
Non-current	**1,919**	4,717
Current	**110,920**	65,087
	112,839	69,804

Oil Palm

Oil palm represents the fresh fruit bunches ("FFB") of up to 15 days prior to harvest for use in the Group's palm product operations. During the financial year ended 31 December 2024, the Group harvested approximately 3,966,380 metric tonnes ("MT") of FFB (2023: 3,641,187 MT). As at 31 December 2024, the fair valuation of FFB included an unharvested quantity of 132,231 MT (2023: 121,737 MT), with an average FFB selling price of RM1,085 per MT (2023: RM722 per MT),

In determining the fair value, the Group adopted the income approach which considers the net present value of all directly attributable cash inflows, cash outflows and imputed contributory asset charges where no actual cash flows associated with the use of assets essential to the agricultural activity.

Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

The oil palm is measured at Level 3 fair value estimation.

If the selling prices of FFB or tonnage changed by 10%, the Group's fair value of FFB would have increased or decreased by approximately RM25.46 million (2023: RM15.31 million).

Notes to the Financial Statements
For the financial year ended 31 December 2024

31 BIOLOGICAL ASSETS (CONTINUED)

Dairy Cow

In determining the fair value of heifers and mature dairy cows, the Group applies the market approach (Level 2 fair value estimation), using recent market transactions and adjusted accordingly to reflect the age, weight and body score.

For calves, fair value is measured at Level 3 fair value estimation, considering the projected market price at the point of the transformation from calves to heifers, and taking into account the expected feeding cost and the calf mortality rates.

The key assumptions used in the fair value calculation are as follows:

	2024	2023
Calves		
Expected transformation age of calves to heifers (months)	**18**	18
Culling rate per annum (%)	**22.46**	33.33
Feed cost per dairy cow per day (RM)	**4.20**	3.67
Selling price (RM/unit)	**8,651**	10,173
Processing cost per dairy cow per day (RM)	**6.84**	9.57
Discount rate (%)	**9**	8

Cash Crop

Cash crop includes pineapple (2023: pineapple, banana and corn).

In determining the fair value of pineapples, management considers estimates and judgements, including tree yield for suckers and stumps and their selling prices. In the previous financial year, factors considered included the culling rate, selling prices of pineapples and suckers, and grading based on weight.

The key assumptions used in the fair value calculation are as follows:

	2024	2023
Pineapples		
Culling rate (%)	**15 to 100**	15 to 100
Average selling price of pineapples per kilogram (RM)	**2.58**	2.58
Selling price of pineapple sucker (RM)	**1.10**	1.50

During the financial year, all plots of banana and corn have been fully written down, as the Group has decided to discontinue these operations.

32 INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
At cost:		
– Finished goods	**1,153,278**	812,153
– Raw materials	**940,180**	466,827
– Work in progress	**74,265**	57,460
– Chemicals	**56,348**	77,029
– Stores, consumables and replaceable products	**96,013**	71,686
At net realisable value:		
– Finished goods	**5,567**	56,134
– Raw materials	**441**	36,733
– Work in progress	**577**	29,552
– Stores, consumables and replaceable products	**3,350**	19,337
	2,330,019	1,626,911

The impact of write downs of inventories to net realisable value amounted to RM4,273,000 (2023: RM3,499,000). The recognised amount is included in the cost of sales in the statements of profit or loss.

33 CONTRACT ASSETS

The Group's contract assets relating to the provision of IT services and service rendered as at financial year end can be summarised as follows:

	Group	
	2024 RM'000	2023 RM'000
Contract assets		
At 1 January	**27,600**	49,280
Performance obligations performed	**97,331**	42,260
Transfer from contract assets to receivables	**(108,679)**	(63,940)
	16,252	27,600
Loss allowance	**(980)**	(1,461)
At 31 December	**15,272**	26,139

33 CONTRACT ASSETS (CONTINUED)

Reconciliation of loss allowance

Contract assets amounts using simplified approach.

The loss allowance for contract asset as at 31 December 2024 reconciles to the opening loss allowance for that provision as follows:

	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
Loss allowance as at 1 January 2023	1,982	–	1,982
Decrease in loss allowance	(521)	–	(521)
Loss allowance as at 31 December 2023	1,461	–	1,461
Decrease in loss allowance	(481)	–	(481)
At 31 December 2024	980	–	980

The following table contains an analysis of the credit exposure of contract assets for which an ECL allowance is recognised, based on individual impairment assessment:

Group	Non-credit impaired RM'000	Credit impaired RM'000	Total RM'000
31 December 2024			
Gross carrying amount	16,252	–	16,252
Loss allowance	(980)	–	(980)
Carrying amount (net of loss allowance)	15,272	–	15,272
31 December 2023			
Gross carrying amount	27,600	–	27,600
Loss allowance	(1,461)	–	(1,461)
Carrying amount (net of loss allowance)	26,139	–	26,139

Notes to the Financial Statements
For the financial year ended 31 December 2024

34 DERIVATIVE FINANCIAL ASSETS/(LIABILITIES)

	Group					
	2024			2023		
	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000	Contract/ notional amount RM'000	Assets RM'000	Liabilities RM'000
Non-current						
Islamic profit rate swap	–	–	–	41,667	–	11
Current						
Foreign currency forward contracts	**590,075**	**655**	**2,383**	360,615	4,823	388
Palm oil futures contracts	**55,141**	**–**	**5,102**	18,015	7,112	15
Brent crude oil futures contracts	**8,765**	**1,042**	**–**	–	–	–
	653,981	**1,697**	**7,485**	378,630	11,935	403
	653,981	**1,697**	**7,485**	420,297	11,935	414

The Group classifies derivative financial instruments as financial assets/liabilities at fair value through profit or loss. The Islamic profit rate swap is accounted for as cash flow hedge.

The notional amount of contracts outstanding are as follows:

	2024	2023
Foreign currency forward contracts	**USD132,345,092**	USD74,213,138
Brent crude oil futures contracts	**USD1,958,544**	–
Palm oil futures contracts	**11,450 MT**	3,200 MT

35 DEPOSITS, CASH AND BANK BALANCES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fixed deposits with licensed investment bank in Malaysia	**1,336,660**	998,039	**273,950**	96,724
Restricted deposit	**22,181**	31,947	**–**	–
Cash and bank balances	**369,522**	493,248	**8,383**	14,452
Deposits, cash and bank balances	**1,728,363**	1,523,234	**282,333**	111,176

Restricted deposit relates to bank balance pledged in order to obtain certain bank facilities. The withdrawal of this deposit from the designated account requires approval from the bank.

35 DEPOSITS, CASH AND BANK BALANCES (CONTINUED)

The fixed deposits, cash and bank balances are denominated as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Ringgit Malaysia	**1,485,472**	1,063,832	**281,170**	109,599
United States Dollar	**219,538**	435,847	**143**	143
Indonesian Rupiah	**9,667**	8,504	**–**	–
Thai Baht	**6,314**	11,998	**–**	–
Pakistan Rupees	**1,306**	203	**–**	–
Great Britain Pound	**1,211**	1,604	**1,020**	1,434
Singapore Dollar	**4,736**	–	**–**	–
Others	**119**	1,246	**–**	–
	1,728,363	1,523,234	**282,333**	111,176

The weighted average finance rates (per annum) of fixed deposits and bank balances that were effective at the financial year end were as follows:

	Group		Company	
	2024 %	2023 %	2024 %	2023 %
– Licensed banks	**2.73**	3.31	**3.04**	**2.30**
– Licensed financial institutions	**3.02**	2.67	**–**	–

Fixed deposits as at 31 December 2024 for the Group and for the Company have average maturity periods of 61 days (2023: 61 days) and 30 days (2023: 22 days) respectively. Cash and bank balances are deposits held at call with banks.

36 ASSETS HELD FOR SALE

Property, plant and equipment

(i) In the previous financial year, the Lahad Datu palm oil refinery in FGV Refinery Sdn. Bhd., an indirect subsidiary of the Group, whose carrying value was previously RM11.36 million, had been remeasured to RM9.03 million, resulting in a loss of RM2.33 million upon reclassification to property, plant and equipment. The revised carrying value was supported by an external valuation. As at 31 December 2023, due to ongoing delays in completing the sale, the plant had ceased to be classified as assets held for sale and had been reclassified to property, plant and equipment.

(ii) In the previous financial year, a biodiesel plant in FGV Green Energy Sdn. Bhd., an indirect subsidiary of the Group which had a carrying value of RM9.0 million in the previous financial year had been disposed off with no gain or loss.

Right-of-use assets

(i) In the previous financial year, the two vacant land in Pulau Indah in MSM Prai Berhad ("MSM Prai"), an indirect subsidiary of the Group, which had a carrying value of RM7.68 million, had been disposed of with a total consideration of RM16.06 million, resulting in a gain on disposal of RM8.38 million.

Notes to the Financial Statements
For the financial year ended 31 December 2024

37 SHARE CAPITAL

	Group and Company			
	2024 Number of shares '000	**2023 Number of shares '000**	**2024 RM'000**	**2023 RM'000**
Issued and fully paid up:				
Ordinary shares with no par value				
At 1 January/31 December	**3,648,152**	3,648,152	**7,029,889**	7,029,889
Special share				
At 1 January/31 December	**#**	#	**#**	#

Relating 1 unit special shares held by Minister of Finance of RM1

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

The special share held by the Minister of Finance (Incorporated) has the following characteristics:

(a) The Special Share may be held only by or transferred only to the Minister of Finance (Incorporated) or its successor or any Minister, representative or any person authorised by the Government of Malaysia to act on its behalf.

(b) The Special Shareholder shall have the right from time to time to appoint any existing Director to be a Government Appointed Director so that there shall not be more than three (3) Government Appointed Director at any one time and such Government Appointed Directors shall hold the position of the Chairman of the Board of Directors, Managing Director/Chief Executive Officer and one (1) Director.

(c) The Special Shareholder or any person acting on behalf of the Special Shareholder shall be entitled to receive notice of and to attend and speak at all general meetings or any other meeting of any class or shareholders of the Company, but the Special Share shall carry no right to vote nor any other rights at any such meeting.

(d) The Special Shareholder may, subject to the provisions of the Acts, require the Company to redeem the Special Share at par at any time by serving written notice upon the Company and delivering the relevant share certificate.

(e) In a distribution of capital in a winding up of the Company, the Special Shareholder shall be entitled to repayment of the capital paid up on the Special Share in priority to any repayment of capital to any other Member. The Special Share shall confer no other right to participate in the capital or profits of the Company.

38 FOREIGN EXCHANGE RESERVE

The foreign exchange reserve is used to record exchange difference arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It also represents the share of foreign exchange differences in the cumulative net investment of foreign associates and joint ventures.

39 REORGANISATION RESERVE

The reorganisation reserve represents the difference between the fair value of the purchase consideration and carrying value of the net assets acquired arising from the acquisition of plantation estates.

40 OTHER RESERVES

Group	Other comprehensive income RM'000	Cash flow hedge reserve RM'000	Total RM'000
2024			
At 1 January 2024	**21,942**	**(14)**	**21,928**
Fair value changes	**(25,491)**	**–**	**(25,491)**
Cash flow hedges	**–**	**14**	**14**
At 31 December 2024	**(3,549)**	**–**	**(3,549)**
2023			
At 1 January 2023	29,618	(123)	29,495
Fair value changes	(7,676)	–	(7,676)
Cash flow hedges	–	109	109
At 31 December 2023	21,942	(14)	21,928

Cash flow hedge reserve

The Group manages its cash flow interest rate risk with floating-to-fixed interest rate swaps which are designated in cash flow hedge relationships. To the extent this hedge is effective, the change in fair value of the hedge instrument is recognised in the cash flow hedge reserve. The gain or loss relating to the effective portion of the interest rate swaps is reclassified to profit or loss and recognising within 'finance cost'.

Notes to the Financial Statements
For the financial year ended 31 December 2024

41 BORROWINGS

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Current				
Secured:				
Short term trade financing	**6,010**	6,178	**–**	–
Islamic term loans	**107,843**	160,617	**–**	–
Sukuk	**50,000**	50,000	**50,000**	50,000
Unsecured:				
Islamic short term trade financing	**2,073,060**	1,991,255	**–**	–
Hire purchase	**16,585**	10,626	**10**	125
Sukuk	**51,473**	50,769	**51,473**	50,769
	2,304,971	2,269,445	**101,483**	100,894
Non-current				
Secured:				
Islamic term loans	**162,476**	272,649	**–**	–
Sukuk	**298,884**	348,348	**298,884**	348,348
Unsecured:				
Hire purchase	**81,753**	94,704	**332**	446
Sukuk	**899,551**	447,656	**899,551**	447,656
	1,442,664	1,163,357	**1,198,767**	796,450
Total borrowings	**3,747,635**	3,432,802	**1,300,250**	897,344

The maturity profile of borrowings are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Total borrowings				
Islamic short term trade financing	**2,073,060**	1,991,255	**–**	–
Short term trade financing	**6,010**	6,178	**–**	–
Islamic term loans	**270,319**	433,266	**–**	–
Hire purchase	**98,338**	105,330	**342**	571
Sukuk	**1,299,908**	896,773	**1,299,908**	896,773
	3,747,635	3,432,802	**1,300,250**	897,344
Less: Repayable after more than one year	**(1,442,664)**	(1,163,357)	**(1,198,767)**	(796,450)
	2,304,971	2,269,445	**101,483**	100,894

Notes to the Financial Statements
For the financial year ended 31 December 2024

41 BORROWINGS (CONTINUED)

The maturity profile of borrowings are as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Less than 1 year	**2,304,971**	2,269,445	**101,483**	100,894
Between 1 and 5 years	**1,092,712**	1,088,357	**848,815**	721,450
More than 5 years	**349,952**	75,000	**349,952**	75,000
	3,747,635	3,432,802	**1,300,250**	897,344

The borrowings are denominated as follows:

	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
– Ringgit Malaysia	**3,741,625**	3,357,964	**1,300,250**	897,344
– United States Dollar	**–**	68,660	**–**	–
– Thai Baht	**6,010**	6,178	**–**	–
	3,747,635	3,432,802	**1,300,250**	897,344

Effective finance rates for borrowings are as follows:

	Group Finance rate	Group Effective finance rate at date of statement of financial position per annum %	Company Finance rate	Company Effective finance rate at date of statement of financial position per annum %
2024				
Islamic short term trade financing	**Fixed**	**2.93 – 4.63**	**–**	**–**
Short term trade financing	**Fixed**	**4.15 – 7.58**	**–**	**–**
Islamic term loans	**Fixed/floating**	**3.75 – 5.53**	**–**	**–**
Hire purchase	**Fixed**	**2.25 – 5.10**	**Fixed**	**5.10**
Sukuk	**Fixed/floating**	**4.70 – 6.25**	**Fixed/floating**	**4.70 – 5.63**
2023				
Islamic short term trade financing	Fixed	3.18 – 4.67	–	–
Short term trade financing	Fixed	2.30 – 7.58	–	–
Islamic term loans	Fixed/floating	3.75 – 5.53	–	–
Hire purchase	Fixed	3.00	Fixed	5.10
Sukuk	Fixed/floating	5.15 – 6.25	Fixed/floating	5.15 – 6.25

Notes to the Financial Statements
For the financial year ended 31 December 2024

41 BORROWINGS (CONTINUED)

The secured Islamic term loans of RM270,319,000 (2023: RM433,266,000) is secured against a leasehold land, debenture, certain bank balances of the Group and a director of subsidiary.

The secured short term trade financing of RM6,010,000 (2023: RM6,178,000) is secured over certain property, plant and equipment.

The secured Sukuk of RM348,884,000 (2023: RM398,348,000) is secured against a land of a subsidiary.

Islamic term loans

MSM Malaysia Holdings Berhad ("MSMH"), a subsidiary of the Company is required to comply with certain financial covenants i.e. consolidated net debt and financing to equity ratio, consolidated net debt and financing to earnings before interest, tax, depreciation and amortisation ("EBITDA") ratio and consolidated finance payment cover ratio (collectively known as "financial covenants"). The financial covenants are to be complied with annually (2023: annually).

On 18 December 2024, CIMB has issued a Supplemental Letter, informing MSMH that the bank has agreed to waive one of the three financial covenants i.e. consolidated net debt and financing to EBITDA ratio for the financial year ended 31 December 2024. Therefore, MSMH was not required to meet this covenant and has complied with other two covenants for the financial year ended 31 December 2024.

Sukuk

On 31 December 2021, the Company made the first issuance of Sukuk Murabahah of RM500 million in nominal value pursuant to the Sukuk Murabahah Programme. The Sukuk Murabahah Programme has a tenure of eight (8) years from the date of the first issue of Sukuk Murabahah under the Sukuk Murabahah Programme. The tenure of each Sukuk Murabahah is between one (1) year and up to eight (8) years and is unrated.

The financing terms are from 31 December 2021 until 31 December 2029 (2023: 31 December 2021 until 31 December 2029) with profit rate ranging from 4.47% to 5.63% (2023: 5.20% to 5.41%) per annum.

On 22 December 2023, the Company made the second issuance of Sukuk Murabahah of RM500 million in nominal value pursuant to the Sukuk Murabahah Programme. The Sukuk Murabahah Programme has a tenure of five (5) years from the date of the first issue of Sukuk Murabahah under the Sukuk Murabahah Programme. The tenure of each Sukuk Murabahah is between one (1) year and up to five (5) years and is unrated.

The financing terms are from 22 December 2023 until 22 December 2028 with profit rate ranging from 4.83% to 5.19% per annum.

On 26 June 2024, the Company made the third issuance of Sukuk Murabahah of RM300 million in nominal value pursuant to the Sukuk Murabahah Programme. The Sukuk Murabahah Programme has a tenure of five (7) years from the date of the first issue of Sukuk Murabahah under the Sukuk Murabahah Programme. The tenure of each Sukuk Murabahah is between one (1) year and up to seven (7) years and is unrated.

The financing terms are from 26 June 2024 until 26 June 2031 with profit rate ranging from 4.81% to 5.34% per annum.

On 4 December 2024, the Company made the fourth issuance of Sukuk Murabahah of RM200 million in nominal value pursuant to the Sukuk Murabahah Programme. The Sukuk Murabahah Programme has a tenure of five (7) years from the date of the first issue of Sukuk Murabahah under the Sukuk Murabahah Programme. The tenure of each Sukuk Murabahah is between one (1) year and up to seven (7) years and is unrated.

The financing terms are from 4 December 2024 until 4 December 2031 with profit rate ranging from 4.70% to 5.20% per annum.

42 LEASE LIABILITIES

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**382,525**	331,359
Additions	**45,465**	30,364
Interest accretion	**20,999**	16,957
Repayments	**(68,688)**	(57,624)
Termination of lease contracts	**(10,754)**	(1,368)
Remeasurement of lease contracts	**40,862**	62,083
Currency translation differences	**(444)**	754
At 31 December	**409,965**	382,525
Non-current	**369,340**	351,888
Current	**40,625**	30,637
	409,965	382,525

During the financial year, the Group exercised its legal and contractual rights to extend the lease term for one of the leasehold land in Prai by another 30 years. Accordingly, the Group remeasured the lease liability, which resulted in an increase in lease liabilities of RM40,862,000, by making a corresponding adjustment to the right-of-use assets (Note 20), after taking into consideration the extended lease term by another 30 years using the increase in rental rate of other comparable leases entered into by the Group.

In the previous financial year, the Group remeasured the lease contract with FELDA for the extension of the land lease in connection to the mills operated by a subsidiary of the Group. The remeasurement resulted in an increase in lease liabilities of RM62,083,000. The Group is in the midst of finalising the lease agreement with FELDA.

	Company	
	2024 RM'000	**2023 RM'000**
At 1 January	**19,627**	24,077
Interest accretion	**1,701**	1,078
Repayments	**(6,602)**	(5,528)
At 31 December	**14,726**	19,627
Non-current	**11,363**	16,264
Current	**3,363**	3,363
	14,726	19,627

Notes to the Financial Statements
For the financial year ended 31 December 2024

43 LOANS DUE TO A SUBSIDIARY

	Company	
	2024 RM'000	**2023 RM'000**
Unsecured:		
– Non-current	**174,000**	663,783
– Current	**146,289**	309,981
	320,289	973,764

The loans are denominated in Ringgit Malaysia.

Effective finance rate for the loans at date of statement of financial position per annum is as follows:

	Company			
	2024		2023	
	Finance rate	**Effective finance rate %**	**Finance rate**	**Effective finance rate %**
Loans due to a subsidiary	**Fixed**	**5.02 – 5.92**	Fixed	5.02

The carrying amount and fair value of the loans due to a subsidiary are as follows:

	Company			
	Carrying amount		Fair value	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Loans due to a subsidiary	**320,289**	973,764	**321,241**	983,881

The fair value of loans due to a subsidiary is based on cash flows discounted using a rate based on the borrowing rate of 5.02% (2023: 5.02%) per annum. The fair value of the loans due to a subsidiary is a Level 2 computation.

Cash flows and non-cash changes arising from loans due to a subsidiary are disclosed in statements of cash flows.

44 LAND LEASE AGREEMENT ("LLA") LIABILITY

The land lease agreement liability is calculated based on the terms set out in the various agreements as follows:

(i) Land Lease Agreement ("LLA")

The Company entered into an agreement with FELDA on 1 November 2011 to lease for a period of 99 years; (i) land with individual land titles issued to FELDA as the registered owner; (ii) existing land granted to FELDA for development but where individual land titles have not been issued to FELDA; and (iii) other land to be alienated or to be acquired by FELDA in the future.

FELDA may terminate lease on certain land as follows:

(a) Land with minerals, as the rights for minerals are excluded from the lease;
(b) Acquisition or intended acquisition under the Land Acquisition Act, 1960 ("LAA"), notice of reclamation by the relevant authority or such other notice of a similar nature issued pursuant to any legislation of Malaysia.

In the event of termination, FELDA will provide a notice period ranging from 10 days – 18 months, depending on the size of the land and circumstances of the reclamation.

Upon reclamation, compensation will be receivable from FELDA by the Group for the loss of expected future profits in respect of the land, calculated based on the average profit per hectare and the age profile of the applicable biological assets given up.

For land reclaimed by FELDA on behalf of third parties under Tenancy Agreement dated on 21 January 2012, no compensation will be receivable by the Company.

(ii) LLA Addendum

On 2 January 2012, the Company entered into an addendum to LLA ("LLA Addendum") to acquire certain assets and liabilities other than biological assets of the plantation estates owned by FELDA for a purchase consideration equivalent to the carrying values of the assets and liabilities acquired as at 31 December 2011 amounting to RM54,690,000, removing the requirement for consents from State Authority prior to commencement of LLA and amending the definition of categories of assets requiring to be maintained by the Company. As a result, the LLA commenced on 1 January 2012.

(iii) Novation Agreement

FGV Plantations (Malaysia) Sdn. Bhd. ("FGVPM"), a subsidiary of the Company had entered into a novation agreement whereby all benefits, rights, title, interest, obligations, undertakings, covenants and liabilities of the Company under the LLA and LLA Addendum shall be transferred by the Company to FGVPM from 1 January 2012 and FELDA has consented to the transfer of all of the Company's benefits, rights, title, interest, obligations, undertakings, covenants and liabilities to FGVPM subject to the terms and conditions of the novation agreement.

(iv) Tenancy Agreements

On 6 January 2012, FELDA and FGVPM entered into a tenancy agreement in respect of the LLA of which this tenancy shall be for an initial period of three years and upon expiry of the three year period, FGVPM shall have the option to renew the tenancy for further terms of three years each up to a total duration of 99 years unless terminated in accordance with the provisions of the LLA. The option to renew shall be exercisable by written notice, or by conduct of the parties allowing continued enjoyment of rights of the Land by FGVPM under the agreement. In the event that the Approvals for any part of the Land are obtained from time to time or individual land titles are issued by the state authorities for any part of the Additional Existing Land and the Approvals are obtained, the parties will proceed to register the lease in accordance with the LLA, and thereafter the Approved Land shall be excluded from this agreement and the tenancy therein and shall fall under the lease in the LLA.

On 21 January 2012, FELDA and FGVPM entered into a tenancy agreement in respect of certain plantation land which are vested in FELDA. This tenancy shall commence on 1 January 2012 and shall be for an initial period of three years. Upon expiry of the initial tenancy agreement's three years term, FGVPM shall have the option to renew the tenancy for further terms of three years each up to a total duration of 99 years unless terminated in accordance with the provisions of the LLA and at an agreed consideration which reflects the Lease Consideration in accordance with the LLA. In the event FELDA losses rights to these land, no compensation is payable to FGVPM.

Notes to the Financial Statements
For the financial year ended 31 December 2024

44 LAND LEASE AGREEMENT ("LLA") LIABILITY (CONTINUED)

The land lease agreement is calculated based on the terms set out in the various agreements as follows: (continued)

(v) Management Agreement

On 21 May 2012, the Tenancy Agreement dated 6 January 2012 was supplemented by an addendum, whereby both FELDA and FGVPM acknowledged that as at 1 January 2012, FGVPM has yet to be deemed or recognised as native in respect of the lands in Sarawak to the Sarawak Land Code. Both FELDA and FGVPM agree to exclude all the Sarawak Land from the Tenancy Agreement and the LLA. Both FELDA and FGVPM agree that no lease consideration shall be deemed payable in respect of these Sarawak Land for the tenancy for the period commencing from 1 January 2012 until FGVPM has duly obtained the status of native, all Approvals have been obtained and upon registration of the lease in accordance with the Sarawak Land Code. Upon fulfilment of the aforementioned conditions, the Sarawak Lands will be included as part of the Remaining Existing Lands and the terms of the Land Lease Agreement shall be applicable in respect thereof and the accounting application shall remain the same as per LLA.

In the event the land or any part thereof at any time become affected by any notice by acquisition under Land Acquisition Act, 1960, the lessor may not be compensated for the termination costs.

(vi) Clarification Letter

On 17 July 2015, FELDA and FGVPM agreed upon the clarification of several terms within the LLA and its ancillary agreements, as follows:

- Maintenance costs of utilities on the lands managed by FELDA in Sahabat shall be charged to FGVPM;
- The refund of the security deposit paid by FGVPM in respect of the LLA (Note 26) shall be by way of set-off towards any payment of the lease amount prior to expiry or sooner determination of the LLA; and
- The agreed formula to compute the Implied Revenue with respect to calculating the average fresh fruit bunches ("FFB") price used by FGVPM in the preparation of the statement of plantation operating profit is now clarified via a detailed formula and accompanying assumptions.

The leased land consists of planted oil palm and rubber areas. Based on the agreed leased area, the annual fixed lease amount payable is estimated to be RM242,863,000 (2023: RM243,507,000) per annum together with 15% (2023: 15%) of yearly plantation operating profit attributable to the land.

	Group	
	2024 RM'000	**2023 RM'000**
Non-current	**3,338,206**	3,257,842
Current	**325,281**	255,971
	3,663,487	3,513,813

44 LAND LEASE AGREEMENT ("LLA") LIABILITY (CONTINUED)

Movement in LLA liability is as follows:

	Group	
	2024 RM'000	**2023 RM'000**
At 1 January	**3,513,813**	3,680,354
Fair value changes charged to profit or loss (Note 10)	**423,935**	133,706
Repayment during the financial year	**(274,261)**	(300,247)
At 31 December	**3,663,487**	3,513,813

The fair value of the LLA liability is measured using a discounted cash flow calculation using cash flow projections covering a 86 year period (2023: 87 year period). The cash flow projection is approved by the LLA Steering Committee based on the 2025 approved financial budgets by the Directors plus the projection for the remaining period reflective of the forecasted operational results.

The key assumptions used to compute the fair value of the LLA liability are as follows:

	2024			2023		
Key assumptions	**Short Term**	**Mid Term**	**Long Term**	**Short Term**	**Mid Term**	**Long Term**
CPO Price (per MT)	**4,000**	**3,800**	**3,345**	3,600	3,000 – 3,340	2,900
PK Price (per MT)	**2,200**	**2,090**	**1,970**	1,800	1,500 – 1,670	1,800
Average FFB yield (MT/ha)	**17.1**	**18.2**	**18.4 – 21.0**	15.9	16.8 – 17.7	18.1 – 21.1
Mature estate cost (per hectare)	**7,612**	**7,758**	**7,869 – 14,878**	6,906	6,742 – 6,807	6,428
Immature estate cost (per hectare)	**7,411**	**7,735**	**6,890 – 14,830**	5,985	5,817 – 5,951	5,469
Discount rate		**9.5%**			9.5%	
Projection period		**86 years**			87 years	

44 LAND LEASE AGREEMENT ("LLA") LIABILITY (CONTINUED)

The sensitivity of the LLA liability to changes in key assumptions is as follows:

Key assumptions	Change in assumption	Impact on LLA liability
2024		
(i) Discount rate	Increase by 0.5% Decrease by 0.5%	Decrease by RM181 million Increase by RM202 million
(ii) Short term CPO price	Increase by RM100 per metric tonne Increase by RM575 per metric tonne Decrease by RM200 per metric tonne	Increase by RM9 million Increase by RM49 million Decrease by RM17 million
Medium term CPO price	Increase by RM200 per metric tonne Decrease by RM300 per metric tonne	Increase by RM34 million Decrease by RM53 million
(iii) Short term PK price	Increase by RM316 per metric tonne Decrease by RM110 per metric tonne	Increase by RM8 million Decrease by RM3 million
(iv) Medium term PK price	Increase by RM110 per metric tonne Decrease by RM165 per metric tonne	Increase by RM5 million Decrease by RM8 million
(v) Improvement/reduction in short to medium term FFB yield	Increase/decrease by 15%	Increase/decrease by RM149 million
(vi) Short to medium term mature estate cost	Increase/decrease by 10%	Decrease/increase by RM70 million
(vii) Short to medium term immature estate cost	Increase/decrease by 10%	Decrease/increase by RM16 million
2023		
(i) Discount rate	Increase by 0.5% Decrease by 0.5%	Decrease by RM182 million Increase by RM203 million
(ii) Short term CPO price	Increase by RM400 per metric tonne Decrease by RM100 per metric tonne	Increase by RM33 million Decrease by RM8 million
Medium term CPO price	Increase by RM550 per metric tonne Decrease by RM100 per metric tonne	Increase by RM91 million Decrease by RM18 million
(iii) Short term PK price	Increase/decrease by RM200 per metric tonne	Increase by RM5 million
Medium term PK price	Increase/decrease by RM50 per metric tonne	Decrease by RM1 million
(iv) Improvement/reduction in short to medium term FFB yield	Increase/decrease by 20%	Increase/decrease by RM156 million
(v) Short to medium term mature estate cost	Increase/decrease by 20%	Decrease/increase by RM123 million
(vi) Short to medium term immature estate cost	Increase/decrease by 20%	Decrease/increase by RM34 million

Notes to the Financial Statements
For the financial year ended 31 December 2024

45 PROVISION FOR ASSET RETIREMENT

	2024 RM'000	2023 RM'000
At 1 January	**33,408**	32,821
Provision during the financial year	**4,984**	–
Unwinding of discount	**372**	418
Payment made during the financial year	**(57)**	(317)
Currency translation differences	**(281)**	486
At 31 December	**38,426**	33,408

Provision for asset retirement mainly relates to the Group's fatty acids manufacturing facility in USA and mills in Malaysia. The asset retirement obligation is computed based on detailed estimates, adjusted for inflation, escalated to the estimated spending dates, and then discounted using an average risk-free interest rate of which represents management's best estimate of the liability. Actual costs to be incurred in future periods may vary from estimates, given the inherent uncertainties in evaluating certain exposures subject to the imprecision in estimating the asset retirement obligation.

	2024 RM'000	2023 RM'000
Analysed as:		
Non-current	**37,710**	32,674
Current	**716**	734
	38,426	33,408

46 PROVISION FOR DEFINED BENEFIT PLAN

The Group operates defined benefit retirement plans in Malaysia and Thailand for all eligible employees. All of the plans are lump sum payments depending on members' length of service and their salary in the final years leading up to retirement. As the retirement benefit plans are unfunded, the Group meets the defined benefit payment obligations as they fall due.

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Non-current				
– Retirement benefit scheme	**26,851**	26,050	**680**	560
– Housing assistance scheme	**18,044**	19,085	**–**	–
– Long service award	**17,202**	16,937	**439**	389
	62,097	62,072	**1,119**	949

Notes to the Financial Statements
For the financial year ended 31 December 2024

46 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

The retirement benefit scheme is a final salary defined benefit plan with a guaranteed lump sum payment at retirement, which remains open to new entrants. The housing assistance scheme is a final salary defined benefit plan with a guaranteed lump sum payment at retirement or at an earlier exit through ill-health retirement or death-in-service in Malaysia, which remains open to new entrants. The long service award is for eligible employees that have served the Group upon attainment of 15, 25 and 35 years of service in Malaysia (2023: 15, 25 and 35 years of service).

In the previous financial year, there was a change in the long service award plan effective from 1 April 2023, resulting in an increase in the defined benefit obligation. This increase in defined benefit obligation was termed as past service cost and was fully recognised in the profit or loss as at 31 December 2023. The current service cost and interest expense for the financial year ended 31 December 2023 had been recalculated to reflect the changes in the benefits.

The Group benefit for retirement scheme shall be paid to the employees who reached the compulsory retirement age and have served the Group for at least twenty (20) years of service in Malaysia (2023: follows the Malaysian Minimum Retirement Age Act 2012 at age of 60). However, the normal retirement age for the housing assistance scheme will remain at age 56 which will be payable at attainment of 56 years old, regardless of whether employees continue employment until the minimum retirement age of 60 years old. There will be no benefits payable for services rendered from age 55 to 60.

The defined benefit plan for Thailand subsidiary is under the Legal Severance Plan where the companies are required to pay legal severance payments to employees who leave employment at their retirement age, or are terminated by the companies without reason.

The movements during the financial year in the amounts recognised in the statement of financial position of the Group and Company are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Present value of unfunded obligation:				
At 1 January	**62,072**	47,981	**949**	568
Charge to profit or loss (Note 12)	**7,575**	17,837	**142**	384
Benefits paid	**(7,920)**	(5,235)	**(37)**	(61)
Remeasurement	**335**	1,339	**65**	58
Currency translation difference	**35**	150	**–**	–
At 31 December	**62,097**	62,072	**1,119**	949

The remeasurement amounts recognised in the other comprehensive income are determined as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Remeasurement:				
– Changes in financial assumptions	**894**	2,085	**21**	41
– Experience adjustments	**(559)**	(746)	**44**	17
	335	1,339	**65**	58

46 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

The amounts recognised in profit or loss are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Current service cost	**4,026**	4,007	**75**	60
Finance cost	**2,631**	2,891	**43**	39
Past service cost adjustment	**60**	10,259	**–**	285
Remeasurement	**858**	680	**24**	–
Charge recognised in profit or loss	**7,575**	17,837	**142**	384

The defined benefit obligations for the Group and Company by country are as follows:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Present value of obligation:				
– Malaysia	**61,201**	61,310	**1,119**	949
– Thailand	**896**	762	**–**	–
	62,097	62,072	**1,119**	949

The principal actuarial assumptions used in respect of the Group's and the Company's unfunded defined retirement benefits are as follows:

	Group		Company	
	2024 %	**2023 %**	**2024 %**	**2023 %**
Discount rate	**4.40**	4.70	**4.40**	4.70
Expected rate of salary increase	**5.00**	5.00	**5.00**	5.00

The sensitivity of the defined benefit obligation of the Group to changes in the weighted principal assumption is:

		Change in assumption	Impact on defined benefit obligation RM'000
i)	Discount rate	Increase 1%	Decrease by RM2,256
		Decrease 1%	Increase by RM2,648
ii)	Salary growth rate	Increase 1%	Increase by RM736
		Decrease 1%	Decrease by RM1,012

Notes to the Financial Statements
For the financial year ended 31 December 2024

46 PROVISION FOR DEFINED BENEFIT PLAN (CONTINUED)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the benefit liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis have not changed compared to the previous financial year.

The weighted average duration of the defined benefit obligation is 11 to 27 (2023: 11 to 25) years.

Expected maturity analysis of the Group of undiscounted defined benefit obligation:

	Less than a year RM'000	Between 1-2 years RM'000	Between 2-5 years RM'000	Over 5 years RM'000	Total RM'000
Provision for defined benefit plan					
At 31 December 2024	**4,434**	**4,464**	**12,304**	**105,459**	**126,661**
At 31 December 2023	4,549	4,513	12,648	104,553	126,263

47 DEFERRED TAXATION

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred taxes relate to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
Subject to income tax				
– Deferred tax assets	**288,709**	237,429	**4,124**	274
– Deferred tax liabilities	**(655,455)**	(591,523)	**–**	–
At 31 December	**(366,746)**	(354,094)	**4,124**	274

Notes to the Financial Statements
For the financial year ended 31 December 2024

47 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
At 1 January	**(354,094)**	(346,402)	**274**	5,995
Credited/(charged) to profit or loss (Note 15):				
– intangible assets	**841**	964	**–**	–
– right-of-use assets	**(891)**	(11,072)	**–**	–
– property, plant and equipment	**(45,223)**	(30,115)	**912**	(965)
– lease liabilities	**1,174**	10,115	**(130)**	(21)
– biological assets	**(10,856)**	4,545	**–**	–
– inventories	**8,812**	623	**–**	–
– receivables	**1,523**	284	**–**	–
– payables	**2,765**	5,763	**3,068**	(3,812)
– unused tax losses	**(7,905)**	50,389	**–**	–
– LLA liability	**34,916**	(39,970)	**–**	–
– others	**2,022**	764	**–**	(923)
	(12,822)	(7,710)	**3,850**	(5,721)
Currency translation differences	**170**	18	**–**	–
At 31 December	**(366,746)**	(354,094)	**4,124**	274
Deferred tax assets				
– receivables	**20,083**	17,995	**–**	–
– lease liabilities	**14,281**	13,107	**743**	873
– inventories	**26,573**	17,761	**–**	–
– LLA liability	**878,231**	843,315	**–**	-
– payables	**116,769**	114,004	**4,582**	1,514
– unused tax losses	**82,568**	90,473	**–**	–
– others	**14,866**	16,871	**–**	–
Amount before offsetting	**1,153,371**	1,113,526	**5,325**	2,387
Offsetting	**(864,662)**	(876,097)	**(1,201)**	(2,113)
	288,709	237,429	**4,124**	274

Notes to the Financial Statements
For the financial year ended 31 December 2024

Notes to the Financial Statements
For the financial year ended 31 December 2024

47 DEFERRED TAXATION (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Deferred tax liabilities				
– intangible assets	**(10,442)**	(11,283)	**–**	–
– property, plant and equipment	**(1,461,162)**	(1,415,939)	**(1,201)**	(2,113)
– biological assets	**(25,172)**	(14,316)	**–**	–
– receivables	**(565)**	–	**–**	–
– right-of-use assets	**(17,083)**	(16,192)	**–**	–
– others	**(5,693)**	(9,890)	**–**	–
Amount before offsetting	**(1,520,117)**	(1,467,620)	**(1,201)**	(2,113)
Offsetting	**864,662**	876,097	**1,201**	2,113
	(655,455)	(591,523)	**–**	–

Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, unutilised tax losses will be imposed with a limit of utilisation for 7 consecutive years. In Budget 2024, the existing time limit to carry forward unutilised business losses to be extended to 10 consecutive year of assessments. The existing transitional provision for unutilised business losses from year of assessment 2018 be allowed to be carried forward for 10 consecutive year of assessments, until year of assessment 2028.

The Group's unused tax losses as at 31 December 2024 for which no deferred tax assets were recognised based on the year of assessment ("YA") expiry for the Group is as follows:

	Group	
	2024 RM'000	2023 RM'000
Expiring in YA 2028	**507,895**	514,451
Expiring in YA 2029	**204,756**	204,756
Expiring in YA 2030	**54,228**	57,210
Expiring in YA 2031	**38,454**	35,673
Expiring in YA 2032	**180,598**	203,532
Expiring in YA 2033	**143,912**	225,755
Expiring in YA 2034	**229,408**	–
	1,359,251	1,241,377

The amount of unused tax losses and deductible temporary differences for which no deferred tax assets are recognised in the statement of financial position by certain subsidiaries of the Group and by Company as the Directors are of the view it is not probable that sufficient taxable profits will be available to allow the deferred tax assets to be utilised by year of assessment 2025 is as follows:

	Group	
	2024 RM'000	2023 RM'000
Unused tax losses	**1,359,251**	1,241,377
Deductible temporary differences	**510,957**	376,631
	1,870,208	1,618,008

48 PAYABLES

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Current				
Trade payables	**364,266**	265,328	**–**	–
Other payables and accruals	**1,696,414**	1,031,208	**66,131**	51,862
	2,060,680	1,296,536	**66,131**	51,862

Included in other payables and accruals for the Group are purchases of raw materials of RM536,000,000 (2023: RM133,000,000) and provision for remediation of recruitment fees amounting to RM30,100,000 (2023: RM34,400,000) to its existing and former foreign workers.

The payables are denominated as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
– Ringgit Malaysia	**1,879,573**	1,220,308	**65,560**	48,937
– United States Dollar	**158,681**	48,558	**565**	2,919
– Indonesian Rupiah	**659**	1,832	**–**	–
– Pakistan Rupee	**19,837**	21,527	**–**	–
– Thai Baht	**1,349**	2,389	**–**	–
– Euro	**59**	1,883	**–**	–
– Others	**522**	39	**6**	6
	2,060,680	1,296,536	**66,131**	51,862

The credit terms of trade payables range up to 90 days (2023: up to 90 days).

The fair value of the payables approximates their carrying values, as the impact of discounting is not significant.

Notes to the Financial Statements
For the financial year ended 31 December 2024

49 CONTRACT LIABILITIES

	Group 2024 RM'000	Group 2023 RM'000
Contract liabilities		
At 1 January	**91,660**	109,359
Revenue recognised that was included in the contract liabilities balance at the beginning of financial period	**(90,671)**	(106,647)
Cash received for unfulfilled obligations	**84,634**	88,948
At 31 December	**85,623**	91,660

Revenue recognised in relation to contract liabilities:

The following table shows how much of the revenue recognised in the current reporting period relates to carried forward contract liabilities.

	Group 2024 RM'000	Group 2023 RM'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the period		
– Sales of palm products	**62,802**	62,687
– Sales of other commodities and by-products	**16,488**	34,166
– Provision of services	**6,587**	6,792
– Others	**4,794**	3,002
	90,671	106,647

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting date, of which the Group expects to recognise in the next 12 months is RM85,623,000 (2023: RM91,660,000).

All other contracts are for periods of one year or less or are billed based on time incurred. As permitted under MFRS 15, the Group applied the practical expedient in MFRS 15 and did not disclose information about recognising performance obligations that have original expected duration of one year or less.

50 FINANCIAL INSTRUMENTS

Financial instruments by category

Group 31 December 2024	Amortised cost RM'000	Financial assets at fair value through profit or loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
Assets as per statement of financial position				
Receivables (excluding prepayments and SST receivable)	**1,302,502**	**–**	**–**	**1,302,502**
Amount due from ultimate holding company	**39,595**	**–**	**–**	**39,595**
Amounts due from other related companies	**194,067**	**–**	**–**	**194,067**
Amounts due from joint ventures	**166,419**	**–**	**–**	**166,419**
Amounts due from an associate	**38**	**–**	**–**	**38**
Financial assets at fair value through other comprehensive income	**–**	**–**	**148,541**	**148,541**
Financial assets at fair value through profit or loss	**–**	**107,947**	**–**	**107,947**
Derivative financial assets	**–**	**1,697**	**–**	**1,697**
Deposits, cash and bank balances	**1,728,363**	**–**	**–**	**1,728,363**
Total	**3,430,984**	**109,644**	**148,541**	**3,689,169**

	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per statement of financial position			
Amount due to ultimate holding company	**–**	**224,972**	**224,972**
Amounts due to other related companies	**–**	**5,572**	**5,572**
Amount due to a joint venture	**–**	**238**	**238**
Amount due to an associate	**–**	**539**	**539**
Borrowings	**–**	**3,747,635**	**3,747,635**
Lease liabilities	**–**	**409,965**	**409,965**
LLA liability	**3,663,487**	**–**	**3,663,487**
Derivative financial liabilities	**7,485**	**–**	**7,485**
Payables	**2,060,680**	**–**	**2,060,680**
Total	**5,731,652**	**4,388,921**	**10,120,573**

Notes to the Financial Statements
For the financial year ended 31 December 2024

50 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

	Group			
	31 December 2023			
	Amortised cost RM'000	Financial assets at fair value through profit or loss RM'000	Financial assets at fair value through other comprehensive income RM'000	Total RM'000
Assets as per statement of financial position				
Receivables (excluding prepayments and SST receivable)	1,307,577	–	–	1,307,577
Amount due from ultimate holding company	32,329	–	–	32,329
Amounts due from other related companies	62,037	–	–	62,037
Amounts due from joint ventures	134,877	–	–	134,877
Amounts due from an associate	38	–	–	38
Financial assets at fair value through other comprehensive income	–	–	160,973	160,973
Financial assets at fair value through profit or loss	–	95,197	–	95,197
Derivative financial assets	–	11,935	–	11,935
Deposits, cash and bank balances	1,523,234	–	–	1,523,234
Total	3,060,092	107,132	160,973	3,328,197

	Liabilities at fair value through profit or loss RM'000	Other financial liabilities at amortised cost RM'000	Total RM'000
Liabilities as per statement of financial position			
Amount due to ultimate holding company	–	276,663	276,663
Amounts due to other related companies	–	5,950	5,950
Amount due to a joint venture	–	506	506
Amount due to an associate	–	331	331
Borrowings	–	3,432,802	3,432,802
Lease liabilities	–	382,525	382,525
LLA liability	3,513,813	–	3,513,813
Derivative financial liabilities	414	–	414
Payables	–	1,296,536	1,296,536
Total	3,514,227	5,395,313	8,909,540

Notes to the Financial Statements
For the financial year ended 31 December 2024

50 FINANCIAL INSTRUMENTS (CONTINUED)

Financial instruments by category (continued)

	Company	
	Amortised cost	
	2024 RM'000	2023 RM'000
Assets as per statement of financial position		
Receivables (excluding prepayments)	**6,954**	11,747
Amount due from ultimate holding company	**577**	542
Amounts due from subsidiaries	**58,971**	57,842
Amounts due from other related companies	**1,687**	1,537
Loans due from subsidiaries	**50,746**	490,308
Deposits, cash and bank balances	**282,333**	111,176
Total	**401,268**	673,152

	Company	
	Other financial liabilities at amortised cost	
	2024 RM'000	2023 RM'000
Liabilities as per statement of financial position		
Payables	**66,131**	51,862
Amounts due to subsidiaries	**14,642**	8,824
Amounts due to other related companies	**264**	97
Loans due to a subsidiary	**320,289**	973,764
Borrowings	**1,300,250**	897,344
Lease liabilities	**14,726**	19,627
Total	**1,716,302**	1,951,518

Notes to the Financial Statements
For the financial year ended 31 December 2024

51 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances.

Federal Land Development Authority ("FELDA"), the Group and Company's ultimate holding company, is a statutory body corporate set up under the Land Development Act 1956, and controlled by the Malaysian Government. The Group considers that, for the purpose of MFRS 124 – "Related Party Disclosures", the Malaysian Government is in the position to exercise significant influence over it. As a result, the Malaysian Government and Malaysian Government controlled bodies (collectively referred to as "government-related entities") are related parties of the Group and the Company.

Apart from the individually significant transactions as disclosed in Notes 27, 43, 44, and 51 to the financial statements, the Group and the Company have collectively, but not individually, significant transactions with other government-related entities which include but not limited to the following:

(i) Purchasing of goods and services, including use of public utilities and amenities
(ii) Placing of bank deposits with government-related financial institutions

These transactions are conducted in the ordinary course of the Group's business on terms consistently applied in accordance with the Group's internal policies and processes. These terms do not depend on whether the counterparties are government-related entities or not.

Significant related parties and relationships are summarised as follows:

(i) Subsidiaries

FGV Trading Sdn. Bhd. ("FGV Trading")
FGV Kernel Products Sdn. Bhd. ("FKPSB")
FGV Bulkers Sdn. Bhd. ("FBSB")
FGV Refineries Sdn. Bhd. ("FGVRSB")
FGV Fertiliser Sdn. Bhd. ("FGVF")
FGV Prodata Systems Sdn. Bhd. ("Prodata")
FGV Security Sdn. Bhd. ("FSSSB")
FGV Agri Services Sdn. Bhd. ("FASSB")
Felda Travel Sdn. Bhd. ("Felda Travel")
FGV Capital Sdn. Bhd. ("FGVC")
FGV Plantations (Malaysia) Sdn. Bhd. ("FGVPM")
FGV Rubber Industries Sdn. Bhd. ("FRISB")

(ii) Joint ventures

FGV Iffco Sdn. Bhd. Group ("FISB Group")
MAPAK Edible Oil Pvt. Ltd. ("MAPAK")
FPG Oleochemicals Sdn. Bhd. ("FPG")

(iii) Associate

F.K.W Global Commodities (Private) Limited ("FKW")

(iv) Other related companies

Yayasan FELDA (Entity controlled by FELDA)

Notes to the Financial Statements
For the financial year ended 31 December 2024

51 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2024 RM'000	**2023 RM'000**	**2024 RM'000**	**2023 RM'000**
(a) Sales of goods, services and investments				
(i) Transactions with subsidiaries				
Dividend receivable/received from subsidiaries	**–**	–	**945,292**	199,756
Management fees charged to subsidiaries	**–**	–	**141,815**	137,575
IT services charged to subsidiaries	**–**	–	**16,899**	18,023
(ii) Transactions with joint ventures				
Sales of CPO and RBD products by FGV Trading to FISB Group	**1,133,363**	1,075,410	**–**	–
Sales of CPKO by FKPSB to FISB Group and FPG	**341,111**	175,539	**–**	–
Sales of CPO by FGV Trading to MAPAK	**104,537**	100,299	**–**	–
Provision of storage space for vegetable oil by FBSB to FISB Group and FPG	**24,264**	24,340	**–**	–
Provision of tolling services by FGVRSB to FPG	**29,191**	26,664	**–**	–
(iii) Transactions with FELDA and its non-FGV subsidiaries				
Sales of fertiliser by FGVF	**402,107**	425,833	**–**	–
IT services rendered by Prodata	**52,265**	47,907	**–**	–
Security services rendered by FSSSB	**20,649**	21,458	**–**	–
Sales of seedlings and planting materials by FASSB	**17,018**	18,179	**–**	–
Travel and hospitality services by Felda Travel	**2,887**	2,855	**–**	–
Contributions to Yayasan FELDA	**8,500**	5,000	**1,325**	673
Management fees charged to FELDA	**–**	–	**–**	1,017
(b) Purchase of goods and services				
(i) Transactions with subsidiaries				
Finance costs charged by FGVC	**–**	–	**35,660**	43,637
Purchase of IT services from Prodata	**–**	–	**14,618**	11,096
(ii) Transactions with FELDA and its non-FGV subsidiaries				
Repayment of loans	**–**	331,665	**–**	331,665

Notes to the Financial Statements
For the financial year ended 31 December 2024

Notes to the Financial Statements
For the financial year ended 31 December 2024

51 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
(b) Purchase of goods and services (continued)				
(ii) Transactions with FELDA and its non-FGV subsidiaries (continued)				
Finance costs charged	–	12,987	–	12,987
LLA liability paid by FGVPM	**274,261**	300,247	–	–
Purchase of latex by FRISB	**151,846**	133,412	–	–
Purchase of FFB by FGV Trading	**5,331,714**	4,070,083	–	–
Joint Consultative Committee Payment FGV Trading to FELDA	**18,282**	15,926	–	–
(c) Transactions with Government-related entities				
Transactions between subsidiaries and other government agencies				
Cooking oil subsidy and Joint Industry incentive for sugar received / receivable from KPDN dan Kos Sara Hidup	**455,553**	202,932	–	–
CESS payment to Malaysia Palm Oil Board	**46,765**	42,556	–	–
Windfall tax paid/payable to Royal Malaysian Custom Department	**125,956**	69,446	–	–
Provision of IT solutions to Kementerian Pendidikan Malaysia	**5,434**	32,187	–	–
Provision of IT solutions to Suruhanjaya Komunikasi dan Multimedia Malaysia	**20,068**	29,915	–	–
Provision of IT solutions to Lembaga Hasil Dalam Negeri Malaysia	**95,141**	8,886	–	–

(d) Key management compensation

Key management personnel comprise of Directors and senior management with the rank of Vice President and above, having authority and responsibility for planning, directing and controlling the activities of the Group either directly or indirectly.

The aggregate amount of emoluments received/receivable by key management personnel of the Group and the Company during the financial year is as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Fees	**1,949**	2,000	**1,825**	1,860
Salaries and bonuses	**31,805**	33,043	**15,543**	17,447
Defined contribution and benefit plans	**5,697**	5,893	**3,080**	3,196
Other short-term employee benefits	**5,767**	6,184	**3,721**	3,562
	45,218	47,120	**24,169**	26,065

51 SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

(e) Loans due from subsidiaries

Terms and conditions of the loans are disclosed in Note 28 to the financial statements.

	Company	
	2024 RM'000	2023 RM'000
At 1 January	**490,308**	207,011
Addition	**1,342,000**	1,238,897
Repayment	**(1,031,562)**	(955,600)
At 31 December	**800,746**	490,308

(f) Issuance of letter of financial support letter

The Company has confirmed its intention to provide continuing financial support to MSM Malaysia Holdings Berhad ("MSMH"), a direct listed subsidiary of the Company to enable MSMH and its subsidiaries to meet its liabilities as they fall due within the next twelve months from the date of the support letter, 24 March 2025.

52 CAPITAL COMMITMENTS

	Group	
	2024 RM'000	2023 RM'000
Capital expenditure approved and contracted for:		
– Property, plant and equipment	**605,397**	510,620
	605,397	510,620

53 CONTINGENT LIABILITIES

Other than those disclosed in Note 54, there are no significant contingent liabilities as at the financial year end.

54 MATERIAL LITIGATION

(i) On 18 May 2021, FGV Prodata System Sdn. Bhd. ("Prodata" or "the 1st Defendant") an indirect subsidiary of the Company, was served with a sealed Writ of Summons dated 12 May 2021 ("the Writ") by VDSL Technology Sdn. Bhd. ("VDSL" or "the Plaintiff").

The Plaintiff claimed for compensation and damages amounting RM170,707,600 due to the 1st Defendant and FELDA's ("2nd Defendant") alleged breaches on various arrangements agreed upon by the parties with regard to the Felda Broadband Initiative Project.

On 1 November 2021, VDSL has filed amended statement of claim and case management was held on the same day for the main suit, Prodata's application for security cost and VDSL's application for protective order. Pursuant to the hearing on 19 January 2022, the Judge directed the case be fixed for mediation for parties to explore and discuss a possible amicable settlement, while the court proceedings to continue to run its course. On 11 May 2022, the Mediator acknowledged that the mediation was unsuccessful. No further mediation is fixed.

On 9 November 2022, Prodata informed the Judge that Prodata is not agreeable to record a consent order on VDSL's protective order application. On 16 December 2022, the Judge recorded the consent order between VDSL and Felda in respect of both VDSL's protective order application and Felda's discovery application.

The Judge dismissed the security for costs applications filed by Prodata and Felda respectively, with costs of RM5,000 (subject to allocator fee of RM200, therefore totaling RM5,200) payable by each of Prodata and Felda to VDSL.

On 9 January 2023, Prodata filed an appeal to the Court of Appeal against the High Court's dismissal of Prodata's application for security for costs. On 18 January 2023, during the case management, parties were informed as follows:

(i) Both Felda & Prodata are appealing the High Court's decision on the Security for Costs applications;
(ii) Felda also filed an appeal on the High Court's decision on Felda's Striking Out application;
(iii) VDSL would like to file an application to amend its Amended Statement of Claim.

On 10 August 2023, the Court of Appeal granted the application for security for costs by Prodata and Felda and directed VDSL to pay a sum of RM100,000 as security for costs each to the respective solicitors for Prodata and Felda respectively within 21 days from 10 August 2023. The Court of Appeal also had ordered VDSL to pay a sum of RM10,000 as costs (subject to allocatur fee) each to Prodata and Felda respectively. On 29 August 2023, the solicitors received the payment of RM100,000 from VDSL as security for costs which the solicitors were holding as stakeholder pursuant to the Court of Appeal Order dated 10 August 2023.

On 14 March 2023, the High Court was informed that FGV Prodata and FELDA would like to oppose VDSL's application to amend the statement of claim. On 12 September 2023 the High Court granted VDSL's amendment application on the statement of claim. Prodata had filed Re-Amended Defence on 2 November 2023.

The Court Registrar had fixed 2 July 2024 for parties to file in the Common Bundle of Documents and the list of witnesses. The Court also has fixed 16 to 19 June 2025 (4 days) for a full trial. On 25 November 2024, the Court directed Prodata to submit its expert report and rebuttal report by 24 March 2025. The said report has been filed on 24 March 2025. The Court had fixed 10 April 2025 for next case management.

Based on legal opinion, there is a fair chance of Prodata succeeding in defending the claim from VDSL. Accordingly, no provision has been recognised as the cash outflow is not probable.

Notes to the Financial Statements
For the financial year ended 31 December 2024

54 MATERIAL LITIGATION (CONTINUED)

(ii) On 12 February 2019, all Defendants to the suit filed by the Company on 23 November 2018 against its former members of the Board of Directors and former employees on the acquisition of APL ("Company suit") had filed their respective Defences except for one, who was directed by the High Court to file his Defence on or before 4 March 2019.

On 11 February 2019, certain Defendants to the Company suit had filed a counterclaim ("the Counterclaim") against the Company and the previous members of the Board of Directors of the Company ("Counterclaim Defendants"). The Counterclaim seeks reliefs, jointly and severally, against the Company and the Counterclaim Defendants for declaration that the Company and the Counterclaim Defendants were liable for the loss of RM514 million (in the Company's suit) and for any damages, general damages and interest at 5% per annum to be indemnified by the Company and Counterclaim Defendants.

On 8 November 2019, the Counterclaim Defendants filed an application to strike out the Counterclaim. The High Court after hearing both parties, had struck out the Counterclaim and dismissed the 10th to 14th Defendants' claim with costs. The High Court also directed the Defendants to file and serve their Amended Defence. On 13 January 2020, the Solicitors of 8th Defendant updated the Court that they had filed an application to amend their Defence. On 6 September 2021, the Court of Appeal heard and allowed the 10th to 14th Defendants' appeal and reversed the decision of the High Court. The Company filed an application for leave to appeal to the Federal Court ('Leave Application"). The Court had on 8 September 2022 informed that the case would be transferred to NCvC 12 (new civil court) and no official letter of the direction from the new judge.

On 5 October 2022, the Federal Court did not allow the Plaintiff's application for Leave to Appeal and therefore, the Main Action and the Counterclaim will proceed to trial in the High Court. The Court has fixed new trial dates on 17 to 19 April 2023 and fixed for a case management and hearing for 10th to 14th Defendants amendment application on the counter claim on 22 February 2023.

On 22 February 2023, the Judge indicated that this case would be more suitable to be heard in a Commercial Court (the case was filed in a Civil Court). Hence, the case management and hearing of 10th to 14th Defendants amendment application on the counter claim could not proceed. Additionally, the 1st Defendant had filed an application to amend his defence.

The case had been transferred to the Commercial Court. On 31 March 2023, the Court has fixed the 1st Defendant's Amendment Application and 10th to 14th Defendants Amendment Application for Hearing on 27 November 2023. On 27 November 2023, the Court had allowed both Applications with costs of RM5,000 to be borne by the 1st Defendant and 10th to 14th Defendants.

On 2 July 2024, the outcome of the Hearing were as follows:

(i) The Court allowed the Plaintiff's application to amend the Reply to the 8th Defendant Defence with costs of RM5,000;
(ii) The Court allowed 8th Defendant's application to file a rejoinder and for the Plaintiff to file a surrejoinder;
(iii) The Court recorded that 2nd to 5th Defendants consented to the Plaintiff's amendment application subject to the filing of rejoinder and then for the Plaintiff to file a surrejoinder.

The Court had fixed trial dates on 2 to 4, 17 to 19 and 22 to 26 September 2025. On 9 December 2024, the Court was informed that the Solicitors for Fifth Defendant have filed and served the application for discharge on their client.

On 9 January 2025, the Court had allowed both First Defendant and Fifth Defendant applications to discharge themselves as solicitors. On 25 February 2025, the Court directed parties to exchange witness statements by 30 June 2025. The Court then fixed the next Case Management on 21 July 2025 for further directions on the case.

No provision has been recognised as the filing of the pleadings has yet to be completed.

Notes to the Financial Statements
For the financial year ended 31 December 2024

54 MATERIAL LITIGATION (CONTINUED)

(iii) On 10 April 2023, Sri Kehuma Sdn. Bhd. and Yapidmas Plantation Sdn. Bhd., indirect subsidiaries of the Company, ("the Defendants") had been served with a sealed Writ of Summons dated 13 March 2023 ("the Writ") by Euggne Kousai ("the Plaintiff").

The plantiff, among others, is claiming for damages amounting to RM24,924,000 due to the Defendants' alleged fraudulent transaction and the continuing trespass of forty one (41) parcels of lands under Native Title, which are under lease agreements, which the Plaintiff claims to be the registered owner.

The Plaintiff had further filed an application under Order 14A of the Rules of Court 2012 to request the Court to dispose the suit without the need for full trial.

The hearing before the Judge had fixed on 5 October 2023. During the e-review on 20 September 2023, the Plaintiff had agreed to withdraw the Order 14A application. Therefore, Plaintiff's Order 14A Application has been struck out by the Court with costs of RM1,000 only. Hence the hearing date on 5 October 2023 had been vacated.

The application by the Defendants to amend the Defence (to plead new defences of limitation and res judicata/and or cause of action estoppel) was allowed on 18 September 2023 by the Court.

The solicitors had filed the Notice of Application to strike out the Plaintiff's claim (based on time limitation and res judicata/and or cause of action estoppel) on 31 October 2023. On 22 February 2024, the Court had been informed that that parties have exchanged their submissions for the striking out application. On 17 May 2024, the High Court had allowed Defendant's striking out application with costs of RM2,000.

The Plaintiff dissatisfied with the High Court's decision and filed an appeal with the Court of Appeal on 14 June 2024. On 21 October 2024, the Court of Appeal had fixed a Hearing date on 12 November 2025. A Case Management date also has been fixed on 15 November 2025.

The Directors believe the Group has a reasonable chance of succeeding in the application to strike out the claim. Accordingly, no provision has been recognised as the cash outflow is not probable.

(iv) A claim by the Euggne Kousai ("the Plaintiff") that the sub-leases dated 16 September 1997 and 6 July 1999 in respect of (17) parcels of land were tainted with fraud and legality. The Plaintiff also claims that there is continuing trespass by the Ladang Kluang Sdn. Bhd., an indirect subsidiary of the Company, ("the Defendant").

The Plaintiff seeks a declaration that the sub-leases are illegal and void as well as damages for the amount of RM10,310,000.

On 25 January 2024, the High Court had allowed the Defendant's application to set aside the Judgement in Default dated 13 September 2023. On 8 February 2024, the Defendant filed its Defence. The solicitors had informed the Court that the pleadings have closed. On 18 September 2024, the High Court had allowed the Defendant's striking out application with costs of RM10,000.00 to be paid by the Plaintiff to Defendant subject to allocatur fees. Plaintiff did not file an appeal against the High Court's decision. The window to file an appeal has closed. Thus, this concludes the matter.

The Directors believe the Group has a reasonable chance of succeeding in the application to strike out the claim. Accordingly, no provision has been recognised as the cash outflow is not probable.

54 MATERIAL LITIGATION (CONTINUED)

(v) On 4 November 2024, FGV Bulkers Sdn. Bhd. ("FGVB"), an indirect subsidiary of the Company ("the Defendant"), had been served with a Writ of Summon by South Asian International Distribution Sdn. Bhd. ("the Plaintiff").

FGVB had received the above Suit which among others contends that FGVB has breached the Supply and Delivery Agreement ("SDA") dated 28 February 2023 for the supply and delivery of Palm Kernel Shells ("PKS"). Based on the alleged breach, the Plaintiff has now filed the Suit against the Defendant.

The particulars of the claims among others are a) A declaration that any agreement (whether expressly or impliedly made by the Plaintiff) to the increase of price of PKS within the 6-month period under Clause 5.1 of the SDA shall be null and void; b) Damages in the sum of RM4,443,859.70, being losses pleaded in paragraph 17 of the Statement of Claim ("SOC"); c) Damages in the sum of RM86,399,575, being losses pleaded in paragraph 24 of the SOC; d) Further and/or alternatively, general damages to be awarded pursuant to the findings of this Honourable Court; e) Pre-judgment interest pursuant to Section 11 of the Civil Law Act 1956; f) Post-judgment interest; g) Cost; and h) such further and/or other reliefs that this Honourable Court deems just and proper ("Main Suit").

FGVB was required to enter an appearance within fourteen (14) days hereof and case management has been held on 20 November 2024. FGVB filed the Statement of Defence on 4 December 2024. The plaintiff filed its Reply to Defence on 26 December 2024. On 15 January 2025, the Court had fixed the hearing of the Summary Judgment Application on 25 August 2025.

The Plaintiff had on 25 November 2024 served on FGVB with a Notice of Application and Affidavit in Support ("Plaintiff's Summary Judgment Application").

The Plaintiff is seeking for the following reliefs summarily under Order 14, rule 1 & 2 and Order 92, rule 4 of the Rules of Court 2012 through the Plaintiff's Summary Judgment Application:

(a) a declaration in favour of the Plaintiff that any agreement (whether expressly or impliedly made by the Plaintiff) to the increase of price of PKS within the 6-month period under Clause 5.1 of the SDA shall be null and void;
(b) the Defendant to pay to the Plaintiff a sum of RM4,443,859.70;
(c) alternatively, general damages to be assessed;
(d) pre-judgment interest pursuant to Section 11 of the Civil Law Act 1956;
(e) post-judgment interest to the judgment debt at the rate of 5% per annum from the date of judgment until the date of full settlement;
(f) cost; and
(g) such further and/or other reliefs that this Honourable Court deems just and proper.

The Main Suit is currently put on hold until the disposal of the Summary Judgment Application and the Court will give further direction on the Main Suit during the Case Management fixed on 25 August 2025.

Based on legal opinion, there is a good chance of FGVB in defending the claim by Plaintiff. Accordingly, no provision has been recognised as the cash outflow is not probable.

The remaining claims are not material to be disclosed in the financial statements and deemed remote by the Directors.

Notes to the Financial Statements
For the financial year ended 31 December 2024

55 SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

(i) In the previous financial year, the Board of Directors of the Company and Maybank Investment Bank Berhad announced that the Company proposes to undertake the following:

a) proposed bonus issue of up to 364,815,150 new Islamic redeemable preference shares in the Company ("FGV RPS-i") on the basis of one (1) FGV RPS-i for every ten (10) existing ordinary shares held in the Company on an entitlement date to be determined later ("Proposed Bonus Issue"). The FGV RPS-i will be issued at RM0.10 per FGV RPS-i ("Issue Price"); and

b) proposed amendments to the Constitution of the Company ("Proposed Amendments").

(collectively referred to as "Proposals")

On 21 February 2024, the Company announced that Bursa Securities had, vide its letter dated 20 February 2024, resolved to grant the Company a further extension of time until 13 August 2024 to issue the circular in relation to the Proposals ("Circular") to comply with Paragraph 9.33(1)(b) of the Listing Requirements.

On 13 August 2024, the Company announced that FELDA in its letter to the Company dated 26 July 2024, updated that it was still seeking directions from the Ministry of Finance (MOF) and the Prime Minister's Department on the Proposals. However, Bursa Securities' approval for the listing and quotation of the FGV RPS-i on the Main Market of Bursa Securities had lapsed on 10 April 2024 and Bursa Securities' approval for the extension of time to issue the circular in relation to the Proposals ("Circular") was valid until 13 August 2024.

The extension of time had lapsed on 14 August 2024, the Company would only take the necessary steps to resume the implementation of the Proposals and re-apply for the listing and quotation of the FGV RPS-i as well as submit the draft Circular for Bursa Securities' perusal after FELDA has obtained the necessary consents, subject to approval from the Board.

(ii) On 19 March 2024, the Company announced that the Bursa Securities, vide its letter dated 18 March 2024, granted the Company an extension of time to comply with the public shareholding spread requirement for a further six (6) months from 3 March 2024 until the expiration of the extension on 2 September 2024 after taking into consideration of all circumstances of the matter.

On 13 September 2024, the Company announced that the Bursa Securities, vide its letter dated on the same day, granted the Company an extension of time to comply with the public shareholding spread requirement for a further six (6) months from 3 September 2024 up to 2 March 2025 after taking into consideration of all circumstances of the matter.

56 SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On 11 March 2025, the Company announced that the Bursa Securities, vide written notification rejected the Company's application for a further extension of time of six (6) months from 3 March 2025 to comply with the public shareholding spread. Bursa Securities has directed the Company to rectify the breach within six (6) months i.e. on or before 10 September 2025.

The Company will continue engaging with FELDA and the relevant stakeholders to implement the action steps required to rectify the breach within the Timeframe as set out by Bursa Securities.

57 APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 25 March 2025.

FGV HOLDINGS BERHAD
Registration No. 200701042133 (800165-P)

Level 21, Wisma FGV, Jalan Raja Laut,
50350 Kuala Lumpur, Malaysia

t +603 2789 0000
f +603 2789 0001

www.**fgvholdings**.com