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**10. RELATED PARTY TRANSACTIONS**

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**10.1 OUR RELATED PARTY TRANSACTIONS**

Pursuant to the Listing Requirements, a “related party transaction” is a transaction entered into by a listed corporation or its subsidiaries that involves the interest, direct or indirect, of a related party. This excludes a transaction entered into between a listed corporation (or any of its wholly-owned subsidiaries) and its wholly-owned subsidiary. A “related party” of a listed corporation is:

- (i) a director, having the meaning given in Section 2(1) of the CMSA and includes any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a director of the listed corporation, its subsidiary or holding company or a chief executive of the listed corporation, its subsidiary or holding company;
- (ii) a major shareholder including any person who is or was within the preceding 6 months of the date on which the terms of the transaction were agreed upon, a major shareholder of the listed corporation or its subsidiary or holding company, having an interest or interests in one or more voting shares in a corporation and the number or aggregate number of those shares is:
  - (a) 10% or more of the total number of voting shares in the corporation; or
  - (b) 5% or more of the total number of voting shares in the corporation where such person is the largest shareholder of the corporation; or
- (iii) a person connected with such director or major shareholder.

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# 10. RELATED PARTY TRANSACTIONS (CONT'D)

Save as disclosed below, there is no other material related party transaction entered or to be entered into by our Group which involves the interest, direct or indirect, of our Directors, our Substantial Shareholders and persons connected with them during the Financial Years/Period Under Review and up to the LPD:

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 August 2023 up to the LPD (RM'000)
			FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
JPlant and the following parties:	JCorp, who is our Promoter and Substantial Shareholder, is also the holding company of Kulim, Sindora, Selai, UTMC, Kumpulan Bertam and EPA Management	Pre-Listing Restructuring, details of which are set out in Section 6.1.4 of this Prospectus. The transaction value represents the total purchase consideration paid by us for the acquisition of Kulim's plantation business under the Pre-Listing Restructuring, excluding the acquisition from our wholly-owned subsidiary, UMAC	-	-	1,292,931	-	-
		(Represents 65.4% of our Group's NA as at 31 December 2022)					
		(This is a one-off transaction pursuant to our Group's internal reorganisation for our Listing)					

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 August 2023 up to the LPD (RM'000)
			FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
JPlant and Kulim	Kulim is our Promoter and Substantial Shareholder	Assignment of banking facilities by JPlant (assignor) to Kulim (assignee).  (This is a one-off transaction as a consequence of the Pre-Listing Restructuring for banking facilities which were intended to be retained in Kulim)	-	-	101,200  (Represents 5.1% of our Group's NA as at 31 December 2022)	-	-
JPlant and the following parties: <ul style="list-style-type: none"><li>JCorp; and</li><li>Johor Franchise Development</li></ul>	JCorp, who is our Promoter and Substantial Shareholder, is also the holding company of Johor Franchise Development	(i) Purchase of FFB by JPlant from JCorp and Johor Franchise Development <sup>(1)</sup>	49,986  (Represents 6.8% of our Group's cost of sales for the FYE 2020)	-	-	-	-
		(ii) Provision of agency, planting advisory and agronomy services by JPlant to JCorp and Johor Franchise Development <sup>(2)</sup>	1,755  (Represents 7.4% of our Group's other income for the FYE 2020)	-	-	-	-

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 August 2023 up to the LPD (RM'000)
			FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
JPlant and JCorp	JCorp is our Promoter and Substantial Shareholder	(i) Rental of the Malay Reserved Estates <sup>1</sup> by JPlant (tenant) from JCorp (landlord)  (This transaction is recurrent in nature and will subsist after our Listing)	3,203  (Represents 0.4% of our Group's cost of sales for the FYE 2020)	6,407  (Represents 0.7% of our Group's cost of sales for the FYE 2021)	6,407  (Represents 0.7% of our Group's cost of sales for the FYE 2022)	3,737  (Represents 0.8% of our Group's cost of sales for the FPE 2023)	2,136
		(ii) Rental of the Kuala Kabong Estate <sup>(3)</sup> by JPlant (tenant) from JCorp (landlord)  (This transaction is recurrent in nature and will subsist after our Listing)	-	-	47  (Represents less than 0.1% of our Group's cost of sales for the FYE 2022)	327  (Represents less than 0.1% of our Group's cost of sales for the FPE 2023)	187
JPlant, Kulim and Johor Land	Kulim is our Promoter and Substantial Shareholder.  JCorp, who is our Promoter and Substantial Shareholder is also the holding company of Johor Land and Kulim	(i) Rental of 270 Ha of REM Estate by JPlant (tenant) from Johor Land (landlord) <sup>(4)</sup>  (This transaction is recurrent in nature and will subsist after our Listing)	-	-	50  (Represents less than 0.1% of our Group's cost of sales for the FYE 2022)	350  (Represents 0.1% of our Group's cost of sales for the FPE 2023)	200

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 August 2023 up to the LPD (RM'000)
			FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
		(ii) Rental of 216 Ha of REM Estate by JPlant (tenant) from Kulim (landlord) <sup>(5)</sup>  (This transaction is recurrent in nature and will subsist after our Listing)	-	-	43  (Represents less than 0.1% of our Group's cost of sales for the FYE 2022)	304  (Represents 0.1% of our Group's cost of sales for the FPE 2023)	174
JPlant and Ayamas	Ayamas is a wholly-owned subsidiary of QSR Brands (M) Holdings Bhd, a 56%-owned subsidiary of JCorp, who is our Promoter and Substantial Shareholder	Sale of CPO by JPlant to Ayamas as ingredients for broiler feeds  (This transaction is recurrent in nature and will subsist after our Listing)	10,360  (Represents 1.0% of our Group's revenue for the FYE 2020)	9,727  (Represents 0.6% of our Group's revenue for the FYE 2021)	5,937  (Represents 0.3% of our Group's revenue for the FYE 2022)	1,239  (Represents 0.2% of our Group's revenue for the FPE 2023)	817

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

Transacting parties	Nature of relationship	Nature of transaction	Transaction value				1 August 2023 up to the LPD (RM'000)
			FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
JPG Jenterra, JPG Planterra and JPG Terrasolutions with the following parties:  <ul style="list-style-type: none"> <li>JCorp;</li> <li>Johor Franchise Development;</li> <li>Johor Land;</li> <li>KPJ; and</li> <li>Damansara Assets</li> </ul>	JCorp, who is our Substantial Shareholder, is also the holding company of Johor Franchise Development, Johor Land, KPJ and Damansara Assets	Provisions of trading and support services by our Group to JCorp, Johor Franchise Development, Johor Land, KPJ and Damansara Assets <sup>(6)</sup>  (This transaction is recurrent in nature and will subsist after our Listing)	1,358  (Represents 0.1% of our Group's revenue for the FYE 2020)	1,305  (Represents 0.1% of our Group's revenue for the FYE 2021)	1,033  (Represents 0.1% of our Group's revenue for the FYE 2022)	423  (Represents 0.1% of our Group's revenue for the FPE 2023)	337
JPlant Group and JCorp	JCorp is our Promoter and Substantial Shareholder	Provision of administrative and secretarial services by JCorp to our Group  (This transaction was continued in December 2023 and will subsist after our Listing)	205  (Represents 0.2% of our Group's administrative expenses for the FYE 2020)	19  (Represents less than 0.1% of our Group's administrative expenses for the FYE 2021)	-	-	-

**10. RELATED PARTY TRANSACTIONS (CONT'D)****Notes:**

- (1) During the FYE 2020, we purchased FFB harvested from the Malay Reserved Estates from JCorp and Johor Franchise Development (being the previous beneficial owner of Bukit Kelompok Estate and Pasir Logok Estate before such beneficial ownership was transferred to JCorp following an internal reorganisation). Subsequently, we entered into the Tenancy Agreement with JCorp to rent the Malay Reserved Estates from July 2020 to June 2023, followed by the Renewal Tenancy Agreement from July 2023 to June 2026 for the operation of the oil palm plantation and have then ceased purchasing FFB from these related parties.
- (2) Refers to management and administrative support services provided by us to plantation estates owned by JCorp and Johor Franchise Development. We also provide advisory and agronomy services to assist its related companies in improving their yield and achieve operational efficiencies and effectiveness in terms of the oil extraction rate. Subsequent to the Pre-Listing Restructuring and the execution of the Tenancy Agreement with JCorp, we no longer provide these services to these related parties.
- (3) Pursuant to a tenancy agreement dated 7 February 2022 entered into between JCorp (as landlord) and Kulim (as tenant), JCorp has agreed to rent the Kuala Kabong Estate to Kulim for a term of 3 years, commencing from 1 October 2019 to 30 September 2022 ("**Kuala Kabong Estate Tenancy Agreement**"). Following the expiry of the term of the Kuala Kabong Estate Tenancy Agreement, JCorp and Kulim have executed a supplemental letter dated 13 September 2022 to extend the term of the tenancy for a further period of 2 months, commencing from 1 October 2022 to 30 November 2022 ("**Extended Term**").

On the even date, a novation agreement was executed between JCorp, Kulim and our Company whereby, with the consent of JCorp, Kulim novated all its rights, title, interest, obligations and liabilities under the Kuala Kabong Estate Tenancy Agreement to us with effect from 1 December 2022. Following the expiry of the Extended Term, JCorp, our Company and Kulim (acting on our behalf) have executed supplemental letters dated 20 November 2022, 20 March 2023 and 21 November 2023 to further extend the term of the Kuala Kabong Estate Tenancy Agreement. Based on the terms of the latest supplemental letter dated 21 November 2023, the tenancy will expire on 31 December 2024.

- (4) Pursuant to a tenancy agreement dated 26 April 2022 entered into between Johor Land (as landlord) and Kulim (as tenant), Johor Land has agreed to rent the identified parcels of land with a total land area of 270 Ha the REM Estate to Kulim for a term of 3 years, commencing from 1 January 2022 to 31 December 2024 ("**270 Ha REM Estate Tenancy Agreement**"). On 15 December 2022, a novation agreement was executed between Johor Land, Kulim and our Company whereby, with the consent of Johor Land, Kulim novated all its rights, title, interest, obligations and liabilities under the 270 Ha REM Estate Tenancy Agreement to us with effect from 1 December 2022.

In a letter dated 20 November 2023, Johor Land expressed its intention to terminate the rental arrangement in respect of 41 Ha of the REM Estate which has been designated for future property development. This would reduce the total REM Estate land area that we rent from Johor Land to 229 Ha with effect from 15 December 2023.

- (5) Pursuant to tenancy agreements dated 30 June 2023 entered into between Kulim (as landlord) and our Company (as tenant) and a supplemental letter dated 1 July 2023 executed between Kulim and our Company, Kulim has agreed to rent identified parcels of land with a total land area of 216 Ha in the REM Estate to us for a term of 3 years, commencing from 1 December 2022 to 30 November 2025.

**10. RELATED PARTY TRANSACTIONS (CONT'D)**

- (6) We provided trading and support services such as (i) sale of agricultural machineries and parts to JCorp and Johor Franchise Development for their plantation operations before we rent the Malay Reserved Estates from them, (ii) landscaping services to KPJ and Damansara Assets for their hospitals and buildings as well as (iii) supply of safety products, installation of fire safety protection system and related maintenance services to the JCorp Group. These transactions are carried out on arm's length and not to our detriment.

Our Directors confirm that all the related party transactions outlined above were transacted on an arm's length basis and on normal commercial terms which are not unfavourable to us than those generally available to third parties based on the following reasons:

- (i) the purchase considerations for the acquisition of the assets and liabilities or equity interests under the Pre-Listing Restructuring, including the assignment of banking facilities by us to Kulim as a consequence of the Pre-Listing Restructuring, were arrived at after taking into consideration their respective NBV based on the latest available unaudited management accounts prior to the completion date of the respective Pre-Listing Restructuring Agreements to provide a more accurate reflection of the financial position at the completion date of the Pre-Listing Restructuring Agreements;
- (ii) the above rental arrangements involving the Malay Reserved Estates, Kuala Kabong Estate and REM Estate were supported by valuation reports as appraised by independent property valuers appointed by us to arrive at a fair rental rate which were not unfavourable to us; and
- (iii) the transactions with our related parties such as the sale of CPO, purchase of FFB, provision of trading and support services as well as provision administrative and secretarial services were transacted at pricing which were comparable against contemporaneous transactions with unrelated third parties for similar products/services.

Our Directors also confirm that there is no other material related party transaction that has been entered by our Group which involves the interest, direct or indirect, of our Directors, Substantial Shareholders and/or persons connected to them but not yet effected up to the date of this Prospectus.

Following our Listing, our Directors will ensure that future transactions with related party (if any) will be in compliance with the Listing Requirements. The procedures to be undertaken to ensure that future transactions with related party (if any) are carried out on an arm's length basis are set out in Section 10.4 of this Prospectus.

**10.2 TRANSACTIONS ENTERED INTO THAT ARE UNUSUAL IN THEIR NATURE OR CONDITIONS**

Our Group has not entered into any transactions that are unusual in their nature or conditions, involving goods, services, tangible or intangible assets, with a related party during the Financial Years/Period Under Review up to the LPD.

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**10. RELATED PARTY TRANSACTIONS (CONT'D)****10.3 LOANS AND FINANCIAL ASSISTANCE MADE TO OR FOR THE BENEFIT OF RELATED PARTIES**

Save as disclosed below, there are no other outstanding loans and financial assistance made by us to or for the benefit of any related party during the Financial Years/Period Under Review up to the LPD:

Transacting parties	Nature of relationship	Nature of transaction	Outstanding amount				1 August 2023 up to the LPD (RM'000)
			FYE 2020 (RM'000)	FYE 2021 (RM'000)	FYE 2022 (RM'000)	FPE 2023 (RM'000)	
JPlant Group and the JCorp Group	JCorp and Kulim are our Promoters and Substantial Shareholders	(i) Provision of non-trade inter-company advances by our Group to Kulim <sup>(1)</sup>	58,556 (Represents 3.6% of our Group's NA as at 31 December 2020)	73,331 (Represents 3.9% of our Group's NA as at 31 December 2021)	127,072 (Represents 6.4% of our Group's NA as at 31 December 2022)	-	-
		(ii) Provision of non-trade advances by our Group to the JCorp and its related subsidiaries (excluding Kulim)	7,956 (Represents 0.5% of our Group's NA as at 31 December 2020)	4,483 (Represents 0.2% of our Group's NA as at 31 December 2021)	12,852 (Represents 0.7% of our Group's NA as at 31 December 2022)	-	-

**Note:**

- (1) Prior to the consolidation of Kulim's plantation business under our Group pursuant to the Pre-Listing Restructuring, we, as a subsidiary of Kulim, provided non-trade inter-company advances to our holding company for the plantation business of Kulim group of companies.

The advances extended by our Group to the related parties above were made on an arm's length basis, whereby interests charged to them are on normal commercial terms which are not unfavourable to our Group and are comparable to those generally available to third parties, and have been fully repaid as at the LPD.

**10. RELATED PARTY TRANSACTIONS (CONT'D)****10.4 MONITORING AND OVERSIGHT OF RELATED PARTY TRANSACTIONS****10.4.1 Board Audit Committee review**

Our Board Audit Committee reviews related party transactions and conflict of interest situations that may arise within our Group including any transaction, procedure or course of conduct that raises questions of management integrity. Our Board Audit Committee maintains and periodically reviews the adequacy of the procedures and processes set by us to monitor related party transactions and conflict of interest. It also sets the procedures and processes to ensure that transactions are carried out in our best interest, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties and are not detrimental to the interest of our minority shareholders. Among others, the related parties and parties who are in a position of conflict with the interest of our Group will be required to abstain from deliberation on the transactions. All reviews by our Board Audit Committee are reported to our Board for its further action.

**10.4.2 Our Group's policy on related party transactions**

Related party transactions by their very nature, involve conflicts of interest between our Group and the related parties with whom we enter into transactions. As disclosed in this Prospectus, some of our Directors and/or Substantial Shareholders are also directors and, in some cases, shareholders of the related parties of our Group, and with respect to these related party transactions, may individually and in aggregate have conflicts of interest. It is the policy of our Group that all related party transactions must be reviewed by our Audit Committee to ensure that they are negotiated and agreed upon in the best interest of our Company, on an arm's length basis and are based on normal commercial terms which are not more favourable to the related party than those generally available to third parties, and are not detrimental to the interest of our minority shareholders.

In addition, we adopted a comprehensive corporate governance framework that meets best practice principles to mitigate any potential conflict of interest situations and intend for the framework to be guided by the Listing Requirements and MCCG upon our Listing. The procedures which may form part of the framework include, among others, the following:

- (i) our Board shall ensure that majority of our Board members are independent directors and will undertake an annual assessment of our Independent Non-Executive Directors;
- (ii) our Directors will be required to declare any direct or indirect interest that they may have in any business enterprise that is engaged in or proposed to be engaged in a transaction with our Group, whether or not they believe it is a material transaction. Upon such disclosure, the interested Director shall be required to abstain from deliberation and voting on any resolution related to the related party transaction; and
- (iii) all existing or potential related party transactions would have to be disclosed by the interested party for management reporting. Our management will propose the transactions to our Audit Committee for evaluation and assessment who would in turn, make a recommendation to our Board.