

Notes to the **Financial Statements**

As at 31 March 2019

**18. GOODWILL ON CONSOLIDATION (CONT'D.)****(b) Key assumptions used in value-in-use calculations**

The following describes each key assumption on which management has based its cash flow projections to undertake the impairment testing of goodwill:

	<b>2019</b>	<b>2018</b>
	<b>%</b>	<b>%</b>
Average discount rate <sup>1</sup>	10.5	10.5
Terminal growth rate <sup>2</sup>	2	2

Assumptions:

1. Pre-tax discount rate applied to the cash flow projections.
2. Weighted average growth rate used to extrapolate cash flows beyond the budget period.

**(c) Sensitivity analysis**

In assessing value-in-use and fair value, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the goodwill to materially exceed its recoverable amount.

**19. INVENTORIES**

	<b>Group</b>	
	<b>2019</b>	<b>2018</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>At cost:</b>		
Raw materials	18,463	15,472
Printing materials	11,135	8,910
Fertilizer	4,211	815
Oil palm products	10,957	8,432
Work-in-progress	33,133	16,596
Finished goods	20,331	19,210
Consumables	5,232	5,409
	103,462	74,844
<b>At net realisable value:</b>		
Finished goods	1,207	2,580
	104,669	77,424

During the year, the amount of inventories recognised as an expense in cost of sales of the Group was RM100,934,055 (2018: RM110,627,254).