激成(馬來西亞)有限公司

KECK SENG (MALAYSIA) BERHAD

196801000565 (8157-D)

2021

ANNUAL REPORT

CONTENTS

ABOUT KECK SENG MALAYSIA

Keck Seng (Malaysia) Berhad ("Keck Seng Malaysia") traces its history back to 1943 when Mr Ho Yeow Koon co-founded a small trading business in Singapore which he subsequently expanded to Malaysia. He bought land in Masai, Johor, and ventured into rubber planting in 1959, followed by oil palm cultivation in 1965.

The plantation was the beginning of Keck Seng Malaysia, which was publicly listed on 26 May 1977. Over the years, we have grown to a diversified group with business operations extending from plantations to hotels, golf resort, property development and investment.

Our Vision

- To build a diversified corporation
- To provide sustainable long term growth and value to shareholders

Our Values

We value our people as our strength, and will retain and develop our human capital through our core values of:

- integrity • commitment • diligence • cost efficiency • innovation

Our Community

We believe in contributing to and growing together with our communities, and will continue to engage in socially beneficial activities.

GROUP OVERVIEW

Keck Seng Malaysia has three core businesses:

Plantations and Manufacturing
We are an integrated player with oil palm plantations, mill, refinery and manufacturing operations based in Johor, Malaysia.

Property Development and Investment
We are a property developer focusing in Johor, Malaysia. Our projects include:

Projects	Location
Bandar Baru Kangkar Pulai	27 km Pontian Road immediately after Kangkar Pulai Village.
Tanjong Puteri Resort	35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate.
Taman Daya	13 km north-east of Johor Bahru (near Kampong Baru, Kangkar Tebrau).

We are also involved in property investment. Our key investments include:

Buildings	Location	Description
Menara Keck Seng	203, Jalan Bukit Bintang, 55100 Kuala Lumpur.	Office
Regency Tower	8, Jalan Ceylon, 50200 Kuala Lumpur.	Condominium

Hotels and Resort
We own hotels in North America and operate a golf resort in Malaysia.

Hotels/Resort	Location	Description
DoubleTree by Hilton Alana - Waikiki Beach	1956, Ala Moana, Boulevard, Honolulu, Hawaii, 96815, USA.	18 storey hotel with 317 rooms and an adjoining 7 storey office building
SpringHill Suites New York Midtown Manhattan	25, West 37th Street, New York, NY, 10018, USA.	19 storey hotel with 173 rooms
Delta Hotels by Marriott Toronto Airport and Conference Centre	655, Dixon Road, Toronto, Ontario Canada, M9W 113.	12 storey hotel with 433 rooms
Tanjong Puteri Golf Resort	35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate.	54 holes golf course, clubs and other recreational facilities

FINANCIAL HIGHLIGHTS

(RM'000) **Revenue by business segments**	2017 (Restated)	2018	2019	2020	**2021**
Plantations and Manufacturing	831,579	590,854	525,883	627,665	**1,057,706**
Property	108,417	115,065	184,184	176,152	**142,903**
Hotels and Resort	239,708	250,152	256,375	63,870	**102,309**
Dividend income	9,553	11,206	12,164	6,776	**9,060**
Total revenue	1,189,257	967,277	978,606	874,463	**1,311,978**
Profit/(Loss) before tax	31,008	69,521	101,766	(85,230)	**98,012**
Profit/(Loss) net of tax	23,042	39,169	91,641	(71,974)	**74,596**
Profit/(Loss) attributable to owners of the parent	22,876	36,472	88,317	(64,561)	**79,020**
Earnings/(Loss) per share (sen)	6	10	25	(18)	**22**
Dividend per share (sen)	10	10	4	0	**5**
Equity attributable to owners of the parent	2,380,960	2,244,108	2,244,760	2,154,137	**2,259,612**
Total assets	2,920,093	2,775,528	2,795,928	2,655,231	**2,756,073**
Loans and borrowings	250,992	232,090	235,563	229,857	**223,296**

Share Price (RM)	2017	2018	2019	2020	**2021**
Highest daily close	5.18	4.92	4.98	4.69	**4.01**
Lowest daily close	4.55	3.92	4.07	3.41	**3.32**
Year-end closing	4.60	4.08	4.70	3.84	**3.44**

CHAIRMAN'S STATEMENT

Dear Shareholders,

Since the start of the outbreak of Covid-19 two years ago, it has impacted the lives of people globally in an unprecedented manner. As of 6 April 2022, 6.19 million people have unfortunately lost their lives to Covid-19. Over a year into the biggest vaccination campaign in history, more than 10.9 billion doses have been administered across 184 countries, according to Bloomberg. With the pick-up in vaccination rates and the administration of booster shots, it is heartening to see some normalcy returning to our lives.

Performance

In 2021, the Group reported a profit after tax of RM74.6 million against a loss of RM72.0 million in 2020. All segments registered improvement to their bottom lines while the loss from the Hotels and Resort Segment has narrowed. Due to travel restrictions, the occupancy rates at the overseas hotels have yet to recover to pre-pandemic levels but are showing some signs of improvement.

Outlook and Strategy

The war between Russia and Ukraine as well as the sanctions imposed will inevitably lead to a slower economic growth and higher inflation stemming from elevated commodity prices. Monetary liquidity conditions are also expected to tighten as the US Federal Reserve embarks on the path of interest rate hikes and quantitative tightening.

We will continue to build on our strengths to deliver to our shareholders.

Dividends

Despite the huge challenges ahead, we understand the importance of enhancing our shareholders' return. The Board has approved a single-tier final dividend of 5.0 sen per share for the financial year ended 31 December 2021 and payable on 6 July 2022.

Acknowledgement

On behalf of the Board, I wish to express my sincere appreciation to the Management and staff of our Group for their diligence, dedication and loyalty. I wish to offer my gratitude in particular to the Management and staff locally and across the globe who have done their utmost under very trying circumstances. I would also like to express my sincere appreciation to all our shareholders, business partners and stakeholders for their support.

Ho Kim Swee @ Ho Kian Guan

Chairman
7 April 2022

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

OPERATIONS REVIEW

Plantations and Manufacturing

Both Plantations and Manufacturing Segments have benefited from the rise in palm product prices throughout 2021 and consequently achieved better financial performance. The higher profit from the Manufacturing Segment was attributed to better refining margin in 2021 as compared to 2020.

Outlook for 2022:

We do not expect the high palm product prices to last forever. However, the average fresh fruit bunches price is still expected to be on par with 2021 due to crude palm oil (CPO) export restrictions by Indonesia. Nevertheless, Malaysia continues to face acute labour shortages which has curbed production. Given this scenario, we expect the Plantations Segment's performance to be on par with 2021.

As the processing and material costs have increased significantly, the financial performance of the Manufacturing Segment is not expected to be better than 2021.

	2017	2018	2019	2020	**2021**
PRODUCTION (mt)					
Fresh fruit bunches	50,586	51,940	45,027	52,780	**42,981**
Refined palm products	395,910	342,262	334,446	309,098	**302,941**
Crude palm oil	44,497	49,217	44,243	44,808	**42,265**
Palm kernel	14,340	15,790	13,723	13,635	**13,021**
GROSS SELLING PRICE (RM/mt)					
Refined palm products	3,604	2,845	2,426	3,062	**5,101**
Palm kernels (ex mill)	2,527	1,769	1,234	1,603	**2,843**
AREA PLANTED (hectare)	3,396	3,173	3,183	3,183	**3,254**
Immature hectareage (< 3 years)	404	780	1,063	944	**763**
Matured hectareage	2,992	2,393	2,120	2,239	**2,491**
Average yield per matured hectareage (mt)	16.9	19.3	20.0	24.2	**18.2**

Property

The year 2021 was mostly an extension of year 2020, with the overall market and economic conditions remaining soft due to the protracted Covid-19 pandemic, sustained border closures, varied Covid-19 variants and continued implementations of movement restrictions. The property sector, classified as a non-essential activity, experienced bouts of on and off operations with restrictions in place stymying sales and leasing.

The Government continued on key and effective initiatives from 2020 to aid the property sector in 2021 such as stamp duty and real property gains tax (RPGT) exemptions. Further interest rate cuts, up to 1.75% by the central bank helped to buttress consumer sentiment with lower mortgage rates and supporting property purchases for 2021.

MANAGEMENT DISCUSSION AND ANALYSIS (cont'd)

OPERATIONS REVIEW (cont'd)

Property (cont'd)

Johor Bahru

Overall, sales performance of the Property Division, especially at Bandar Baru Kangkar Pulai ("BBKP"), was commendable under continued challenging circumstances in 2021. As always, the Property Division continues to focus on our strengths in building and delivering quality homes and living spaces. We remain hopeful and cautiously optimistic on the economic recovery and improved consumer sentiment for property purchases and tenancies in 2022. The positive factors include higher vaccination rates, potential border reopenings, easing of Covid-19 restrictions, firmer political stability and encouraging responses to the various initiatives by the Government and Bank Negara Malaysia for the property sector.

In BBKP, after launching the last phase of single-storey terrace houses in 2021, we are planning to launch new phases of double-storey cluster houses and double-storey terrace houses in 2022.

In Tanjong Puteri Resort ("TPR"), sales from our new single-storey terrace houses have exceeded expectations with only 20% remaining unsold since the launch in late 2020.

We remain cautiously optimistic that TD Central and TD Point in Taman Daya, will provide a steady source of recurring income.

Kuala Lumpur

Menara Keck Seng faces both oversupply and changing Work-From-Home (WFH) trends in 2021, the former a recurring issue and the latter a new occurrence due to the effects of Covid-19. However, we are relying on our key competitve strengths in affordable rental rates, good location, good transportation networks, good amenities and friendly management to retain current tenants and attract new tenants in 2022. Moving forward, we anticpate a challenging business environment, and a likely decline in occupancy and rental trends.

Regency Tower's prospects for year 2022 remain challenging and we continue to keep a close watch on the Covid-19 restrictions and its implications for expatriates in the country.

Hotels and Resort

In the United States, nearly 64% (214 million) of its population are fully vaccinated and 28% (92 million) have received a booster dose as of late February 2022.

In Hawaii, the visitation rate is projected to be approximately 30% less than 2019, primarily driven by the enforcement of mandatory travel restrictions and the State's second pandemic crisis during the winter Omicron variant surge. We are assured by the pending government endemic plan, availability of booster inoculation, and new Covid-19 treatments. Once the situation in the far east region eases, the return of Japanese tourists in particular will result in a broader industry recovery. This will help small entrepreneurs like our tenants at our adjacent office building.

The SpringHill Suites Hotel in New York City re-opened in May 2021 and experienced a relatively short ramp up period. Leisure demand was generally quite positive, at least prior to the arrival of the Covid-19 Omicron variant in late 2021 with a new round of health restrictions being applied. These latest Covid-19 restrictions are now beginning to ease as infection rates decrease, with restaurant, entertainment venues and Broadway open for business. The Management continues to be nimble in responding to any operational requirements during this time, with all efforts being placed on maintaining strong hygiene measures to prioritise the safety of all guests and staff. This segment is expected to be the last to rebound with a late Q2 target recovery date.

The business environment at Tanjong Puteri Golf Resort in 2021 was also challenging on many fronts. With the relaxation of domestic travel restrictions in Q4 2021, the Resort experienced some improvement in accommodation and dining revenues. The increase in small and medium sized meeting events and wedding banquets, coupled with the resumption in lunch buffet business from surrounding corporate companies is supportive of a more positive outlook in 2022. On the cost side, the Resort continued with strict cost containment by operating with a reduced full time staff, and utilising casual manpower when needed as business picked up.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Ho Kim Swee @ Ho Kian Guan	*Executive Chairman*
Dato' Ho Cheng Chong @ Ho Kian Hock	*Managing Director*
Ho Eng Chong @ Ho Kian Cheong	*Non-Independent Non-Executive Director*
Chan Lui Ming Ivan	*Executive Director*
Lee Huee Nan @ Lee Hwee Leng (f)	*Executive Director*
Too Hing Yeap @ Too Heng Yip	*Senior Independent Non-Executive Director*
Maj-Gen (R) Dato' Muhammad Bin Yunus	*Independent Non-Executive Director (Demised on 7 June 2021)*
Tai Lam Shin	*Independent Non-Executive Director*
Mahathir Bin Mohamed Ismail	*Independent Non-Executive Director*
Liew Foong Yuen	*Independent Non-Executive Director*
Dato' Dr. Zaha Rina Binti Zahari (f)	*Independent Non-Executive Director (Appointed on 26 August 2021)*
Ho Chung Kain (He ChongJing)	*Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock*
Ho Chung Hui	*Alternate to Lee Huee Nan @ Lee Hwee Leng (f)*
Ho Chung Tao	*Alternate to Chan Lui Ming Ivan*
Ho Chung Kiat, Sydney (He ChongJie, Sydney)	*Alternate to Ho Eng Chong @ Ho Kian Cheong*

COMPANY SECRETARIES
Lim Hooi Mooi
(SSM PC No. 201908000134)
(MAICSA 0799764)
Te Hock Wee
(SSM PC No. 202008002124)
(MAICSA 7054787)
Fong Sok Yee
(SSM PC No. 202008001180)
(MAICSA 7066501)

REGISTERED OFFICE
Suite 1301, 13th Floor, City Plaza,
Jalan Tebrau,
80300 Johor Bahru, Johor.
Tel: 607-332 2088 Fax: 607-332 8096

SHARE REGISTRAR
Tricor Investor & Issuing House Services Sdn Bhd
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A,
Vertical Business Suite,
Avenue 3, Bangsar South,
No. 8, Jalan Kerinchi,
59200 Kuala Lumpur.
Tel: 603 -2783 9299 Fax: 603 -2783 9222

AUDITORS
Ernst & Young PLT
Registration No. 202006000003 (LLP0022760-LCA & AF 0039)
Chartered Accountants
B-15, Medini 9, Persiaran Medini Sentral 1,
Bandar Medini Iskandar,
79250 Iskandar Puteri, Johor, Malaysia.
Tel: 607-288 3111 Fax: 607-288 3112

PRINCIPAL BANKERS
Malayan Banking Berhad
Registration No. 196001000142 (3813-K)
OCBC Bank (Malaysia) Berhad
Registration No. 199401009721 (295400-W)

LISTING
Main Market of Bursa Malaysia Securities Berhad

WEBSITE
https://my.keckseng.com

DIRECTORS' PROFILE

HO KIM SWEE @ HO KIAN GUAN

Executive Chairman

AGE/GENDER	NATIONALITY
Age 76/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION
Business Administration and Commerce.

DATE APPOINTED/WORK EXPERIENCE
Mr. Ho was appointed to the Board on 15 September 1970. He has spent 51 years successfully steering the Group.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad and Lim & Lim Plantations Berhad.
[Both companies are subsidiaries of the Company]

FAMILY RELATIONSHIP
Mr. Ho is the brother of Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).
[Both of them are substantial shareholders of the Company]

Mr. Ho is the father of Mr. Ho Chung Tao.

Mr. Ho is the uncle of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
5 out of 5.

DATO' HO CHENG CHONG @ HO KIAN HOCK

Managing Director

AGE/GENDER	NATIONALITY
Age 74/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Science and Engineering (1st Class Honours), University of New South Wales, Australia.

DATE APPOINTED/WORK EXPERIENCE
Dato' Ho was appointed to the Board on 8 June 1971 and has been the Managing Director since 11 June 1975. He has over 50 years of working experience in Corporate Planning and Management.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad and Lim & Lim Plantations Berhad.
[Both companies are subsidiaries of the Company]

DIRECTORS' PROFILE (cont'd)

DATO' HO CHENG CHONG @ HO KIAN HOCK (cont'd)

Managing Director

FAMILY RELATIONSHIP

Dato' Ho is the brother of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).
[Both of them are substantial shareholders of the Company]

Dato' Ho is the father of Mr. Ho Chung Kain (He ChongJing) and Mr. Ho Chung Hui.

Dato' Ho is the uncle of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Tao and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

CONFLICT OF INTERESTS

None.

CONVICTIONS FOR OFFENCES

Dato' Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED

5 out of 5.

HO ENG CHONG @ HO KIAN CHEONG

Non-Independent Non-Executive Director

AGE/GENDER	**NATIONALITY**
Age 72/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Science Degree, University of Singapore.

DATE APPOINTED/WORK EXPERIENCE

Mr. Ho was appointed to the Board on 21 September 1987. He has more than 30 years of working experience in the management of private and public companies.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

FAMILY RELATIONSHIP

Mr. Ho is the brother of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman) and Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director).
[Both of them are substantial shareholders of the Company]

Mr. Ho is the father of Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

Mr. Ho is the uncle of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui and Mr. Ho Chung Tao.

CONFLICT OF INTERESTS

None.

CONVICTIONS FOR OFFENCES

Mr. Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED

5 out of 5.

DIRECTORS' PROFILE (cont'd)

CHAN LUI MING IVAN

Executive Director

AGE/GENDER	NATIONALITY
Age 52/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Business Administration (Honours), National University of Singapore; and
Master of Science (Real Estate), National University of Singapore.

DATE APPOINTED/WORK EXPERIENCE
Mr. Chan was appointed to the Board on 28 April 2009. He has over 20 years of working experience in managing the Company's various projects.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

FAMILY RELATIONSHIP
Mr. Chan is the nephew of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman), Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).
[All of them are substantial shareholders of the Company]

Mr. Chan is the cousin of Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui, Mr. Ho Chung Tao and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Chan has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
4 out of 5.

LEE HUEE NAN @ LEE HWEE LENG

Executive Director

AGE/GENDER	NATIONALITY
Age 70/Female	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Diploma in Business Studies, Ngee Ann College, Singapore.

DATE APPOINTED/WORK EXPERIENCE
Ms. Lee was appointed to the Board on 29 April 1980. She has more than 40 years of working experience in corporate administration and financial management.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad and Lim & Lim Plantations Berhad.
[Both companies are subsidiaries of the Company]

LEE HUEE NAN @ LEE HWEE LENG (cont'd)

Executive Director

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Ms. Lee has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
5 out of 5.

TOO HING YEAP @ TOO HENG YIP

Senior Independent Non-Executive Director
Chairman of the Audit Committee
Chairman of the Nominating Committee
Member of the Remuneration Committee

AGE/GENDER	**NATIONALITY**
Age 74/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Laws, 2nd Class Honours (Upper Division), University of Singapore.

DATE APPOINTED/WORK EXPERIENCE
Mr. Too was appointed to the Board on 27 April 2010. After graduating from the University of Singapore in 1971, Mr. Too joined Shook Lin & Bok ("SLB") in 1972 as a legal assistant. He taught briefly at the University of Malaya in the 1970's. He was emplaced as a Limited Partner of SLB in 1975, thereafter as a General Partner in 1980 and then as Deputy Managing Partner in 1992. He was SLB's Executive Partner since 1998 and was also the Head of the Banking and Finance Litigation Department until his retirement in December 2012.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Too has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
5 out of 5.

TAI LAM SHIN

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nominating Committee
Member of the Remuneration Committee

AGE/GENDER	NATIONALITY
Age 64/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Chartered Accountant, Malaysian Institute of Accountants (MIA); and
Fellow of Chartered Association of Certified Accountants (FCCA, United Kingdom).

DATE APPOINTED/WORK EXPERIENCE
Mr. Tai was appointed to the Board on 26 June 2014. He is exposed and experienced in areas of audit assurance, financial and corporate advisory, due diligence review and reporting accountants to public listed corporations, multinationals and private companies.

OTHER DIRECTORSHIP
Listed Issuers : MCE Holdings Berhad and White Horse Berhad.
Public Companies : Nil.

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Tai has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
5 out of 5.

MAHATHIR BIN MOHAMED ISMAIL

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nominating Committee
Chairman of the Remuneration Committee (Re-designated as Chairman on 26 August 2021)

AGE/GENDER	NATIONALITY
Age 72/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Commerce & Accounting, University of Western Australia;
Fellow, CPA Australia; and
Chartered Accountant, Malaysian Institute of Accountants (MIA).

DATE APPOINTED/WORK EXPERIENCE
Mr. Mahathir was appointed to the Board on 23 June 2015. He has considerable experience in the banking and finance field with his tenure at 3 Malaysian financial institutions, listed companies and private companies from January 1976 to March 2005. Thereafter from June 2005 to 31 December 2018, he was a Lecturer in Audit & Corporate Governance, Audit & Assurance, Accounting and Business Ethics in Taylor's University.

DIRECTORS' PROFILE (cont'd)

MAHATHIR BIN MOHAMED ISMAIL (cont'd)

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nominating Committee
Chairman of the Remuneration Committee (Re-designated as Chairman on 26 August 2021)

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Mahathir has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
5 out of 5.

LIEW FOONG YUEN

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nominating Committee
Member of the Remuneration Committee

AGE/GENDER	**NATIONALITY**
Age 52/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Laws (Honours), University of Warwick, United Kingdom; and
Masters of Business Administration (Finance), City University, London, United Kingdom.

DATE APPOINTED/WORK EXPERIENCE
Mr. Liew was appointed to the Board on 29 November 2019. He is a lawyer by training, having qualified to practice in England and Wales and in Malaysia. He began his career in London before joining Zaid Ibrahim & Co. in Kuala Lumpur and in Singapore and was in practice for 19 years before taking on a senior management role in a multi-disciplinary professional services group.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Liew has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
5 out of 5.

DIRECTORS' PROFILE (cont'd)

DATO' DR. ZAHA RINA BINTI ZAHARI

Independent Non-Executive Director
Member of the Audit Committee
Member of the Nominating Committee
Member of the Remuneration Committee

AGE/GENDER	NATIONALITY
Age 60/Female	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Doctorate in Business Administration, University of Hull, United Kingdom;
MBA, University of Hull, United Kingdom; and
Bachelor of Accounting and Finance, Leeds Metropolitan University, United Kingdom.

DATE APPOINTED/WORK EXPERIENCE
Dato' Dr. Zaha Rina was appointed to the Board on 26 August 2021. She has more than 30 years of experience in financial (including Islamic), commodities and securities industry and the developing of the Malaysian Capital Market, mergers and acquisitions in insurance and Takaful companies.

She is also an independent board member in Financial Institutions, licensed by the Securities Commission of Malaysia to provide corporate advisory services and a member of the Appeals Committee of Bursa Malaysia Berhad.

OTHER DIRECTORSHIP
Listed Issuers : Manulife Holdings Berhad, Hibiscus Petroleum Berhad, IGB Berhad and Pacific & Orient Berhad.
Public Companies : Pacific & Orient Insurance Co. Berhad and Mizuho Bank (Malaysia) Berhad.

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Dato' Dr. Zaha Rina has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
1 out of 1. There was 1 Board meeting held since her appointment to the Board in August 2021.

HO CHUNG KAIN (HE CHONGJING)

Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock

AGE/GENDER	NATIONALITY
Age 47/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Business Administration, Murdoch University, Perth, Australia.

DATE APPOINTED/WORK EXPERIENCE
Mr. Ho was appointed as Alternate Director on 24 February 2011. He is presently the General Manager of Keck Seng (Malaysia) Berhad. He has 23 years of working experience in property marketing and development.

HO CHUNG KAIN (HE CHONGJING) (cont'd)

Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad and Lim & Lim Plantations Berhad.
[Both companies are subsidiaries of the Company]

FAMILY RELATIONSHIP
Mr. Ho is the son of Dato' Ho Cheng Chong @ Ho Kian Hock.
[Managing Director and substantial shareholder of the Company]

Mr. Ho is the nephew of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).
[Both of them are substantial shareholders of the Company]

Mr. Ho is the brother of Mr. Ho Chung Hui.

Mr. Ho is the cousin of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Tao and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

HO CHUNG HUI

Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng

AGE/GENDER	NATIONALITY
Age 46/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Science in Economics, The London School of Economics, United Kingdom.

DATE APPOINTED/WORK EXPERIENCE
Mr. Ho was appointed as Alternate Director on 26 June 2014. He is presently the Commercial/Corporate Director of Keck Seng (Malaysia) Berhad. He had previously worked for a major US consultancy firm on various practices of strategy, finance and business process re-engineering and human capital in Singapore.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad and Lim & Lim Plantations Berhad.
[Both companies are subsidiaries of the Company]

HO CHUNG HUI (cont'd)

Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng

FAMILY RELATIONSHIP
Mr. Ho is the son of Dato' Ho Cheng Chong @ Ho Kian Hock.
[Managing Director and substantial shareholder of the Company]

Mr. Ho is the nephew of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).
[Both of them are substantial shareholders of the Company]

Mr. Ho is the brother of Mr. Ho Chung Kain (He ChongJing).

Mr. Ho is the cousin of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Tao and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

HO CHUNG TAO

Alternate to Mr. Chan Lui Ming Ivan

AGE/GENDER	NATIONALITY
Age 47/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Science in Hotel Administration, Cornell University, USA.

DATE APPOINTED/WORK EXPERIENCE
Mr. Ho was appointed as Alternate Director on 26 June 2014. He is presently the Executive Director of Keck Seng Investments (Hong Kong) Limited. He had previously worked for a major US investment bank based in Japan where he focused on real estate acquisitions. He also has experience in working for a venture capital company in Japan and a securities firm in Singapore.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

FAMILY RELATIONSHIP
Mr. Ho is the son of Mr. Ho Kim Swee @ Ho Kian Guan.
[Executive Chairman and substantial shareholder of the Company]

Mr. Ho is the nephew of Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).
[Both of them are substantial shareholders of the Company]

Mr. Ho is the cousin of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

DIRECTORS' PROFILE [cont'd]

HO CHUNG KIAT, SYDNEY (HE CHONGJIE, SYDNEY)

Alternate to Mr. Ho Eng Chong @ Ho Kian Cheong

AGE/GENDER	**NATIONALITY**
Age 38/Male	Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION

Master of Engineering in Electrical and Electronic Engineering (First Class Honours), Imperial College of Science, Technology and Medicine, United Kingdom.

DATE APPOINTED/WORK EXPERIENCE

Mr. Ho was appointed as Alternate Director on 15 October 2018. He is presently the Executive Director of Hub Synergy (S) Pte. Ltd., Leefon Corporation Pte. Ltd. and i.Contemporary Living Pte. Ltd. He is responsible for the marketing and operations of a commercial building, supervising the redevelopment of a 26 storey commercial building and for the day-to-day operations, marketing and leasing of warehouse lots in an industrial building. Previously, he was also involved in the development of a 49 unit, 30 storey residential project.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

FAMILY RELATIONSHIP

Mr. Ho is the son of Mr. Ho Eng Chong @ Ho Kian Cheong.
[Non-Independent Non-Executive Director and substantial shareholder of the Company]

Mr. Ho is the nephew of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman) and Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director).
[Both of them are substantial shareholders of the Company]

Mr. Ho is the cousin of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui and Mr. Ho Chung Tao.

CONFLICT OF INTERESTS

None.

CONVICTIONS FOR OFFENCES

Mr. Ho has no conviction for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

KEY SENIOR MANAGEMENT'S PROFILE

PLANTATIONS

HEE VUI YONG @ VINCENT
General Manager
Johor, Malaysia

AGE/GENDER	**NATIONALITY**
Age 59/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Master of Science (Plantation Management), University Putra Malaysia;
Associate Diploma (***AISP***) awarded by Incorporated of Planters; and
Licentiate Diploma (***LISP***) awarded by Incorporated of Planters.

DATE APPOINTED/WORK EXPERIENCE
Mr. Hee started his planting career in 1982 based in Sabah and had been working in Indonesia since 2003. He had served in various key positions throughout his career in the Indonesia planting industry as a Visiting Agent with Asian Agri Group Sumatera before being seconded as Head of Business Unit for Agrindo Group (under Falcon Capital affiliated subsidiary of Royal Golden Eagle Group – KALIMANTAN & PAPUA) and his last position was as Plantation Advisor for TSH Resources Berhad covering all plantations in Indonesia under TSH Resources Berhad. He was appointed as the General Manager of Keck Seng (Malaysia) Berhad (KSM) - Plantation Division as of 4 December 2017.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

MANUFACTURING

CHUA TECK NGIN
General Manager
Johor, Malaysia

AGE/GENDER	**NATIONALITY**
Age 69/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Chemical Engineering, University Malaya; and
P. Eng (Malaysia).

DATE APPOINTED/WORK EXPERIENCE
Mr. Chua has been with Keck Seng (Malaysia) Berhad since 1 August 1984 and was promoted to General Manager on 1 July 2007.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Lim & Lim Plantations Berhad.
[A subsidiary of the Company]

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

PROPERTY DEVELOPMENT

CHONG KIN MENG, VINCENT
General Manager
Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 62/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Applied Science (Civil Engineering), University of Windsor, Ontario, Canada; and
P. Eng (Malaysia).

DATE APPOINTED/WORK EXPERIENCE
Vincent has over 38 years of working experience in civil and structural engineering design, planning and mixed property development. He has been with Keck Seng (Malaysia) Berhad – Property Division since 15 March 1990 and was promoted to his current position on 1 June 2003.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

PROPERTY INVESTMENT

PAULINE TAN
General Manager
Kuala Lumpur, Malaysia

AGE/GENDER	NATIONALITY
Age 65/Female	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Diploma in Business Administration.

DATE APPOINTED/WORK EXPERIENCE
Pauline has been with Lusaka Holdings Sdn. Bhd. since 1 September 1989. She has over 30 years of experience in administration, leasing and building management. She was appointed to her current position on 28 February 2009.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

PROPERTY INVESTMENT (cont'd)

SIM YOKE KENG
General Manager
Kuala Lumpur, Malaysia

AGE/GENDER	**NATIONALITY**
Age 45/Female	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Diploma in Programming, Informatics College; and
Postgraduate Diploma in Marketing, The Chartered Institute of Marketing.

DATE APPOINTED/WORK EXPERIENCE
Ms. Sim joined HKH Holdings Sdn. Bhd. on 11 July 2006 and was promoted to her current position on 1 April 2017.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

RESORT

DATO' DR. ABDUL RAHIM BIN RAMLI
Senior Advisor to Keck Seng (Malaysia) Berhad
Johor, Malaysia

AGE/GENDER	**NATIONALITY**
Age 80/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Arts (Honors) Economics, University Malaya.

DATE APPOINTED/WORK EXPERIENCE
Dato' has been the Chief Executive Officer of Tanjong Puteri Golf Resort Berhad since January 1997 and presently Senior Advisor to Keck Seng (Malaysia) Berhad effective from 12 September 2018.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad.
[A subsidiary of the Company]

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

RESORT (cont'd)

WOLFGANG BOETTCHER
Director of Hotel Operations Asia Pacific
Singapore and Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 53/Male	German

ACADEMIC/PROFESSIONAL QUALIFICATION
Certifications in Meat Science Berufschule Friedrichshafen; and
Certification as Instructor for Culinary Education.

DATE APPOINTED/WORK EXPERIENCE
Mr. Boettcher was appointed as Director of Hotel Operations Asia Pacific in March 2018. He was with Starwood Hotels & Resorts and Marriott International for the past 27 years. His past experience included appointments as an Area Vice President, Area Managing Director and other various General Manager roles in Southeast Asia and Greater China.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

HOTEL

PETER WONG
President – North America
San Francisco, USA

AGE/GENDER	NATIONALITY
Age 70/Male	American

ACADEMIC/PROFESSIONAL QUALIFICATION
MBA, California Coast University;
Diploma in Management Studies, Hong Kong Polytechnic; and
Advance Hotel Investments Course, Cornell University.

DATE APPOINTED/WORK EXPERIENCE
Peter has been the President of Keck Seng Group's North America Properties since 1998. His past work experiences include appointment as Director of Sales & Marketing, Regional Director of Sales & Marketing, Project Manager / Acting General Manager, Owner's Representative / Director of Development & Corporate Affairs and also as Vice President in other major international hotel companies.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

HOTEL (cont'd)

ROBERT ROY
Regional Vice President (RVP)
New York, USA

AGE/GENDER	**NATIONALITY**
Age 58/Male	Canadian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Commerce Honors, University of Ottawa; and
Baccalaureate in Administration.

DATE APPOINTED/WORK EXPERIENCE
Robert was appointed as RVP effective from 1 April 2015. He was previously the General Manager at Sheraton Ottawa Hotel, Canada.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

DEREK SASANO
Vice President (VP), Finance & Administration
Honolulu, USA

AGE/GENDER	**NATIONALITY**
Age 66/Male	American

ACADEMIC/PROFESSIONAL QUALIFICATION
A.S. Degree in Accounting; and
Certificate in Hospitality Financial Management.

DATE APPOINTED/WORK EXPERIENCE
Derek was appointed as the Owners' Controller in December 2000 and in December 2009, he was promoted to Corporate Controller, subsequently in April 2015 he was promoted to his current role as VP, Finance & Administration.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

HOTEL (cont'd)

DAVID KAM
Corporate Controller, Keck Seng Group – North America
San Francisco, USA

AGE/GENDER	**NATIONALITY**
Age 61/Male	American

ACADEMIC/PROFESSIONAL QUALIFICATION
AAS Accounting, University of Hawaii.

DATE APPOINTED/WORK EXPERIENCE
David was promoted to his current position as of 1 January 2019 and is responsible for the financial reporting of Keck Seng (Malaysia) Berhad's North American hotels. His previous work experiences include working for Interstate Hotels and Resorts as Assistant Director of Finance from year 2000 to 2006 and for Hilton Hotels Worldwide as its Director of Finance from year 2006 to 2009.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

INVESTMENT HOLDING

PAUL TSE SEE FAN
Director
Hong Kong

AGE/GENDER	**NATIONALITY**
Age 67/Male	Hong Kong, China

ACADEMIC/PROFESSIONAL QUALIFICATION
Master of Business Administration.

DATE APPOINTED/WORK EXPERIENCE
Paul Tse has been an Executive Director of Keck Seng Investments (Hong Kong) Limited, an affiliate of the Company, since 1979. He also holds directorships in numerous companies within the affiliated Group and is also a Non-Executive Director of Banco Nacional Ultramarino, a note-issuing bank in the Macau Special Administrative Region. Paul Tse was appointed as Director in two (2) of Keck Seng (Malaysia) Berhad's investment holding subsidiaries on 30 January 1981 and 27 December 1984 respectively.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

GROUP FINANCE

REUSON SEET
Group Accountant
Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 49/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Commerce (majoring in Accounting), Curtin University of Technology, Australia;
Chartered Accountant of the Malaysian Institute of Accountants;
Fellow of CPA Australia; and
Associate of the Chartered Tax Institute of Malaysia.

DATE APPOINTED/WORK EXPERIENCE
Reuson started his career as an auditor with Arthur Andersen, where he gained valuable experience in audit, accounting and taxation. In 2000, he joined Keck Seng (Malaysia) Berhad as an Accountant and was subsequently promoted as Group Accountant in 2014. He has more than 20 years of experience in IFRS financial accounting and reporting, group consolidation, tax compliance and planning, risk management and internal controls.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

GAN KIM BUAN
Financial Consultant
Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 73/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Accountancy, National University of Singapore.

DATE APPOINTED/WORK EXPERIENCE
Mr. Gan was appointed as Keck Seng (Malaysia) Berhad's Accountant in July 1975. He is in his current position since 2014.

OTHER DIRECTORSHIP
Listed Issuers : Nil.
Public Companies : Nil.

Save as disclosed above, none of the key senior management team have:
1) *any family relationship with any director and/or major shareholder of the listed issuer;*
2) *any conflict of interests that the person has with the listed issuer; and*
3) *any conviction for offences (other than traffic offences, if any) within the past 5 years or any sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2021.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of Keck Seng (Malaysia) Berhad's Group ("the Group") acknowledges the importance of good corporate governance ("CG") in protecting and enhancing the interest of shareholders and for long-term sustainable growth. The Board and Senior Management, who are responsible for the governance of the Group are committed to ensure good CG practices are adopted and continued.

The Board is pleased to provide you an insight of the Group's CG practices for the financial year ended 31 December 2021 through its CG Overview Statement ("CGOS") and CG Report ("CGR"). The CGOS and CGR are prepared in compliance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities") and guided by Practice Note 9 of the MMLR, the CG Guide (4th edition) issued by Bursa Securities and the revised Malaysian Code on Corporate Governance ("CG Code") issued by the Securities Commission Malaysia on 28 April 2021.

To better understand the Group's CG principles and practices, the CGOS should be read together with the CGR and other statements in the Annual Report ("AR"), including the Statement on Risk Management and Internal Control and the Audit Committee Report. The CGR is available on the Company's website, https://my.keckseng.com and Bursa Securities' website.

ADOPTION OF THE CG CODE

The Company has generally applied the practices under the CG Code for the financial year ended 31 December 2021 ("FY 2021"). Explanations for the departures and alternative measures are disclosed in the CGR. Going forward, the Board will continue to enhance good governance practices.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the overall leadership, values and strategy of the Group. Besides fulfilling its statutory responsibilities, the Board is collectively responsible for the following:

- the Group's overall plan and business strategy;
- providing leadership to the Management;
- overseeing the proper conduct of the Group's businesses to ensure that long-term sustainable value is created for its shareholders and other stakeholders;
- monitoring the performance of the Group through quarterly reviews;
- ensuring the integrity of the Group's financial reporting, adequacy and effectiveness of the risk management and internal control system;
- ensuring that legal and regulatory compliance are in place; and
- succession plans are considered.

Differentiation between Executive Directors and Independent Non-Executive Directors:

Executive Directors	Independent Non-Executive Directors
• Plan the business directions of the Group. • Make and implement decisions. • Deal with day-to day operational matters.	• Provide independent judgement, scrutiny, experience and objectivity. • Challenge constructively on decisions proposed or made by the Executive Directors or the Management. • Actively involved in the various Board Committees.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

The governance structure of the Board is as follows:

BOARD OF DIRECTORS
Responsible for the overall directions and performance of the Group
Has oversight on matters delegated to the Management

[4 Executive Directors ("EDs"); 1 Non-Independent Non-Executive Director ("NINED"); and 5 Independent Non-Executive Directors ("INEDs")]

AUDIT COMMITTEE ("AC")	NOMINATING COMMITTEE ("NC")	REMUNERATION COMMITTEE ("RC")
Oversees financial reporting process, risk management & internal control, sustainability matters, related party transactions and conflict of interest	Oversees matters pertaining to the nomination and appointment of Directors and the annual assessment of the Board, Board Committees and individual Directors	Oversees matters pertaining to Directors remuneration
[5 INEDs]	[5 INEDs]	[5 INEDs]

The Board has constituted three (3) Board Committees, namely AC, NC and RC, to effectively discharge its function and responsibilities. The Board is informed of the activities of the Board Committees by the respective Board Committee chairman. The Board Committees' meeting minutes are presented to the Board for notation. Further details on the work of the AC, NC and RC are provided in the respective sections of this AR.

Principal matters considered by the Board in FY 2021 were:

Strategic matters	Governance matters	Financial and other matters
• Business performance, continuity and directions • Succession planning • Dividend decisions	• Board diversity • Corporate statements and reports review • Annual evaluation on Board, Board Committees and individual Director • Internal audit and risk assessment analysis reports review • Adapting the use of digital tools for communications and shareholders' engagement • Adoption of applicable CG Code practices • Overseeing the management of COVID-19 risks	• Quarterly and annual audited financial statements of the Group including announcements

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

CG in FY 2022 and beyond:

- Monitor business performance, continuity and directions.
- Explore new business opportunities including business diversifications.
- Continue succession planning for Board and Key Senior Management.
- Align policies and procedures with applicable new laws and regulations.
- Assess non-application of CG practices for adoption.

Chairman and Managing Director's Role

To be effective, clarity of various roles and responsibilities of individual directors must exist. A clear division of responsibilities has been established between the Executive Chairman ("EC") and Managing Director ("MD"). The positions are held by different individuals to ensure that there is a balance of power and authority. Both the EC and MD are not members of the Board Committees.

The EC is responsible for leading and ensuring Board effectiveness, governance and conduct. With the assistance of the Company Secretary, Board meetings are scheduled in advance and clear information are disseminated to Board members, enabling the Board to perform its duties effectively. The EC acts as a facilitator during the Board meetings, encourages constructive relationships between the Board members and ensures that open, healthy and effective debates are held by allowing sufficient time to be given on deliberation of issues.

The MD fulfills the Chief Executive Officer's role. He is overall responsible for the financial performance and development of the Group. The MD oversees the Group's day-to-day operations and ensures effective implementation of policies and strategies adopted by the Board throughout the entire organisation. The MD is supported in this role by Key Senior Management.

Details of the EC and MD's roles are clearly stated in the Company's Board Charter which is available at the Company's website.

Company Secretaries

The Board is supported by three (3) suitably qualified and experienced Company Secretaries who are members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) and are qualified to act as company secretary under Section 235(2)(a) of the Companies Act 2016.

All Directors have direct access to the advice and services of the Company Secretaries. The Company Secretary(ies) attend(s) all Board meetings and are responsible to ensure that all Board and Board Committees' meeting procedures are adhered to, deliberations and conclusion are recorded. The minutes of the previous Board meetings are distributed prior to Board meetings for their perusal before confirmation of the minutes.

The Company Secretaries provide advice on the Company's Constitution, laws, rules, governance practices, procedures and regulations including Directors' disclosure obligations as well as assisting in the induction of new Directors and professional development as required. They also facilitate the effective flow of information between the Board, Board Committees and relevant management parties.

Together with the Board, the Company Secretaries ensure compliance with the Companies Act 2016 and relevant laws and regulations applicable to the Company.

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board is satisfied with the support rendered by the Company Secretaries to the Board in discharging their duties.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

Access to Information and Advice

The Board has unrestricted access to timely and accurate information relevant to matters that will be deliberated at Board meetings. The information is not restricted to quantitative information but may include other information deemed suitable.

All Directors are furnished with Board papers at least seven (7) days prior to each Board meeting. Sufficient time is given to enable the Directors to understand the matters to be deliberated on, and where necessary, to obtain further explanation, information or be properly briefed before the meeting. The Board papers encompass all aspects of the matters being considered, enabling the Board to look at both the quantitative and qualitative factors so that informed decisions are made.

In furtherance of their duties, where necessary and in appropriate circumstances, the Board is entitled to seek independent professional advice at the Company's expense to enable it to discharge its responsibilities effectively. The Directors are also accessible to the Management for information and exchange of views outside formal Board meetings.

Board and Board Committee Charters

The Board Charter acts as a source of reference and primary induction material in providing insights to Board members and Senior Management. It defines, among others, the Board's objectives, roles, responsibilities, individual and collective authorities of the Board, its committees and meeting procedures.

Apart from the Board's responsibilities mentioned on pages 26 to 28, the Board reserves specific decision rights on matters relating to:

- Conflict of interest issues;
- Material acquisitions and disposition of assets not in the ordinary course of business;
- Significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Authority limits;
- Treasury policies;
- Risk management policies; and
- Key human resource issues.

The abovementioned matters are not conclusive and may be amended by the Board, where necessary.

The Board Committee Charters encompass the respective Committees' responsibilities and authorities. The Board Charter and Board Committee Charters are periodically reviewed and updated in accordance with the needs of the Company or when changes arise in the corporate and business environment. The Board and Board Committees Charters are available on the Company's website.

All other matters not specifically reserved for the Board or the Board Committees but are necessary for the day-to-day operations of the Group have been delegated to the Management. The Management's responsibilities conferred by the Board are delegated through the MD and is under the MD's purview.

The responsibilities of the Management are to ensure that:

- Strategic plans are formulated and implemented;
- Strategic objectives are met;
- Risk and sustainability management processes are upheld;
- Effective internal control systems are in place;
- Succession plans are in place;
- Legal and statutory requirements are met;
- Policies and procedures are drawn up, reviewed and updated, where necessary; and
- Timely, accurate and clear financials and information are maintained and available.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

I. Board Responsibilities (cont'd)

Code of Conduct, Anti-Bribery & Anti-Corruption and Whistleblowing Policy

Our commitment to uphold high ethical standards and professional conduct at all times is reflected from the establishment of the following Code and Policies:

- Code of Conduct ("COC") – sets the ethical and professional standards required of the Board and our employees. The COC covers employment and behavioral standards, work environment, fairness, ethical standards, anti-bribery, anti-corruption, environment and safety and health;
- Anti-Bribery & Anti-Corruption ("ABAC") Policy – sets out the parameters on unacceptable activities/practices and guidance on how to deal with such issues that may arise in the course of conducting business. The ABAC Policy is applicable to all Directors, employees and stakeholders who are performing work or services for and on behalf of the Group; and
- Whistleblowing Policy – provides a structured mechanism by which an individual, may in confidence, raise genuine concerns about possible improprieties in financial reporting, breaches in legal obligations, misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. Complaints can be channelled to the Head of Internal Audit, who reports directly to the AC.

The COC, ABAC and Whistleblowing Policies are available on the Company's website.

Sustainable Practices

As the Board is accountable to its shareholders and stakeholders for the conduct and long-term success of the Group and Company, the plans and business strategies that it forms must ensure that sustainable issues are considered. It is committed in ensuring that there is proper governance throughout the Group and our operations do not detrimentally impact society and environment.

Through the Management's engagements with relevant stakeholders, sustainability risks and opportunities are identified prior to any decision making and implementation of plans and strategies.

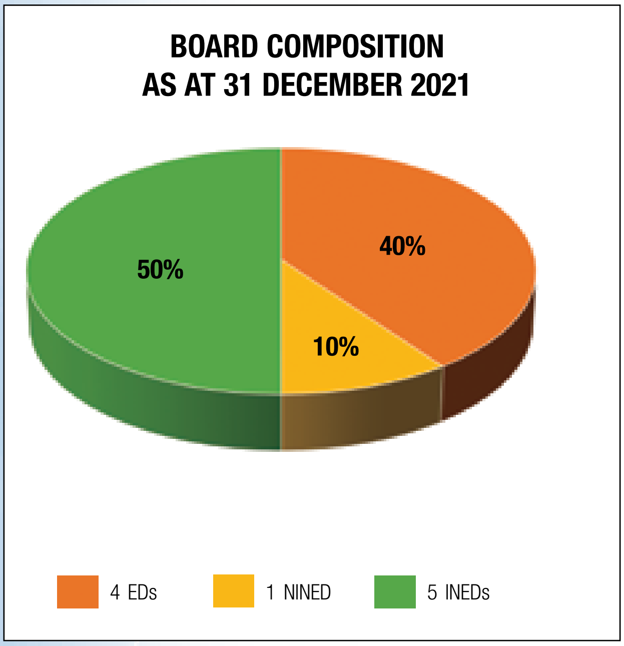
Our shareholders and stakeholders are kept abreast with the Group's sustainable efforts through our Sustainable Statement featured in this Annual Report. Reference can be made on our sustainable practices including our corporate social responsibility initiatives in the Sustainability Statement on pages 55 to 68.

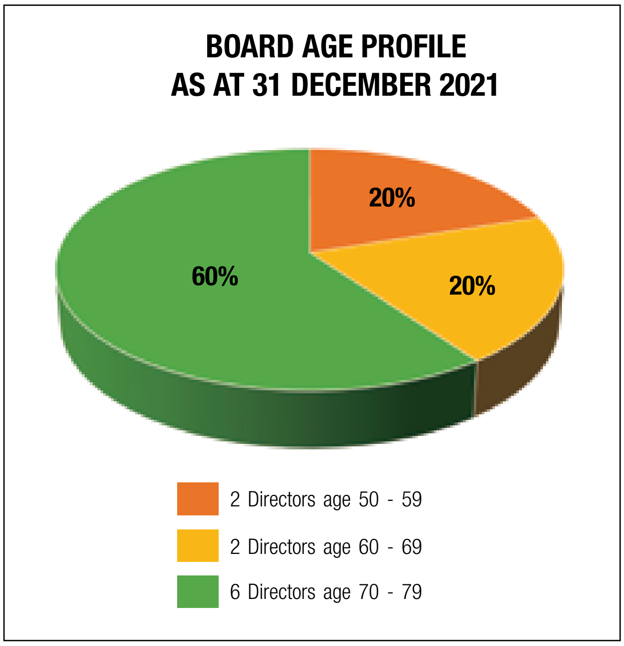
The Board keeps abreast with sustainable related issues through their interaction with Key Senior Management, sustainability related articles and via professional development updates. Please refer to pages 36 to 39 for details of the Directors' training and professional development.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition



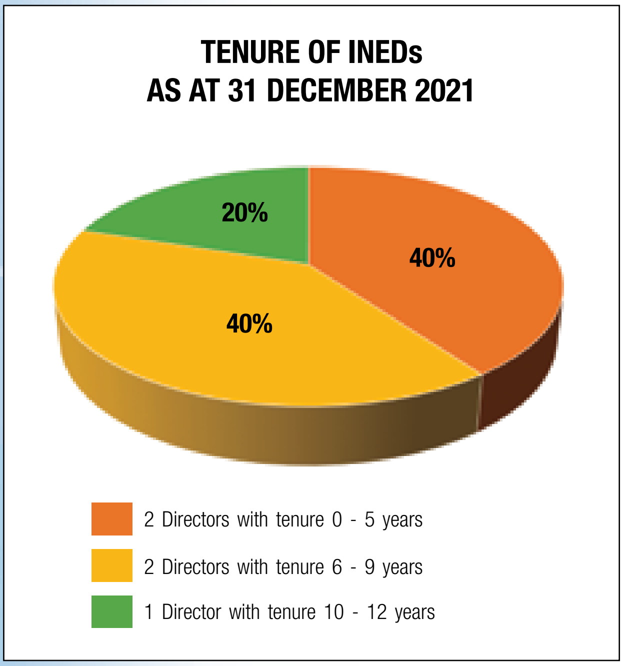


Independent Directors

The composition of the current Board meets the requirements of Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher to be Independent Directors. This ensures that no individual or a group of Directors can dominate the decision-making process and thus, safeguards the interest of the shareholders.

The INEDs play an important role in corporate accountability because they provide objective and independent judgement, bring strategic guidance and constructive challenges to the Management.

Mr. Too Hing Yeap @ Too Heng Yip is the appointed Senior Independent Non-Executive Director ("SID"), to whom shareholders or stakeholders may convey their concerns if there are reasons that the normal channel of communication is considered to be inappropriate or inadequate.



The Board together with the NC have performed an annual assessment of the INEDs and concluded that each of the INED remains independent as they are able to exercise independent and objective judgement on commercial and corporate governance matters and there are no business or other relationships likely to affect the independence of the INEDs.

Further to the annual assessment, each of the INED has also submitted an annual independence declaration. The NC and the Board are of the view that the INEDs remain independent.

The Board and NC know that long-serving Board members contribute significantly to the stability and pool of experience of the Board. It is mindful that the exit of such members may result in a significant loss of experience and expertise to the Company. It is of the view that the ability of an Independent Director to exercise independent judgement is not affected by the length of his service.

The Board advocates that the two-tier voting process will not be conducted but will seek the shareholders' approval at each Annual General Meeting ("AGM") for the re-appointment of Independent Directors who have served the Board for more than nine (9) years.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Independent Directors (cont'd)

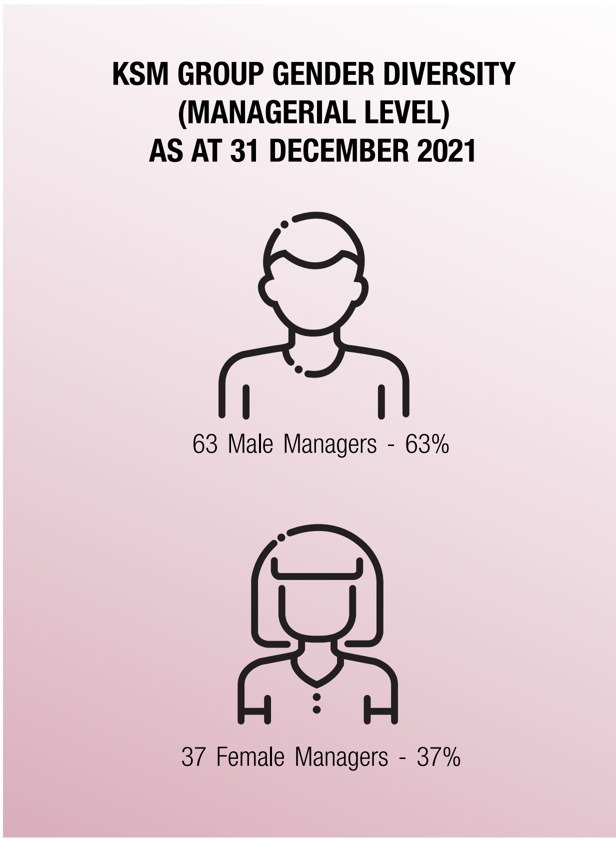
Both the Board and NC have assessed the independence of Mr. Too Hing Yeap @ Too Heng Yip who has served as INED of the Company since 27 April 2010 and has reached the 12-year limit on 27 April 2022. The Board agreed to seek shareholders' approval at the forthcoming 52nd AGM, for the re-appointment of Mr. Too Hing Yeap @ Too Heng Yip as INED, the detailed justifications for retention of Mr. Too Hing Yeap @ Too Heng Yip are set out in the CGR.

Notwithstanding that, the Board took cognisance of the recent amendments on the MMLR on long-serving INED (with tenure of more than twelve (12) years) where the long-serving INED must resign or re-designated as Non-Independent Director by 1 June 2023. The Board will assess, source and identify a suitably qualified candidate in replacement thereto.

Diversity

The Board recognises the value of appointing individual directors who bring diverse skills, knowledge, expertise and opinions. When considering for suitable candidates, the NC takes into consideration the candidate's skills, knowledge, expertise, experience, professionalism, integrity, competencies, independence and diversity (including gender diversity, ethnicity and age).

The Company's current Board members, provides the Board with a mixed industry-specific knowledge, broad business and commercial experience that is required to govern the Group effectively. The Directors are professionals in the fields of business management, banking, finance, accounting, audit, commodities and securities, legal, internal control, corporate governance, property development, agriculture and health and safety. They also bring informed, independent and balanced perspective to the Group's strategy and performance so as to ensure that the Group maintains the highest standards of conduct and integrity.



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Diversity (cont'd)

Even though the Company does not set any specific target for boardroom gender diversity, the Board is committed to provide fair and equal opportunities to suitable candidates. This is evidenced from the appointment of Dato' Dr. Zaha Rina Binti Zahari during the financial year.

The Group and the Company strive to promote a culture of diversity, respect and equal opportunity, where employees can succeed based on personal ability and contribution. A diverse workforce would enable the Group to have a competitive edge by providing access to new ideas, better decision making and the ability to attune to a variety of customers and cultures. The Company has in place a Diversity Policy which outlined its approaches to achieving and maintaining diversity (including gender diversity, ethnicity and experience) on its Board and Senior Management positions.

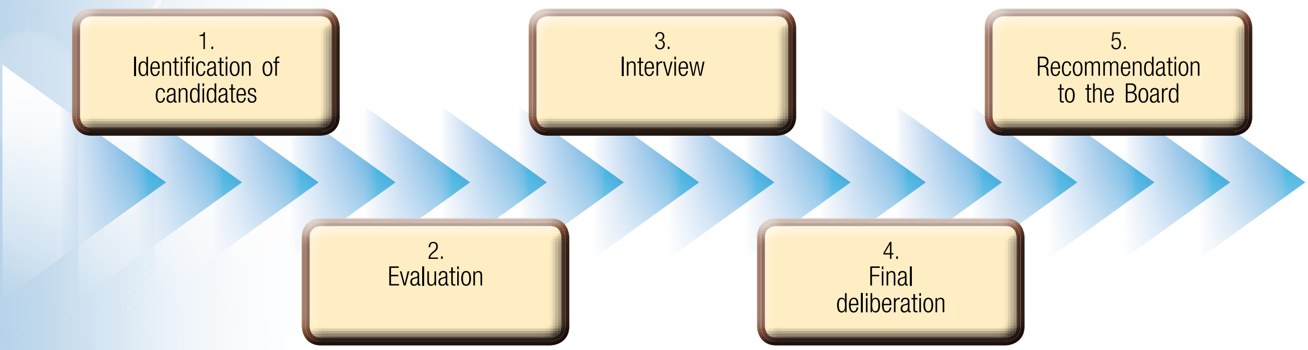
The Group's employees spread across all age brackets, represent a variety of nationalities, genders, cultural background, skills and experience. An analysis of the Group's manpower is disclosed in the Sustainability Statement on pages 55 to 68 of this AR.

Appointments and Annual Assessment

The NC was established by the Board to ensure a formal and transparent procedure is in place for the appointment and re-appointment of Directors of the Company.

It is entrusted to review the composition of the Board and empowered to bring to the Board recommendations as to the appointment of any new executive or non-executive director, provided that the Chairman of the NC, in developing such recommendations, consults all Directors and reflects that consultation in any recommendation of the NC brought forward to the Board. Candidates considered for appointment as Director may be facilitated through recommendations from Directors, Management, advisors or external parties including business associates.

The established nomination process involves the following five (5) stages:



The NC has direct access to the advice and services of the Company Secretary who is responsible for ensuring that all appointments and re-appointments are properly executed and all necessary information are obtained and documented and for the shareholders to make an informed decision, where relevant and necessary.

All newly appointed Directors will also undergo induction programmes that may include visits to key locations and meetings with key management and/or attend suitable training programmes. Throughout their period in office, the Directors will be updated on the Group's business, the competitive and regulatory environments in which it operates and other changes, by written briefings and meetings. The Directors will also be advised of their legal and other obligations as Directors of a listed company.

During the financial year ended 31 December 2021, following the demise of Maj-Gen (R) Dato' Muhammad Bin Yunus, Dato' Dr. Zaha Rina Binti Zahari was appointed as the new INED on 26 August 2021. Even though her candidacy was recommended by the Board members, the Board fully supports her appointment as the new INED after considering her qualification, skills set, competency and experience.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Appointments and Annual Assessment (cont'd)

In accordance with the Company's Constitution, all newly appointed directors are subject to re-election by the shareholders at the next AGM subsequent to their appointment. The Constitution also provides that at least one-third (1/3) of the Board including the MD is subject to re-election at each AGM and at least once in every three (3) years.

All Directors are expected to devote sufficient time in discharging their duties and responsibilities to meet the time commitment criteria set. Thus, all the Directors' directorship in listed issuers should not exceed five (5). Directors must consult the Chairman of the Board prior to accepting any new directorship on listed issuers and notify the Board on any changes to their external appointment. The Directors are required to disclose and update their directorship and shareholdings in other companies as and when necessary. For details of the Directors' other directorship, please refer to Directors' profile on pages 9 to 18 of this AR.

Meetings for each financial year are scheduled in advance for the Directors to plan their schedule ahead. The Board meets at least four (4) times a year at regular intervals. Additional meetings are held as and when required. The Directors are expected to attend all Board and Board Committee meetings except for exceptional circumstances such as personal commitments or health reasons, it is recognised then that the Director is unable to attend.

The NC facilitates the annual assessment of the Board, Board Committees and individual Director's performance and effectiveness based on a set of predetermined criteria.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Board and Board Committees Membership and Meeting Attendance

For the financial year ended 31 December 2021, the Board and Board Committees members have discharged their duties and responsibilities through their attendance at the respective virtual meetings set out in the table below:

Members	Board	AC	NC	RC
Mr. Ho Kim Swee @ Ho Kian Guan Executive Chairman	5/5			
Dato' Ho Cheng Chong @ Ho Kian Hock *(Alternate: Mr. Ho Chung Kain [He ChongJing])* Managing Director	5/5			
Mr. Ho Eng Chong @ Ho Kian Cheong *(Alternate: Mr. Ho Chung Kiat, Sydney [He ChongJie, Sydney])* Non-Independent Non-Executive Director	5/5			
Mr. Chan Lui Ming Ivan *(Alternate: Mr. Ho Chung Tao)* Executive Director	4/5			
Ms. Lee Huee Nan @ Lee Hwee Leng *(Alternate: Mr. Ho Chung Hui)* Executive Director	5/5			
Mr. Too Hing Yeap @ Too Heng Yip Senior Independent Non-Executive Director	5/5	5/5	2/2	1/1
Mr. Tai Lam Shin Independent Non-Executive Director	5/5	5/5	2/2	1/1
Encik Mahathir Bin Mohamed Ismail Independent Non-Executive Director (appointed as RC Chairman on 26 August 2021)	5/5	5/5	2/2	1/1
Mr. Liew Foong Yuen Independent Non-Executive Director	5/5	5/5	2/2	1/1
Dato' Dr. Zaha Rina Binti Zahari Independent Non-Executive Director (appointed on 26 August 2021)	1/1	1/1	-	1/1
Maj-Gen (R) Dato' Muhammad Bin Yunus Independent Non-Executive Director (demised on 7 June 2021)	2/3	2/3	1/1	-

Chairman of the Board / Chairman of Board Committees

Member

All Directors have complied with the minimum requirements on attendance at Board meetings as stipulated under the MMLR. The Board and NC are satisfied with the level of commitment given by the Directors in fulfilling their duties and responsibilities.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Summary of activities of the NC for the financial year

During the financial year ended 31 December 2021, the NC has carried out the following activities:

- Reviewed the composition and dynamics of the Board and Board Committees and it was satisfied that:
  - ➢ the Board possesses the required mix of skills, experience, competencies and other qualities needed by the Group for its core business activities; and
  - ➢ the respective Board Committees have the necessary skills set, experience, competencies and other qualities to undertake the duties and responsibilities defined in the respective Committees' Charters.
- Conducted internally an annual assessment that comprises performance, independence and peer and self-evaluations of the individual Directors, Board and Board Committees collectively. The assessment exercise was facilitated by the Company Secretary. The assessment process encompasses the completion of questionnaires, collation of results, preparation of findings and deliberations.
- Based on the results of the assessments, no major findings were identified. The NC was satisfied with the performance and effectiveness of the Board and Board Committees respectively.
- Obtained from each INED an annual independence declaration.
- Reviewed, evaluated and recommended Dato' Dr. Zaha Rina Binti Zahari to be appointed as a new INED to the Board for approval.
- Reviewed the terms of office and performance of the AC and each of its members pursuant to the MMLR of Bursa Securities.
- Reviewed the details of trainings accomplished by the Directors and determined the training needs of each Director.
- Reviewed and recommended the re-election of Directors at the forthcoming AGM.
- Reviewed and recommended the retention of INED who have served as INED of the Company for a cumulative term of more than (9) years for shareholders' approval.

Directors' Professional Development

In order to contribute effectively, the Directors are keeping abreast with relevant regulatory developments by attending webinars, seminars, conferences or dialogues organised by relevant regulatory authorities, professional bodies or commercial training providers. During the financial year under review, the Directors have attended the following webinars/seminars/conferences/dialogues:

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Directors' Professional Development (cont'd)

	Webinars/Seminars/Conferences/Dialogues Attended																	
Topic Reference / Members	1-6	7-8	9-11	12	13-18	19	20-25	26	27-28	29	30-32	33	34	35	36-37	38	39	40
Mr. Ho Kim Swee @ Ho Kian Guan													✔				✔	
Dato' Ho Cheng Chong @ Ho Kian Hock *(Alternate: Mr. Ho Chung Kain [He ChongJing])*												✔	✔				✔	
Mr. Ho Eng Chong @ Ho Kian Cheong *(Alternate: Mr. Ho Chung Kiat, Sydney [He ChongJie, Sydney])*													✔				✔	
Mr. Chan Lui Ming Ivan *(Alternate: Mr. Ho Chung Tao)*													✔				✔	
Ms. Lee Huee Nan @ Lee Hwee Leng *(Alternate: Mr. Ho Chung Hui)*													✔				✔	
Mr. Too Hing Yeap @ Too Heng Yip													✔					
Mr. Tai Lam Shin		✔		✔		✔		✔		✔			✔		✔			✔
Encik Mahathir Bin Mohamed Ismail													✔					
Mr. Liew Foong Yuen													✔					
Dato' Dr. Zaha Rina Binti Zahari	✔		✔		✔		✔		✔		✔		✔	✔		✔		
Mr. Ho Chung Kain (He ChongJing)													✔				✔	
Mr. Ho Chung Hui													✔				✔	
Mr. Ho Chung Tao													✔				✔	
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney)													✔				✔	

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Directors' Professional Development (cont'd)

Topic Reference – Webinars/Seminars/Conferences/Dialogues attended:

Topics	*Date*
1. Awareness Briefing on MACC Act Section 17A and Adequate Procedures	15/01/2021
2. Covid-19's Impact on Trade	15/02/2021
3. Get Ready for the Current Global Financial Crisis	16/02/2021
4. Covid-19 Pandemic: The Black Swan Theory and Butterfly Effect on World Economy	18/02/2021
5. The Legend of Huawei	18/02/2021
6. Dialogue Session with Minister in the Prime Minister's Department (Economy), YB Minister Dato' Sri Mustapha Bin Mohamed: MyDIGITAL & Rangka Tindakan (Blueprint) Ekonomi Digital Malaysia	23/03/2021
7. Baker Tilly Malaysia Transfer Pricing Webinar	05/04/2021
8. The Malaysian Transfer Pricing Developments	12/04/2021
9. France – Malaysia Business Outlook and Opportunities	15/04/2021
10. PwC 24th Global CEO Survey Webinar	26/04/2021
11. Cybersecurity training	18/05/2021
12. Share Registration Practical Issues	24/05/2021
13. Dialogue Session with Chairman of Security Commission Malaysia, Datuk Syed Zaid Albar: The Malaysian Capital Market – Towards a More Sustainable Economy	25/05/2021
14. Dialogue Session with His Excellency Roland Galharague, Ambassador of France to Malaysia: France – The Gateway to EU Trade and Investment Post- Brexit	21/06/2021
15. JC3 Flagship Conference by Bank Negara Malaysia & Security Commission Malaysia: Sustainability as a Business Strategy for FIs JC3 Outcomes and Implications for Financial Institutions Sustainable Finance for the Private Sector	23/06/2021- 25/06/2021
16. Conversation with YBhg Datuk Seri Amir Hamzah Azizan, CEO of EPF & Group Managing Director of MIDF, Dato' Charon Bin Mokhzani: Economic Development and Relevant Public Policies	02/07/2021
17. ATxSummit 2021 & ATxAI Conference: Redefining Tech for a Better Future	13/07/2021- 16/07/2021
18. Rethinking Balance Sheet	30/07/2021
19. Guidelines for Reporting Framework for Beneficial Ownership of Legal Person in Malaysia	03/08/2021
20. Conversation with YBhg Pro Dato' Dr Adeeba Kamarulzaman, a prominent infectious diseases expert and public health advocate: Women Empowerment & Quality of Public Health Care	05/08/2021

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Directors' Professional Development (cont'd)

Topic Reference – Webinars/Seminars/Conferences/Dialogues attended: (cont'd)

Topics	***Date***
21. Maritime and Insolvency Talk	*11/08/2021*
22. Conversation with Mr. Adrian Ong, CEO of Mr DIY: Strategy to drive growth, deliver value and achieve operational efficiencies amidst the current global pandemic	*19/08/2021*
23. Director as Gatekeeper of Market Participant	*06/09/2021*
24. Risk Oversight and Compliance	*09/09/2021*
25. Emerging and Current Regulatory Issues in the Capital Market	*10/09/2021*
26. Bursa Malaysia Climate Change Thematic Workshop: Practical Steps in Measuring & Managing Greenhouse Gas (GHG) Emissions (Scope 1, 2 & 3)	*14/09/2021*
27. Rethinking Balance Sheet Series	*17/09/2021*
28. Conversation with YBhg Dato' Dr Hartini Zainudin, Co-founder of Yayasan Chow Kit: Struggles and challenges attending to the needs of migrant and refugee children and families issues	*23/09/2021*
29. Post Pandemic World Challenges & Opportunities	*29/09/2021*
30. The role of Directors and Senior Management in keeping the Group Anti-Corruption System Strong	*07/10/2021*
31. Financing, Funding & Grants for SMEs in Turbulent Times	*12/10/2021*
32. Rebuilding A Sustainable Economy – Economic Forum	*14/10/2021*
33. Updated Malaysian Code on Corporate Governance 2021; Securities Commission Guidelines on the Conduct of Directors of Listed Corporations and their Subsidiaries; Environmental, Social and Governance Trends; and Cyber-security Awareness.	*22/10/2021*
34. Detecting Financial Fraud and Business Transformation.	*29/10/2021*
35. Restructuring Distressed SMEs / Budget 2022	*02/11/2021*
36. Deloitte TaxMax – The 47th Series Seminar	*23/11/2021- 24/11/2021*
37. Payment to Directors – what's allowed and what's disallowed	*03/12/2021*
38. Dialogue with Governor of Bank Negara Malaysia: Opportunities and Challenges to cross-border investments and trade	*03/12/2021*
39. 2022 Budget Highlights	*08/12/2021*
40. Engagement Letter to Client with Indemnity for Company Secretaries & Tax Agents – Sample & Templates + Online Cloud Automation Digital Tools	*22/12/2021*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration

Remuneration of Directors and Senior Management

The Executive Directors' remuneration packages are structured to ensure that they are competitive and sufficient to attract, retain and motivate people of calibre, expertise and relevant experience to manage the Company in a competitive environment.

Directors' fees and benefits paid reflect the individual director's attendance, responsibilities and contribution levels of individual members in respective Board and Board Committees in terms of statutory duties, fiduciary duties, risk, intensity/complexity of works, time commitment and effort.

The Key Senior Management's remuneration packages are well-structured and clearly linked to the strategic objectives of the Group, measured against financial and non-financial key performance indicators. Their remuneration packages are reviewed annually together with the other employees' annual increment evaluation and is under the purview of the MD.

The EDs' and Key Senior Management's bonuses are dependent on the performance of the Group. Their remuneration packages consist of basic salary, bonuses, allowances and benefits-in-kind ("BIK").

In order to hold the Executive Directors and Key Senior Management accountable for the management and oversight of the Group's sustainability, the Key Performance Indicator of Executive Directors and Key Senior Management will include performance in managing material sustainability risks and opportunities.

The Remuneration Policy is available on the Company's website.

For the financial year ended 31 December 2021, the RC:

- Reviewed the remuneration package of EDs; and
- Reviewed and recommended the remuneration packages of the Non-Executive Directors to the Board, save and except where the remuneration is in respect of any member or members of this Committee.

All Directors' fees are determined by the Board and approved by the shareholders at the AGM.

The Company has adopted the fixed board fees plus set fees for chairperson or members of a committee. The structure of the fees payable to Directors of the Company for the financial year ended 31 December 2021 is as follows:

	Fees per annum (RM)			
Appointment	**Board**	**AC**	**NC**	**RC**
Chairman	115,000	25,000	20,000	20,000
Member	85,000	15,000	10,000	10,000

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration (cont'd)

Remuneration of Directors and Senior Management (cont'd)

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the financial year ended 31 December 2021 are as follows:

The Group	Salaries	Fees	Bonus	Others (*)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Executive					
Mr. Ho Kim Swee @ Ho Kian Guan	1,484	119	474	97	**2,174**
Dato' Ho Cheng Chong @ Ho Kian Hock	3,388	101	1,038	385	**4,912**
Mr. Chan Lui Ming Ivan	-	101	151	31	**283**
Ms. Lee Huee Nan @ Lee Hwee Leng	339	101	113	72	**625**
Mr. Ho Chung Kain (He ChongJing)	499	16	113	81	**709**
Mr. Ho Chung Hui	499	16	113	81	**709**
Non-Executive					
Mr. Ho Eng Chong @ Ho Kian Cheong	-	85	-	9	**94**
Mr. Too Hing Yeap @ Too Heng Yip	-	140	-	17	**157**
Mr. Tai Lam Shin	-	120	-	17	**137**
Encik Mahathir Bin Mohamed Ismail	-	123	-	17	**140**
Mr. Liew Foong Yuen	-	120	-	17	**137**
Dato' Dr. Zaha Rina Binti Zahari (appointed on 26 August 2021)	-	40	-	4	**44**
Maj-Gen (R) Dato' Muhammad Bin Yunus (demised on 7 June 2021)	-	65	-	6	**71**
Mr. Ho Chung Tao	-	-	-	-	**-**
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney)	-	-	-	-	**-**
Total	6,209	1,147	2,002	834	**10,192**

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration (cont'd)

Remuneration of Directors and Senior Management (cont'd)

The Company	Salaries	Fees	Bonus	Others (*)	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Executive					
Mr. Ho Kim Swee @ Ho Kian Guan	1,233	115	411	74	**1,833**
Dato' Ho Cheng Chong @ Ho Kian Hock	2,740	85	913	329	**4,067**
Mr. Chan Lui Ming Ivan *[N1]*	-	85	151	31	**267**
Ms. Lee Huee Nan @ Lee Hwee Leng	339	85	113	72	**609**
Non-Executive					
Mr. Ho Eng Chong @ Ho Kian Cheong	-	85	-	9	**94**
Mr. Too Hing Yeap @ Too Heng Yip	-	140	-	17	**157**
Mr. Tai Lam Shin	-	120	-	17	**137**
Encik Mahathir Bin Mohamed Ismail	-	123	-	17	**140**
Mr. Liew Foong Yuen	-	120	-	17	**137**
Dato' Dr. Zaha Rina Binti Zahari (appointed on 26 August 2021)	-	40	-	4	**44**
Maj-Gen (R) Dato' Muhammad Bin Yunus (demised on 7 June 2021)	-	65	-	6	**71**
Mr. Ho Chung Kain (He ChongJing) *(Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock) [N2]*	339	-	113	81	**533**
Mr. Ho Chung Hui *(Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng) [N3]*	339	-	113	81	**533**
Mr. Ho Chung Tao *(Alternate to Mr. Chan Lui Ming Ivan)*	-	-	-	-	**-**
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney) *(Alternate to Mr. Ho Eng Chong @ Ho Kian Cheong)*	-	-	-	-	**-**
Total	4,990	1,063	1,814	755	**8,622**

(*) Others – Include benefits-in-kind, allowances and EPF contributions on salary and bonus by employer.

[N1] – On unpaid sabbatical leave during the financial year under review.

[N2] – Remuneration paid by virtue of his position as General Manager of Keck Seng (Malaysia) Berhad.

[N3] – Remuneration paid by virtue of his position as Commercial/Corporate Director of Keck Seng (Malaysia) Berhad.

The remuneration details for Key Senior Management are not disclosed on a named basis, as the Board is of the view that it would not be in the best interest of the Group given the competitiveness in the market.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

III. Remuneration (cont'd)

Remuneration of Directors and Senior Management (cont'd)

The remuneration of the top five (5) Key Senior Management is as follows:

Remuneration Band	No. of Pax
RM0 to RM300,000	-
RM300,001 to RM350,000	1
RM350,001 to RM450,000	-
RM450,001 to RM500,000	1
RM500,001 to RM550,000	1
RM550,001 to RM600,000	1
RM600,001 to RM650,000	1
Total	**5**

Note: Remuneration of certain Key Senior Management Personnel have been paid in foreign currencies and converted at the exchange rates prevailing at year end.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Audit Committee Composition

The Audit Committee ("AC") comprises solely of five (5) Independent Non-Executive Directors and is chaired by Mr. Too Hing Yeap @ Too Heng Yip, the Senior Independent Non-Executive Director, who is distinct from the Chairman of the Board.

External Auditors' Independence

The Board has through the AC, established a transparent and professional relationship with its External Auditors in seeking professional advice and ensuring compliance with the applicable Malaysian Financial Reporting Standards and Companies Act 2016. A copy of the policy to assess the independence of the External Auditors is accessible via the Company's website.

To avoid any conflict of interest and independence, a former key audit partner can only be appointed as a member of the AC after a cooling off period of at least two (2) years. None of the current AC member was a former key audit partner of the Company's existing auditing firm or corporation.

Related Party Transactions

The AC has reviewed the related party transactions of the Group to ensure that these transactions are conducted at arm's length, fair, reasonable and in the best interest of the Group and not detrimental to the interest of the minority shareholders. The Directors are aware that they have to declare their respective interests in transactions with the Group and the Company, if any and abstain from deliberation and voting on the relevant resolution in respect of such transactions.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

I. Audit Committee (cont'd)

Financial Reporting

The Board is responsible for presenting a fair assessment of the Group and Company's position and prospects through quarterly reports to Bursa Securities and the AR to shareholders. The Board is required under Paragraph 15.26(a) of the MMLR of Bursa Securities to issue a statement, which is appended below, explaining its responsibility for preparing the annual audited financial statements.

The AC assists the Board by overseeing, monitoring and assessing the reliability and quality of the financial statements and financial reporting practices.

Directors' Responsibility Statement In Relation To The Financial Statements

The Directors are responsible to ensure that the Group and the Company's annual audited financial statements for the financial year are drawn up in accordance with the applicable Financial Reporting Standards and the provisions of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and the Company as at 31 December 2021 and of the financial performance and cash flows of the Group and the Company for the financial year.

In preparing for the abovementioned statements, the Directors have ensured that:

- appropriate accounting policies have been adopted and applied consistently;
- judgements and estimates made are reasonable and prudent;
- all applicable approved accounting standards have been adopted, subject to any material departures disclosed in the notes to the financial statements;
- impact of new accounting standards or policies that became effective during the year is stated in the notes to the financial statements;
- financial statements have been prepared on a going concern basis;
- reasonable steps have been taken to ensure that the Group and the Company maintain proper accounting and other records as required by the Companies Act 2016 and disclosed with reasonable accuracy the financial position of the Group and the Company;
- assets of the Group and the Company are safeguarded; and
- steps are taken to prevent and detect fraud, irregularities and material misstatements.

The Directors are satisfied that the Group and the Company's quarterly and annual financial results which are released to shareholders, within the stipulated time frame reinforce the Board's commitment to provide a true and fair view of the Group and Company's state of affairs.

II. Risk Management and Internal Control Framework

Risk Management and Internal Control Function

The Board is responsible for establishing and maintaining a sound system of risk management and internal control to ensure that the shareholders' investments, stakeholders' interests and assets of the Group are safeguarded. It directs the Group in managing risks and determines the level of risk that the Group is willing to accept in the conduct of its business activities.

The AC assist the Board in overseeing the Group's risk management and internal control function, evaluating the adequacy and effectiveness of the Group's system of risk management and internal control, reviewing the key risks identified to ensure that adequate measures are in place to mitigate those risks and monitoring these risks.

The activities of the AC with regard to the Group and Company's risk management and internal control for the financial year ended 31 December 2021 are separately set out in the AC Report on pages 47 to 51.

Risk and Sustainability Committees ("RSC") are established by the respective operating business units to assist the MD in ensuring that risk and sustainability management processes are in place. Each RSC will identify, evaluate, monitor and manage key risks and sustainability matters. Risk and sustainability assessment meetings are held based on the annually approved work programme. The management of the system of risk management and internal control are outlined in the Statement on Risk Management and Internal Control on pages 52 to 54.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II. Risk Management and Internal Control Framework (cont'd)

Internal Audit Function

The Group's internal audit function is carried out by its dedicated in-house Internal Audit Department ("IAD"). The IAD reports directly to the AC and supports the Committee in discharging its responsibility. This line of reporting promotes independence and allows the IAD to have unrestrictive access to operations, records, property and personnel within the Group.

The appointments and resignations of the internal auditors are under the purview of the AC. The IAD consist of professional and accounting graduates and is headed by the Head of Internal Audit, who is a qualified Accountant registered with the Malaysian Institute of Accountants, Fellow member of the Chartered Certified Accountants, UK and The Institute of Internal Auditors, Malaysia respectively.

All the Internal Audit members are free from any relationship with any Director and/or major shareholder of the listed issuer and from any conflict of interests with the listed issuer, which could impair their objectivity and independence.

The internal audit was conducted using a risk-based approach and in accordance with a recognised framework, i.e. International Professional Practice Framework (IPPF). The activities of the IAD for the financial year ended 31 December 2021 are guided by the Internal Audit Charter and Annual Audit Plan. These activities are separately set out in the AC Report on pages 47 to 51.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Engagement with Stakeholders

Strengthening Relationship with Stakeholders

As guided by the MMLR's Continuing Disclosure Requirements and the Company's Corporate Disclosure Policy, timely corporate announcements, quarterly financial reports, AR and AGM minutes are disseminated to all stakeholders through announcements to Bursa Securities and/or via the Company's website.

The Group's investor relations activities are aimed in developing and maintaining a positive relationship with all its stakeholders through an active two-way communication by promoting and demonstrating a high standard of integrity and transparency through timely, accurate and full disclosure of material information and to enhance the stakeholders' understanding of the core businesses and operations of the Group, thereby enabling them to make informed decision.

II. Conduct of General Meetings

The AGM is the principal forum for the Board and Management to interact with shareholders of the Company.

To enable shareholders to make adequate preparation, the Notice of AGM is issued at least 28 days before each AGM. The Notice of 51st AGM was sent to the shareholders on 21 May 2021 and the Company's AGM was held on 22 June 2021. The same Notice was also published on the Company's website.

Despite the difficulties posed by COVID-19, the Board embraced the benefits of digital communication and was able to engage with the shareholders through its virtually conducted AGM. The Company's 51st AGM was held on 22 June 2021 and live streamed from designated broadcast venue, which is in line with the Securities Commission Guidance Note on the Conduct of General Meetings for Listed Issuers to ensure companies can continue to fulfil their obligations under the law and to shareholders during the pandemic.

To enable the shareholders to make informed decisions, explanatory notes are provided for each item in the AGM's agenda. Shareholders are encouraged to ask questions, clarify facts and provide feedback to the Board and Management using Remote Participation and Voting ("RPV") facilities provided by KSM's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd ("Tricor") via TIIH Online at https://tiih.online. Tricor had put in place information security measures to prevent cyber threats and data breaches.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

II. Conduct of General Meetings (cont'd)

Appointed proxies are allowed to participate and vote on behalf of the shareholders. Shareholders are also encouraged to forward their questions before the AGM for the Board to respond. All the Directors, the Senior Management and External Auditors were present to provide meaningful responses to questions raised by the shareholders during the AGM. During the 51st AGM, sufficient time was allocated to the shareholders to pose questions.

Poll voting in respect of all resolutions was carried out via RPV facilities. All shareholders were briefed on the voting procedures by the poll administrator prior to poll voting. The poll results were verified by the Independent Scrutineers appointed by the Company and announced on the same day of the AGM.

During the 51st AGM, the Company has adopted/complied with:

- Practice 13.3 of the CG Code – leverage technology to facilitate (a) voting including voting in absentia; and (b) remote shareholders' participation at general meetings, as well as to take the necessary steps to ensure good cyber hygiene practices are in place including data privacy and security to prevent cyber threats;
- Practice 13.6 of the CG Code – the minutes of the general meeting are circulated to shareholders no later than 30 business days after the meeting;
- Paragraph 9.21(2)(b) of MMLR – a summary of key matters discussed during the AGM, as soon as practicable after the conclusion of the AGM will be published on the Company's website;
- Paragraph 8.29(A)(1) of MMLR – all resolutions are voted by poll; and
- Paragraph 8.29(A)(2) of MMLR – to appoint at least one (1) scrutineer to validate the votes cast at the AGM.

The minutes of the 51st AGM minutes together with the responses to questions raised by the shareholders were made available on the Company's website on 3 August 2021.

OTHER COMPLIANCE INFORMATION

Utilisation of Proceeds

No proceeds were raised from corporate proposals or exercises during the financial year.

Audit and Non-Audit Fees

Details of the audit and non-audit fees for services rendered by the External Auditors to the Group and the Company for the financial year ended 31 December 2021 are disclosed in the AC Report on page 49 and Note 7 of the Financial Statements on pages 112 to 113 of this AR.

Material Contracts Involving Interests of Directors and Major Shareholders

No material contracts were entered into by the Company and/or its subsidiaries involving the interests of the Directors and major shareholders during the financial year.

Recurrent Related Party Transactions of a Revenue or Trading Nature ("RRPT")

The details of the RRPT undertaken by the Company during the financial year ended 31 December 2021 are disclosed on Note 38 of the Financial Statements on page 148 of this AR.

As the Group's financial position has grown over the years, the threshold for the RRPT is well within the required thresholds of MMLR to obtain shareholders' mandate for such transactions. On 15 March 2021, the Board had agreed to discontinue seeking shareholders' mandate on RRPT moving forwards. Nevertheless, RRPT are closely monitored and tracked by the Management as and when a transaction is entered into with its related party.

AUDIT COMMITTEE REPORT

Pursuant to Paragraph 15.15 of the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Board of Directors ("the Board") of Keck Seng (Malaysia) Berhad ("the Company") is pleased to present the Audit Committee Report for the financial year ended 31 December 2021.

MEMBERSHIP AND MEETINGS

Membership

As at 31 December 2021, the Audit Committee ("AC") consists of five (5) Independent Non-Executive Directors.

The members of the AC are:

Chairman:

Mr. Too Hing Yeap @ Too Heng Yip
(Senior Independent Non-Executive Director)

Members:

Mr. Tai Lam Shin
(Independent Non-Executive Director)

Encik Mahathir Bin Mohamed Ismail
(Independent Non-Executive Director)

Mr. Liew Foong Yuen
(Independent Non-Executive Director)

Dato' Dr. Zaha Rina Binti Zahari
(Independent Non-Executive Director)
(appointed on 26 August 2021)

Maj-Gen (R) Dato' Muhammad Bin Yunus
(Independent Non-Executive Director)
(demised on 7 June 2021)

The biography of each AC member is set out in the Directors' Profile on pages 9 to 18.

All members of the AC are financial literate and able to understand matters under the purview of the AC during the financial reporting process to effectively discharge their duties and responsibilities. Both Mr. Tai Lam Shin and Encik Mahathir Bin Mohamed Ismail are members of the Malaysian Institute of Accountants, thus complied with Paragraph 15.09(1) of the MMLR of Bursa Securities.

The term of office and performance of each of the AC members is reviewed annually by the Nominating Committee ("NC").

Meetings

During the financial year ended 31 December 2021, the AC met on five (5) occasions. Their attendance details can be found on page 35 of this Annual Report ("AR").

The quorum for a meeting shall be two (2) members and the majority of members present must be Independent Directors. If only two (2) members are present, both must be Independent Directors.

In the absence of the AC Chairman, members present shall elect a Chairman for the meeting amongst the Independent Directors.

Other Board members, employees and/or representatives of the External and Internal Auditors shall attend meetings by invitation of the AC. Both the External and Internal Auditors may also request for a meeting if they consider it is necessary.

The Company Secretary is entrusted to record the meeting proceedings and decisions made by the AC. Minutes, including those taken at AC meetings by instantaneous telecommunication device are kept, approved and circulated to all members of the AC and the Board. The AC Chairman reports on key issues discussed at each meeting to the Board.

AUDIT COMMITTEE REPORT (cont'd)

MEMBERSHIP AND MEETINGS (cont'd)

Charter

The AC Charter encapsulating the roles and responsibilities of the AC is available for reference at https://my.keckseng.com.

ANNUAL PERFORMANCE REVIEW OF THE AC

An annual assessment and evaluation on the performance and effectiveness of the AC for the financial year ended 31 December 2021 was undertaken by the NC. The AC was assessed for overall effectiveness and quality, internal and external audit functions, financial reporting, compliance to legal and regulatory requirements and risk management.

The Board was satisfied that the AC has discharged its functions, duties and responsibilities appropriately and effectively and in accordance with its Charter.

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR

During the financial year ended 31 December 2021, the AC continued to assist the Board in fulfilling its fiduciary duties as well as providing oversight on the integrity of the Group's financial reporting, the effectiveness of the internal and external audit functions, and the adequacy and effectiveness of the risk management and internal control framework of the Group.

The summary of activities carried out for the financial year are described as follows:

1. Financial Reporting

- reviewed the unaudited quarterly financial results and annual audited financial statements for the financial year ended 31 December 2021 and recommended to the Board for approval and announcement on Bursa Securities. Its focus was on:
  - ➢ effects of the COVID-19 pandemic ("COVID-19") on the financials;
  - ➢ impact due to changes or implementation of new accounting principles and standards, issues or practices;
  - ➢ significant judgements or estimates;
  - ➢ going concern assessment;
  - ➢ uncorrected misstatements;
  - ➢ key audit matters;
  - ➢ significant and unusual events; and
  - ➢ compliance with the MMLR, applicable Financial Reporting Standards and other legal and regulatory requirements.

2. External Audit

- reviewed and endorsed the audit plan for the financial year 2021 to ensure that their scope of work adequately covers the activities of the Group and the Company;
- discussed on significant and high-risk areas during the audit plan review session;
- reviewed and discussed with the Management and the External Auditors ("EA") the key audit areas in relation to the annual audited financial statements including key audit matters and internal control observations, recommendations and management responses;
- evaluated the suitability, objectivity and independence of the EA. The AC was also briefed by the EA on its Transparency Report 2020 and considered the competence, audit quality and resource capacity of the EA before recommending to the Board their re-appointment as EA of the Company for the ensuing year;
- reviewed audit fees;
- evaluated the quality of resources and services accorded by the EA during the year;
- assessed the independence and effectiveness of the EA in performing the audit. The EA have confirmed their independence and remain in compliance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants;

AUDIT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR (cont'd)

2. External Audit (cont'd)

- held two (2) private meetings with the EA on 15 March 2021 and 26 August 2021 respectively without the presence of Management to discuss on audit-related matters. No major issues were raised during the meetings.
- reviewed with the EA, the Statement on Risk Management and Internal Control for inclusion in the Company's AR; and
- reviewed non-audit services rendered by the EA as part of its EA independence assessment. These fees constituted approximately 12% of the total audit fees and do not compromise the independence of the EA.

The amount of audit and non-audit fee incurred for the financial year ended 31 December 2021 were as follows:

	Audit Fee RM'000	Non-Audit Fee RM'000
The Company - Current	170	20
The Group - Current - Underprovision in prior year	892 * 32	20 -

* *includes audit fees amounting to RM522,000 paid to other auditors of subsidiaries in Singapore, Canada, Hong Kong and United States of America.*

Following the review and assessment, the AC was satisfied with the performance and independence of the EA and concluded that the EA continued to possess the competency, independence and experience required to fulfil their duties effectively. The Board, based on the recommendation of the AC, will seek shareholders' approval on the re-appointment of Ernst & Young PLT as EA of the Company at the forthcoming Annual General Meeting ("AGM").

3. Internal Audit

- reviewed and approved the proposed risk-based annual audit plan;
- reviewed the adequacy of the scope of audit, programmes and processes to ensure that principal risks, key entities and functions have been adequately identified and covered in the internal audit plan;
- assessed the independence, performance and effectiveness of the Internal Auditors ("IA");
- reviewed the internal audit reports on their findings, recommendations and Management's responses;
- reviewed the follow-up reports and the status of mitigating measures taken by Management to ensure all key risks and control weakness have been properly addressed;
- reviewed the adequacy of the Internal Audit Department's ("IAD") resources;
- reviewed the findings on investigative case(s) and recommendations including Management's responses and resolutions thereon; and
- held one (1) private meeting with the IA on 26 August 2021, without the presence of Management to discuss any issues and significant matters. No critical issues were raised by the IA and they conveyed that they had received full co-operation from the Management throughout the course of their audits.

The AC was satisfied that the:

- audits of the Group's systems of internal control have been carried out impartially, proficiently and with due professional care and that it is able to obtain the necessary assurance it requires on the effectiveness of the systems of internal control;
- IAD's resources are adequate;
- IAD is able to access information to undertake its duties effectively; and
- IA's independence has been maintained.

AUDIT COMMITTEE REPORT (cont'd)

SUMMARY OF ACTIVITIES FOR THE FINANCIAL YEAR (cont'd)

4. Risk Management

- reviewed the Risk Assessment Analysis reports and the Summary of Sustainability Matters;
- assessed the adequacy and effectiveness of the risk management processes of the Group and the appropriateness of the corrective actions taken by the Management in mitigating the risks as well as ensuring all risks were adequately controlled; and
- ensured that the Company's risk tolerance is not exceeded and report to the Board on any significant risks identified.

5. Annual Report

- reviewed and endorsed the following statements/reports before submission to the Board for approval and inclusion in the 2021 AR:
  - ➢ Corporate Governance Overview Statement;
  - ➢ AC Report;
  - ➢ Statement on Risk Management and Internal Control;
  - ➢ Sustainability Statement; and
  - ➢ Corporate Governance Report.
- reviewed the applicable amendments to the MMLR and CG Code and the extent of the Group's compliance with recommendations set out in the CG Code.

6. Related Party Transactions

- reviewed the Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") entered into by the Group and the Company on quarterly basis, to ensure that such transactions are undertaken at arm's length basis, on normal commercial terms and on terms not favourable to the related party(ies) than those generally available to the public and are not detrimental to the interests of the minority shareholders. During the financial year 2021, there were no RPT and RRPT that triggered the disclosure threshold under the MMLR and required shareholders' approval.

TRAINING

During the financial year, the AC members have attended webinars and kept abreast of relevant developments in accounting and auditing standards, practices and rules. The AC's training details are available on pages 36 to 39 of this AR.

INTERNAL AUDIT FUNCTION

The AC is supported by an independent and adequately resourced in-house IAD, which is essential in assisting the AC in obtaining the assurance it requires regarding the effectiveness of the Group's systems of internal control.

The IAD provides independent and objective assurance and advisory services to add value and improve the operations and internal controls of the Group. The IAD is governed by its Internal Audit Charter, which has been approved by the Board. The IAD conducts risk-based audits in accordance with a professional recognised framework, i.e. International Professional Practices Framework (IPPF) in a systematic, disciplined and credible manner.

The IAD consists of four (4) independent associates and is headed by Ms. Suenitha Chupaya. The IAD associates consist of two (2) Qualified Professionals and two (2) Accounting & Finance Degree Holders.

AUDIT COMMITTEE REPORT (cont'd)

INTERNAL AUDIT FUNCTION (cont'd)

The main functions of the IAD are to:

- undertake regular and systematic reviews of the effectiveness and adequacy of the systems of internal control. The review and assessment process must be carried out impartially, proficiently and with due professional care;
- assess and report on the Management's progress and effectiveness in addressing weaknesses in internal controls and update on the extent to which recommendations have been implemented within the required timeframe to ensure that all potential weaknesses under review are mitigated or are within acceptable levels; and
- investigate and report on suspected fraud or malpractices (if any).

INTERNAL AUDIT WORK CARRIED OUT FOR THE YEAR

During the financial year ended 31 December 2021, work carried out by the IAD covered:

- operational and financial audits and reviews based on the approved risk-based annual audit plan;
- business process improvement reviews;
- reviewing inter-company/related party transactions of the Group;
- performing follow-up audits to address issues reported in the previous audits;
- conducting impact assessment on the system of internal controls resulting from operational exercises; and
- performing special reviews and investigations based on request by the AC, Management and/or channeled via the Whistleblowing System.

All internal audits were conducted in-house. The IAD performs routine audits and reviews on all operating business units within the Group. However, due to COVID-19, overseas audits have been postponed indefinitely due to travel restrictions imposed by the Government. Movement Control Orders imposed during 2021 impacted the number of on-site audits conducted by the IAD. In lieu of on-site audits, the IAD carried out either off-site audits or performed data analysis. During the financial year 2021, as opposed to the planned twenty-eight (28) reports, a total of sixteen (16) internal audit reports were presented to the AC incorporating findings, IA recommendations and Management's comments. The internal audit reports were prepared for the following business segments:

Segment	No. Of Reports
Manufacturing	5
Hotels and Resort	2
Property Development and Investment	5
Plantations	2
Share Investment	2
Total	**16**

The IAD held a meeting with the EA without the presence of the Board or Management on 19 November 2021, to discuss on its audit coverage during the year, issues that arose during the course of their audit, their resolutions and any other areas of audit concern. This meeting was held to ensure that the audit coverage is efficient and effective for both the Internal and External Auditors and to exchange information.

The internal audit function incurred a total cost of RM680,400 (RM686,800 in 2020) for the financial year 2021.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

Pursuant to paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), the Statement on Risk Management and Internal Control ("SORMIC") is prepared in accordance with the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers. The Board of Directors ("the Board") of Keck Seng (Malaysia) Berhad ("KSM") is pleased to present the SORMIC for the year ended 31 December 2021.

RESPONSIBILITIES

The Board

The Board affirms its responsibility for KSM Group's system of risk management and internal control framework. Even during these challenging times of COVID-19 pandemic ("COVID-19"), the Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's system of risk management and internal control to ensure that:

- the operations are effective and efficient;
- the financial information is readily available and reliable;
- the laws and regulations are complied with; and
- the shareholders' and other stakeholders' interests and Group assets are safeguarded.

The Board recognises that:

- internal controls are designed to manage and minimise rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement, loss, fraud, error or illegal acts and the occurrence of unforeseeable circumstances; and
- the process to identify, evaluate, monitor and manage risks is a collective and continuing effort.

Board Committee

The Audit Committee ("AC") is established to assist the Board in fulfilling its statutory and fiduciary responsibilities in the governance of financial processes, accounting and financial reporting, system of risk management and internal control and compliance with applicable laws and regulations. The AC is governed clearly by its Charter which deals with its duties and authority. The AC is entrusted by the Board to ensure that the Group's risks are identified, evaluated, monitored and managed and internal controls in place are adequate and effective to address these risks.

Internal Audit Department

The Internal Audit Department ("IAD") is an integral part of the Group's internal control system and reports directly to the AC. The IAD is governed by its Internal Audit Charter and performs risk-based audits on various operating business units based on its approved annual audit plan. The IAD's primary role is to provide an independent, reasonable and objective assurance in addition to providing recommendations to add value and improve the efficiency of the business units' operations. The IAD conducts checks and assessments on the adequacy and effectiveness of the system of internal control, compliance to policies and procedures and assesses the integrity of financial information and highlights findings on non-compliance. Audit findings and recommendations together with follow-up reviews are tabled in the AC meetings.

Risk and Sustainability Committees

Risk and Sustainability Committees ("RSC") was formed by the respective key business units and led by the respective Key Senior Management personnel to assist the Managing Director ("MD") in performing regular risk and/or sustainability assessments. The RSCs' key responsibilities are to:

- identify, evaluate, monitor and manage key risks and sustainability matters;
- recommend risk mitigating measures, if required;
- update existing risks and sustainability matters to reflect changes in ratings, status and action plans;
- review and update policies, procedures and guidelines, where necessary;
- ensure policies, laws and regulations are complied with; and
- report to the MD on its assessments.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

KEY ELEMENTS OF THE GROUP'S SYSTEM OF RISK MANAGEMENT AND INTERNAL CONTROL

The key elements of the Group's system of risk management and internal control are described below:

Organisational Structure and Authorisation Procedures

Defined organisational structures exist with clear delegation of responsibilities and authorities.

Policies and Procedures

Fomalised policies and procedures on monitoring and regulating financial and operating activities are in place. These policies are updated as and when needed to conform with internal controls, laws and regulations.

Integrity and Ethics

The established Code of Conduct and Anti-Bribery & Anti-Corruption Policy clearly sets out the expected behaviour of Directors and employees, whilst the Whistleblowing Policy provides support to individuals to raise genuine concerns without fear and retaliation.

Regular Performance Review and Reporting

At operational level, daily or regular meetings are held to address operational issues.

The respective Management teams, monitors and reviews the financial performance of their respective business units. Monthly financial reports are forwarded to the MD and Executive Directors ("ED"). Regular meetings are also held between the MD, ED and Management.

Interim and annual financial statements together with papers covering financial performance and key business indicators are prepared quarterly and annually for the AC and Board's review and approval prior to the submission to Bursa Securities.

Insurance

Insurable risks are covered by insurance. Annual insurance reviews are conducted to ensure that there is adequate coverage against losses.

Human Capital

An experienced human capital function is maintained to oversee the Group's human capital related matters.

RISK MANAGEMENT FRAMEWORK AND REVIEWS

The RSC develop, execute and maintain the risk management framework which has been formulated based on the understanding of the Group's culture, needs, size and business diversity to ensure that the Group's objectives are achieved within the set risk limits. The identified risks, together with the risk mitigating measures are reported to the AC and the Board based on the annually approved assessment work schedule.

During the financial year ended 31 December 2021, the respective RSC conducted reviews and updates on their Business Unit's ("BU") significant risks, reassess risks' ratings and mitigation measures. For the financial year 2021, a total of eight (8) Risk Assessment Analysis ("RAA") reports and two (2) Summary of Sustainability Matters ("SM") have been tabled before the AC and the Board for deliberation. The RAA reports have been communicated to the respective risk owners for implementation. No new risk category has been identified during the year. The following risk areas have been re-evaluated:

- Strategic – risks that affect business directions.
  - ➢ market shifts.
  - ➢ consumer trends.
  - ➢ competitors.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (cont'd)

RISK MANAGEMENT FRAMEWORK AND REVIEWS (cont'd)

- Operational – risks that affect the business operations.
  - ➢ business continuity amidst COVID-19.
  - ➢ safety & health of our employees and business associates.
  - ➢ environmental impact.
  - ➢ securing supply of foreign workers, retaining talents and succession planning.
  - ➢ competition for Fresh Fruit Bunches supply.
- Compliance – risks that affect legal, statutory and governance.
  - ➢ maintaining certifications and accreditations in light of changes in laws and regulations.
- Information Technology ("IT") – risks that affect data storage, cybersecurity and offsite accessibility of the IT system to users.
- Financial – risks that affect financial processes and reporting.
  - ➢ credit exposure.
  - ➢ cash management.
  - ➢ interest rates fluctuations.
  - ➢ foreign currency exchange fluctuations.
- Code of Conduct and Corruption – risks that affect human rights, diversity, ethical standing, company reputation, bribery and corruption.

The AC has reviewed the RAA reports and considers the current risk assessment process to be adequate in identifying, assessing, addressing and monitoring the risks of the Group.

BOARD ASSESSMENT AND CONCLUSION

The Board has received assurance from the MD and Group Accountant, that the Group has to the best of its ability mitigated its risks and that the system of risk management and internal control are operating adequately and effectively, in all material aspects during the financial year under review. The Board also received similar assurances from the respective operating BU's General Manager and Head of Accounts/Finance. The IAD has also provided assurance to the Board that the Group's system of internal control is adequate.

The Board, thus concludes and confirms that:

- the Group has taken the necessary measures to the mitigate its risk exposures to an acceptable level and ensure business continuity;
- the Group's system of risk management and internal control are operating adequately and effectively;
- the risk management process in identifying, analysing, evaluating and managing the significant risks faced by the Group has been in place; and
- the Group's system of internal control is robust and able to provide a reasonable but not absolute assurance against any material misstatements, financial losses, contingencies, uncertainties, defalcations or fraud that would warrant disclosure in the Annual Report 2021.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The External Auditors ("EA"), Ernst & Young PLT have reviewed this Statement on Risk Management and Internal Control for inclusion in the Annual Report 2021. Their limited assurance review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagement to Report on the Statement on Risk Management and Internal Control, issued by the Malaysian Institute of Accountants. AAPG 3 does not require the auditors to form an opinion on the adequacy and effectiveness of the risk management and internal control of the Group.

The EA state that nothing has come to their attention and caused them to believe that this SORMIC, in all material aspects, was not prepared in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers nor is this SORMIC factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 7 April 2022.

SUSTAINABILITY STATEMENT

This Sustainability Statement ("Statement") has been prepared after considering the Sustainability Reporting Guide (2nd edition) and its accompanying Toolkits published by Bursa Malaysia Securities Berhad ("Bursa Securities"). In determining Keck Seng (Malaysia) Berhad ("KSM") Group's sustainability scope and governance structure, the Board has considered the Group's culture, needs, size, business diversity and its maturity in responding to sustainability matters.

SCOPE

KSM Group's principal activities have remained unchanged during the financial year ended 31 December 2021. Activities of the Company and Business Units ("BU") that fall under the main four (4) business segments namely Plantations, Manufacturing, Property Development & Investment and Hotels & Resort are covered in this Statement.

Details of the respective BU and the Group's segmental information can be found on pages 161 to 165 of this Annual Report ("AR").

GOVERNANCE STRUCTURE

The roles of each team in the Governance Structure are as follows:-

Board of Directors ("Board")	• Responsible for: ➢ establishing sustainability strategies, priorities and targets; ➢ the governance of Material Sustainable Matters ("MSM"); and ➢ the Sustainability Statement.
Audit Committee ("AC")	• Oversees the: ➢ management of identified MSM; and ➢ preparation of the Sustainability Statement. • Reviews MSM reports or summary and recommends to the Board for approval.
Managing Director ("MD")	• Reviews and approves the MSM reports or summary prior to AC's review, deliberation and approval.
Risk and Sustainability Committees ("RSC")	• The RSC are led by the respective Key Senior Management Personnel. • Assist the MD to: ➢ identify, manage and report on sustainability matters ("SM"); and ➢ categorise and prioritise SM to identified MSM, at least on an annual basis.
Department Managers	• Manage the identified SM and ensure that objectives and targets are achieved through policies and action plans. • Monitor and report on sustainability performance to the RSC.

SUSTAINABILITY MATTERS

Even though countries around the world have cautiously started to reopen their economies and borders in the 3rd quarter of 2021, our BU involved in non-essential services, namely our overseas hotels, resort and investment properties expect to only see pre-COVID-19 pandemic ("COVID-19") levels of business in 2 to 3 years' time. As such, these BUs' environmental conservation data will only be presented in this Statement when the data is more reflective of the BUs' conservation efforts and not because of the decrease in business activities. Through these difficult times, these BU remain committed to reduce their environmental impact and preserve the environment for future generations. Their conservation efforts are mentioned on pages 59 to 61 of this AR.

Stakeholders' Engagements and Prioritisation

Engaging with our stakeholders is crucial towards identifying groups in which our Company or BU may have a significant impact on them. The engagement sessions also help the respective BU understand and fulfill their key stakeholders' expectations as well as to communicate the Company's sustainability performance, strategies, priorities and targets to them. As listed below, through the different modes of engagements held with key stakeholders, the BU are able to identify the SM that impact their respective operations.

Stakeholder Group	Mode of engagement	Frequency of engagement
Board	Board Meetings	Quarterly/Ad-hoc
Shareholders	Annual General Meetings Announcements Company Website	Annually Quarterly/Ad-hoc Quarterly/Annually/Ad-hoc
Government / Regulators	Meetings Inspections Joint Surveys Seminars Talks Correspondences	Daily/Monthly/Quarterly/Annually Annually/Ad-hoc Ad-hoc Ad-hoc Ad-hoc Ad-hoc
Non-Governmental Organisations	Meetings	Ad-hoc
Customers	Meetings Tele-conversation Emails Social media Feedbacks Dialogue	Daily/Ad-hoc
Employees	Meetings Conferences Social Impact Assessment Dialogue and direct engagement Annual Performance Appraisal Town Hall	On-going On-going On-going On-going Annually Ad-hoc
Local Communities	Meetings Dialogue Direct engagements Social media Company Website	Annually Annually Ad-hoc Ad-hoc Ad-hoc

SUSTAINABILITY MATTERS (cont'd)

Stakeholders' Engagements and Prioritisation (cont'd)

Following the identification of their SM, a materiality assessment process is conducted to further identify their MSM.

As the result of the COVID-19 pandemic, certain stakeholders' engagement sessions have been rescheduled, postponed, carried out through social media platforms, held virtually, carried out using survey forms or via phone interviews.

The Group's 2021 sustainability focus remains as stated below:

Environment	• Agricultural Practices • Waste, Effluent and Emission Management • Energy and Water Management
Social	• Diversity • Human Rights • Safety and Health • Community Service and Projects
Governance	• Performance • Integrity & Ethics and Laws & Regulations • Quality Products and Services

ENVIRONMENT

Agricultural Practices

Plantations

Our oil palm plantations' good agricultural practices include but are not limited to the following:

a) Land Management and Biodiversity

➢ Soil Protection:
- restrict new development or new planting on certain terrain;
- conserve existing cover crop, vegetation or planting of forest plants on flat or low gradient land;
- maintain soil condition, moisture and stability; and
- strict adherence to soil erosion management and corrective action plan.

➢ Buffer Zone or Riparian Area:
- mark palms and place warning signages to ensure awareness;
- no new planting or replanting are carried out in these areas;
- agrochemical activities are not allowed;
- strict adherence to water management plan; and
- educate workers on the importance of maintaining buffer zone or riparian reserves.

➢ High Conservation Value ("HCV") Areas and Biodiversity:
- maintain and/or enhance identified HCV areas;
- maintain buffer zones at HCV areas and boundaries within our operating boundaries;
- put up signages to create awareness of prohibited acts such as trespassing and hunting;
- frequent monitoring of HCV areas;
- preserve and protect flora and fauna species; and
- carry out annual joint inspection and patrolling activities with the Johor Forestry Department. The 2021 joint inspection exercise was postponed due to COVID-19.

➢ Peat Land Development:
- committed to not planting on peat land.

ENVIRONMENT (cont'd)

Agricultural Practices (cont'd)

***Plantations* (cont'd)**

b) Integrated Pest Management ("IPM"):

- maintain the delicate equilibrium between the destructive insect pests and the natural biological agents.
- monitor closely for any outbreak of pest infestation in our oil palm plantations to ensure that it is quickly brought under control and maintained below the economic damage threshold level;
- introduce mitigating measures such as biological and physical controls to reduce dependency on chemical-based herbicides and pesticides;
- adhere to strict and responsible chemical control measures and handling; and
- adhere to Agronomist recommended type and application of fertilisers and pesticides.

Prevention management – Preservation of Beneficial Plants (Turnera Subulata)

Biological control – Barn Owl

Waste, Effluent and Emission Management

Plantations

Our Plantations Segment adopt a zero-burning policy to combat haze and global warming that may affect the environment and lifeforms. Our oil palms are felled, chipped, exposed to direct sunlight and left to decompose. These decomposing chips will add nutrients to the soil and inhibits the spread of Ganoderma.

All other forms of open burnings are also prohibited within our plantations, workers' quarters and premises. Plantation employees and workers are trained to respond to fire emergency situations and frequent patrolling are conducted to ensure no open burning or fire outbreaks occur within the plantations. Other emission management efforts include reducing nitrogen emission from fertiliser application by adopting the Agronomist's oil palm manuring recommendation, planting of legumes cover crops such as Mucuna bracteate to recycle nitrogen back into the soil and performing timely maintenance on our tractors to reduce carbon emission from such vehicles.

Plantations' wastes are either recycled or disposed through licensed contractors. Our empty fruit bunches are shredded for mulching and composting, whilst scheduled waste management guidelines are in place and strictly adhered to.

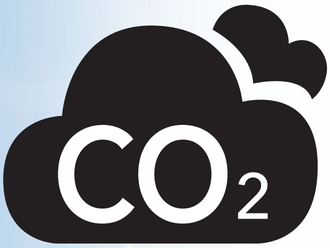
ENVIRONMENT (cont'd)

Waste, Effluent and Emission Management (cont'd)

Plantations **(cont'd)**

Year	Waste (tonnes)	Recycled (Target [%])	Recycled (Actual – [% / tonnes])
2021	6.00	30%	24% / 1.44
2020	4.25	30%	28% / 1.20

Manufacturing



Target carbon emission for our Crude Palm Oil, Palm Kernel, Palm Kernel Oil and Palm Kernel Expeller products: < 3.5 tCoe2/tProduct

Actual (*): Ranges between 2.85 to 2.91 tCoe2/tProduct

Note (*):
The above data were computed in 2021 using Roundtable Sustainable Palm Oil's Greenhouse Gas (GHG) calculator and is based on KSM Plantations and Mill's 2020 emission data.
[Extracted from Masai Palm Oil Mill 2021 Emission Summary Report]

Keck Seng Palm Oil Processing Complex is an integrated complex located in close proximity to most of our plantations. The complex encompasses our palm oil mill, kernel crushing plant, palm oil refinery and vitamin extraction plant. Our palm oil mill, through anaerobic digester tanks is able to treat its Palm Oil Mill Effluent ("POME") and at the same time use the methane gas produced as a source of renewable energy for the palm oil refinery, kernel crushing and vitamin extraction plants.

We continue to closely monitor and engage in improvement plans to ensure that water effluent discharge resulting from our palm oil processing and the amount of smoke produced by our boilers are managed and comply with the requirements of the relevant authority. Based on the latest Stack Emission Analysis conduct in 2021, the dust particulate emission reading of 109mg/Nm^3 was still within the target of <150mg/Nm^3.

Due to COVID-19, the commissioning of a new dust particulate arrestor system has been postponed to 2022 instead of 2021.

Property Development

Our Property Division is committed to ensuring that our property development projects do not materially affect the environment. We ensure that all relevant environmental rules and regulations pertaining to waste, effluent, emission, pollution and soil erosion are complied. Professionals such as Environmental Consultants and Erosion and Sediment Control professionals are engaged to conduct environmental impact studies and eliminate any soil erosion issues for our property development projects.

Hotels and Resort

Our Hotels and Resort Segment continue to be committed to reuse, recycle and reprocess. The respective Hotels' and Resort's recycling efforts may include one or more of the followings:

- Promote and provide eco-friendly utensils;
- Have adequate and accessible bins available with proper signages and educational information to employees and visitors;
- Refurbish furniture to extend its useful life;
- Control overages on employee meals or prepare to-order meals;
- Eliminate disposable containers used in employee lounge and replacing it with chinaware plating and silver utensils;
- Monitor food temperatures, rotate their stock and track food waste to decrease the need to discard food;
- Food cooked should commensurate with the occupancy rates or event guest count;

ENVIRONMENT (cont'd)

Waste, Effluent and Emission Management (cont'd)

Hotels and Resort **(cont'd)**

- Food products are cross utilised to minimise waste;
- Ensure that produce ordered and delivered are fresh with adequate shelf life;
- Train kitchen staff on proper food handling and storage;
- Use environmentally friendly cleaning agents and chemicals;
- Use latex paint to eliminate the use of thinners; and
- Recycle used computer paper for office use.

Energy and Water Management

Plantations

Our Plantations Segment has developed and implemented a comprehensive water management plan to maintain the quality and availability of surface and ground water which include maintaining buffer or riparian zones, conducting annual water sampling and ensuring all taps, pipes and toilets are properly maintained to avoid leakages.

Manufacturing

Methane gas captured from our POME treatment process, together with palm biomass which consist of mesocarp fibre, shells and empty fruit bunches are used as a renewable energy source to generate steam and electricity for our Mill and Refinery. This source of renewable energy is environmentally sustainable and allows us to save on a yearly basis more than 85% and 40% of fossil fuel and power cost respectively.

Purchased Energy

Target Per Annum

3%

Actual in 2021

3.95%

Since there were lesser fresh fruit bunches ("FFB") available in 2021 for Palm Oil Mill's ("POM") processing, the amount of renewable energy produced inevitably dropped, forcing the BU under Manufacturing Segment to increase its energy purchased.

Water is widely used in our palm oil processing complex. We are committed to consistently supply safe drinking water for our staff and workers' domestic usage and that the treated water meets our operational process requirements without compromising on the quality of our Refinery's end products. We are guided by our water management manual for the treatment of raw water/waste water, monitoring of river water quality, water outflow to the natural waterways and water usage in the mill.

Even though lesser FFB were processed by POM in 2021 as compared to 2020, water was still needed to generate sufficient steam to supply to our Refinery and vitamin extraction plants. Thus, the average water consumption to process one tonne of FFB has gone up from $2.29m^3$ to $2.55m^3$. This however, is still within the Mill's target of using less than $3m^3$ of water to mill one tonne of FFB.

ENVIRONMENT (cont'd)

Energy and Water Management (cont'd)

Hotels and Resort

Our Hotels and Resort Segment strive to maintain efficient systems to minimise our energy consumption. We understand that conservation of energy, water and recycling of waste requires team effort and continuous education of all our employees. Any capital expenditure plans to replace fixtures or equipment with energy saving ones have been put on hold since 2020 due to COVID-19, as priority is currently on cash flow management. Nevertheless, the respective hotels and resort continue to adopt many of the following conservation efforts:

- Employees are educated to monitor areas and locate the root cause of energy wastage or leakage;
- Provide remedial training to employees when necessary;
- Lead energy using equipment are placed on maintenance agreement to ensure that they operate properly and efficiently;
- Carry out preventive maintenance checks and conduct annual inspections to ensure that equipment is run at its peak efficiency;
- Where necessary replace equipment with energy and water efficient replacements;
- Equipment such as air-conditioners (temperature control) and washers (set at cold wash) are set to conserve energy;
- Switching off the power for vacant storage, unoccupied rooms or villa units;
- Encourage staff to use the stairs when travelling between 1 or 2 floors;
- Inculcate in all employees the habit of switching off the lights, computers and kitchen equipment when not in use;
- Where comparable, supplies are source locally, which means less fuel is used in transporting the items to our premises;
- Consolidate delivery or collection of goods to or from the property to reduce delivery trips made;
- Use water saver toilet flush valves, low flow shower heads and low flow aerators in the restrooms;
- Stop water running for long periods of time to defrost food or washing; and
- Plant draught resistant plants and use drip irrigation that are time controlled.

Property Investment

Our commercial property's energy and water consumption for 2021 decreased, as many of the tenants' employees had to work from home due to the movement control orders imposed by the Government.

We are still committed to our energy and water conservation efforts which includes carrying out regular maintenance on our plant and equipment or replacing non-efficient equipment, ensure air-conditioning to vacant units are switched off, shutting down the chiller when the weather is cooler, reducing water wastage when cleaning common areas, lowering water pressure for toilets and taps, responding quickly in any repairs required and educating users.

SOCIAL

Our Employees

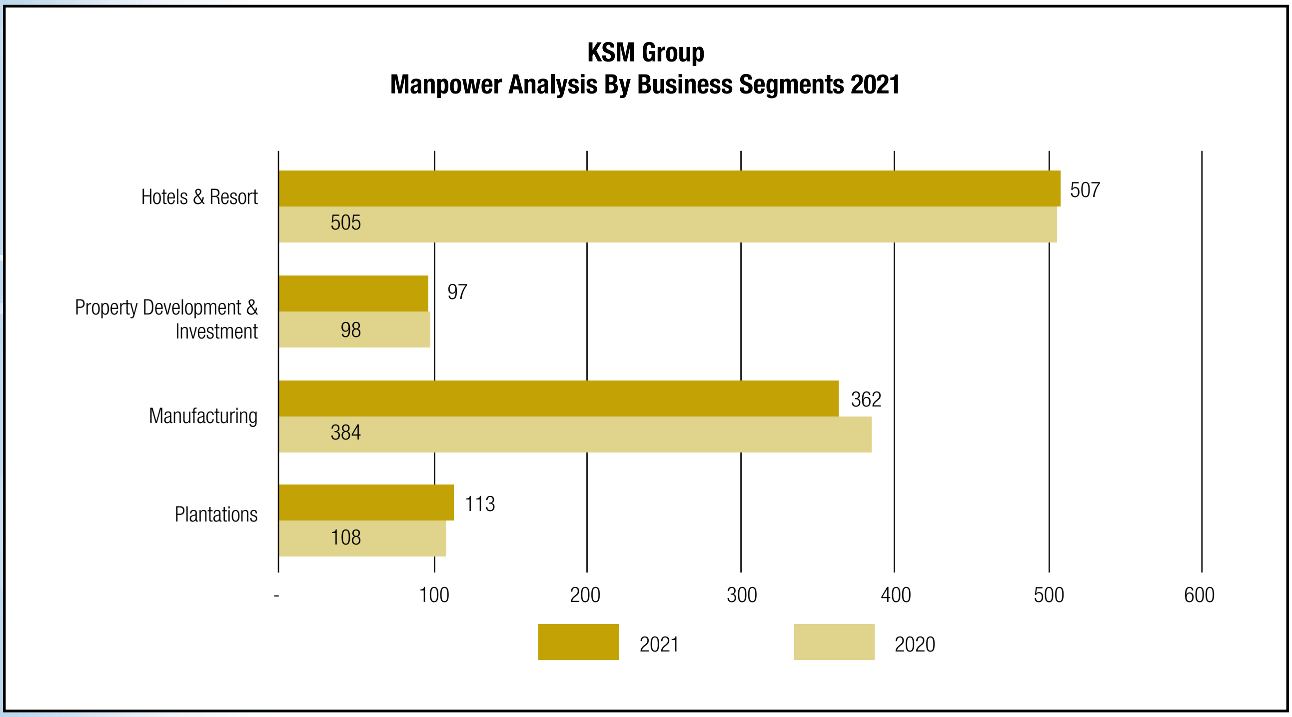
Diversity

Management believes that an organisation is as good as its people. Our employees form the backbone of our success. We are committed to diversity in our workplace, striving to create a balanced and inclusive working environment, prioritising people development and promoting a well-balanced work life. As at 31 December 2021, we have a total of 1,079 (1,095 in 2020) employees and 94 (95 in 2020) contract workers engaged across our major business segments. The fall in headcount resulted mainly from Manufacturing Segment's foreign guest workers returning home.

Presented below is an analysis of our manpower as at 31 December 2021 (excluding contract workers):-

Manpower Analysis

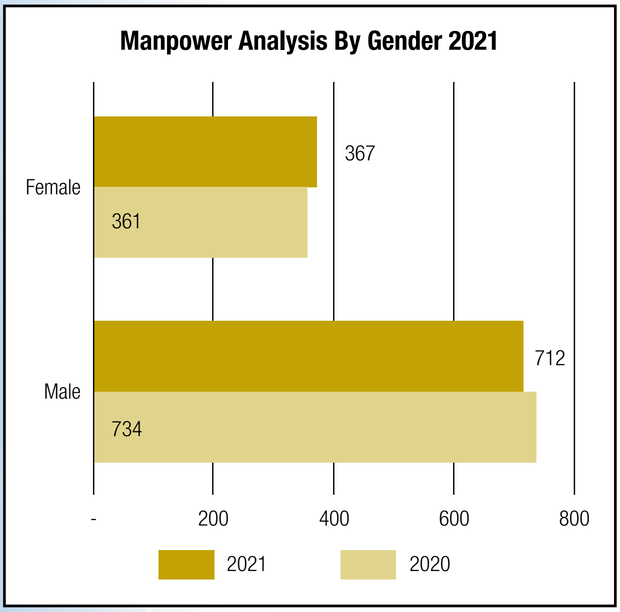
By Business Segments:

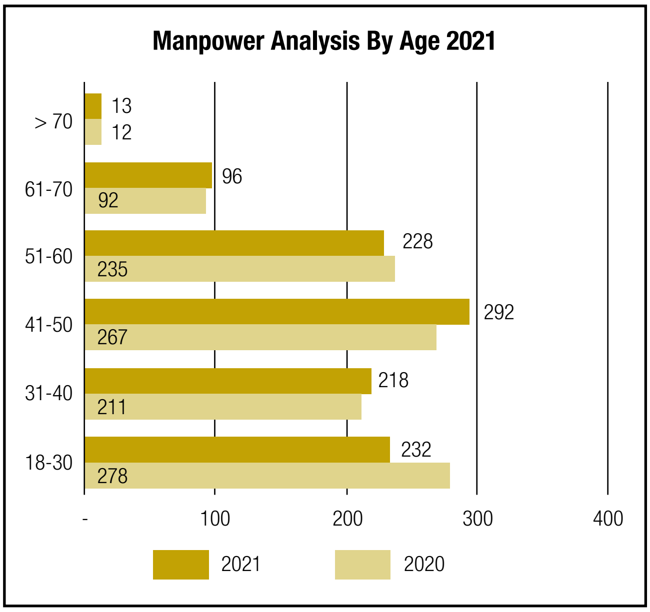


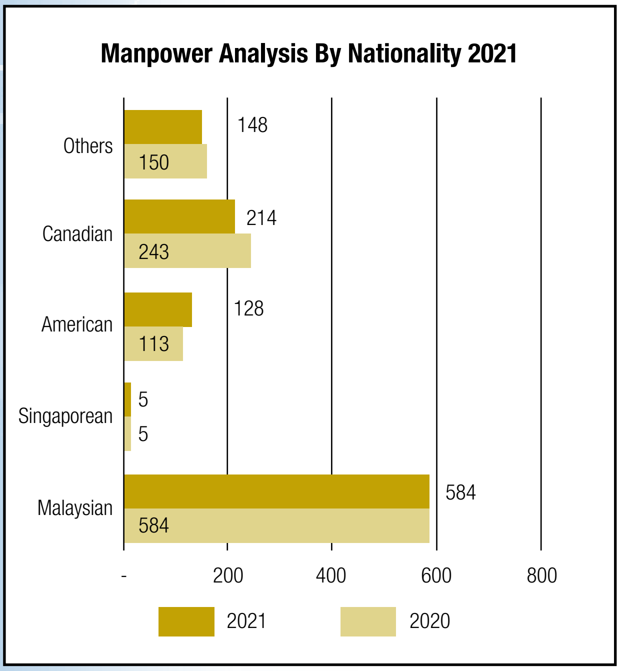
SUSTAINABILITY STATEMENT (cont'd)

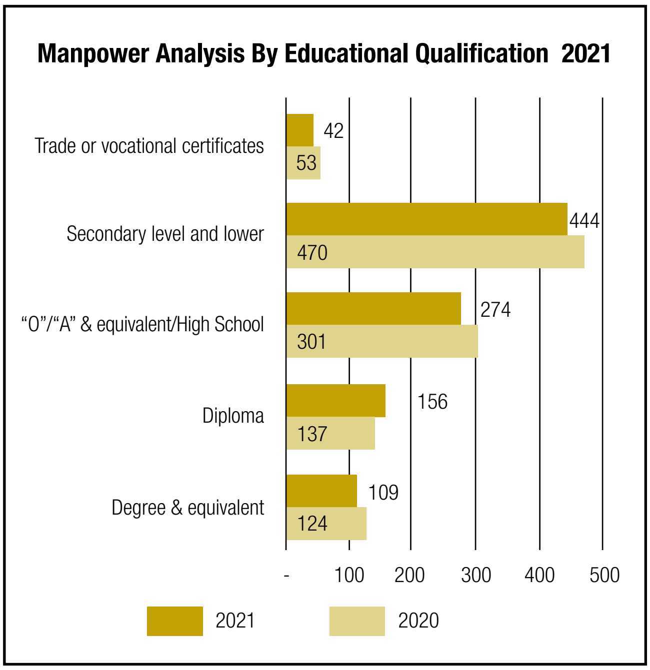
SOCIAL (cont'd)

Manpower Analysis (cont'd)









Note:
The educational qualification of our 54 (10 in 2020) New York employees is not included and disclosed in the manpower analysis by educational qualification due to certain privacy laws.

SOCIAL (cont'd)

Employment Practices and Human Rights

KSM recognises that our people are our assets. We are committed to ensuring that our people and other stakeholders succeed to secure a sustainable future. Therefore, we take a strong stand on ensuring that the following are upheld:

- fair treatment;
- gender equality;
- human rights;
- available dispute, grievance or complaint avenues;
- no tolerance to sexual harassment;
- women's reproductive rights;
- right to form and join trade unions and to bargain collectively;
- no to forced, trafficked or child (less than 16 years old) labour; and
- strict compliance to the respective countries' applicable labour laws, rules and regulations.

No child/forced labour or human rights complaints were made against the Company or respective BU in 2021.

Safety and Health

We are committed in improving the safety, health and environment of our employees and stakeholders based on the respective Safety and Health Laws and Regulations in place. Our Code of Conduct also guides us in improving the working environment, safety and health of our employees.

We strive to establish and maintain a workplace environment that is safe and healthy. Any loss of life or injury could impact the families of those affected and also productivity. It is our responsibility to ensure that there are proper policies and procedures in place to minimise the risk of employee illness or injury at the workplace. All operational sites have safety committees or officers that regularly conduct audits, review and identify risks of illnesses and injury. On-going safety and health awareness programmes and trainings are carried out. Incidences are promptly addressed by the respective safety committee or officer to prevent any repeat of accidents. We also highly subsidise clinical treatments for our employees.

We are pleased to report that there were no fatalities which occurred as a result of workplace accidents in 2021.

During the financial year 2021, our Company and the respective BU continue to adhere to COVID-19 standard operating procedures ("SOP"), guidelines, testing and vaccination requirements/incentive programmes. However, we are saddened to report the demise of two (2) of our Resort's staff who had succumbed to COVID-19 complications. Other COVID-19 cases detected within the Company or BU were quickly contained and no clusters emerged from those infections. All these employees have since fully recovered from COVID-19.

SOCIAL (cont'd)

Welfare

KSM Group takes pride in caring for its employees through various means, some of which are mentioned below:

- granted educational merit awards to deserving employees' dependents.
- donated to the families of needier employees during festive celebrations.

Festive Donations to Families of Needier Employees
11 May 2021 & 30 October 2021

- rented tents, chairs and donated face masks and lunches for the COVID-19 Vaccination Outreach Programme, which benefited our employees and their immediate families.


COVID-19 Vaccination Outreach Programme at Kong-Kong Laut, Masai
6 August 2021 & 27 August 2021

Work-Life Balance

We strive to create and promote strong social bonds amongst our employees and their family members by organising social and sporting activities which includes festive celebrations, sports carnival, staff family day and sports & national day celebrations. However, due to COVID-19, these social activities have been put on hold.

SUSTAINABILITY STATEMENT (cont'd)

SOCIAL (cont'd)

Our Community

Safety and Health

To safeguard our local communities' health, anti-malaria / dengue spraying and fogging are regularly conducted around our plantations and property development worksites.

Safety-coordination meetings are held on our worksites by our contractors' competent safety officers. Adequate first aid boxes and safety green books are available on-site and other health and safety matters are also attended to regularly. These safety officers have also kept abreast with the latest COVID-19 SOPs and ensured that the SOPs are strictly implemented on-site.

There were no major accidents or incidents that occurred in 2021.

Community Service and Projects

Our BU have always been actively involved in community activities or participated in initiatives that will strengthen community growth and welfare. During the year ended 31 December 2021, the following corporate social responsibility activities were carried out by our local BU:

- donated to a school to construct a covered walkway and for the printing of the school's journals.
- gifted festive hampers and cash to single mothers and person(s) stricken with illnesses.
- gifted festive attires, socks, shoes and food to underprivileged students of Sekolah Kebangsaan Kong Kong Laut.

Festive gifts for underprivileged students at Sekolah Kebangsaan Kong Kong Laut
6 May 2021

- donated face masks and hand sanitisers to the students and teachers of Sekolah Kebangsaan Kong Kong Laut.

Donation of Face Masks and Hand Sanitisers to Sekolah Kebangsaan Kong Kong Laut
6 December 2021

Due to COVID-19 restrictions, our overseas hotels did not carry out or participate in any community services or projects in 2021.

GOVERNANCE

Performance

KSM Group has recorded a revenue of RM1,311,978,000 for 2021 (RM874,463,000 in 2020). In 2021, it has contributed RM86,951,000 (RM81,062,000 in 2020) in employee benefits and RM26,079,000 (RM27,696,000 in 2020) in income taxes respectively.

Reference can be made to Note 8 and Statements of Cash Flows of the Financial Statements on pages 88 to 89 of this AR.

Integrity & Ethics and Laws & Regulations

We conduct our business in a legal and professional manner with the highest standard of integrity and ethics. We know that failure to do so may bring negative impacts to our people, community and perhaps the environment which will inevitably threaten KSM Group's integrity and reputation. As laws and regulations differ from country to country, to ensure compliance, we work closely with all relevant parties and agencies that we operate in.

Our directors and employees are governed by our Code of Conduct ("COC") and the Anti-Bribery & Anti-Corruption ("ABAC") Policy, which reinforces our value of integrity by providing guidance on moral, ethical behaviour in laws, business dealings, policies, standards and procedures. Our Whistleblowing Policy facilitates reporting on any violation of our COC, concerns of wrongdoing, corruption and fraud.

The COC, Whistleblowing and ABAC Policies are accessible via our Company's website, https://my.keckseng.com.

In 2021, there were no complaints brought against KSM Group on COC and ABAC breaches.

Quality Products and Services

The KSM Group is committed in ensuring that our products and services are of quality and safe for consumption.

Plantations and Manufacturing

Our POM monitors the source and quality of its FFB and the palm oil refinery through research and development to meet the expectations of the market and consumers in developing better, safer and healthier products for consumption.

External assurance is provided wherever possible to enhance credibility and build trust with relevant stakeholders. This is reflected in our sustainability and quality related assurance and certificates obtained by the BU under our Plantations and Manufacturing Segments which include:

Maintained	New
➢ Roundtable Sustainable Palm Oil (RSPO) Principles & Criteria ➢ RSPO Supply Chain (Mass Balance) / (Segregation) ➢ Malaysian Sustainable Palm Oil (MSPO) MS2530-3:2013 / MS2530-4:2013 ➢ Malaysian Palm Oil Board Code of Practice (MPOB COP) ➢ MSPO Supply Chain Certification Standards (MSPO-SCCS) ➢ Hazard Analysis and Critical Control Points (HACCP) ➢ Good Manufacturing Practice (GMP); ➢ ISO: 9001: 2015 ➢ Kosher and Halal certifications	➢ International Sustainability and Carbon Certification (ISCC)

Regular audits were conducted by respective accreditation bodies to ensure that high quality standards are maintained and/or improved.

GOVERNANCE (cont'd)

Property Development and Investment

At our Property Division, we focus on building quality and value for money properties. Our new developments now incorporate value added and lifestyle improving enhancements that will benefit the residents and surrounding communities. These new features would ensure that there would be economic and social growth in these development areas for years to come.

Our new recreational park at Bandar Baru Kangkar Pulai would focus on environmental sustainability. The Park would maintain its natural state/terrain as much as possible, minimising earthworks, siltation and excavation works. Replacement and reforestation of existing plants will be carried out for this park.

The progress of new developments and the Park was delayed due to movement restrictions. However, the Division has resumed its development projects upon the lifting of the restrictions in the 3rd quarter of 2021.

Our investment properties located in Kuala Lumpur are managed by our dedicated in-house management team, who ensure that the lettable office and residential units are properly maintained.

Hotels

In addition, our overseas hotels are managed under the Marriott and Hilton business standards accordingly. Hotels operating under the Marriott and Hilton brand names are required to maintain high service standards in the hospitality industry.

CONCLUSION

Moving forward, the Group will continue to pursue and undertake more initiatives to broaden its role in managing environment, social and governance risks and opportunities.

DIRECTORS' REPORT

The directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The principal activities of the Company consist of the cultivation of oil palm, processing and marketing of refined palm oil products, property development, property investment and share investment.

The principal activities and other information of the subsidiaries are described in Note 18 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit net of tax	74,596	280,910
Profit net of tax attributable to:		
Owners of the parent	79,020	280,910
Non-controlling interests	(4,424)	-
	74,596	280,910

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

In the opinion of the directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature other than as disclosed in the financial statements.

DIVIDENDS

On 18 March 2022, the Board of Directors approved and declared a single-tier interim dividend in respect of the financial year ending 31 December 2022, of 5.0 sen per share on 359,303,610 ordinary shares, amounting to a dividend of RM17,965,180.50, payable on 12 April 2022.

On 7 April 2022, the Board of Directors approved and declared a single-tier final dividend in respect of the financial year ended 31 December 2021, of 5.0 sen per share on 359,303,610 ordinary shares, amounting to a dividend of RM17,965,180.50, payable on 6 July 2022.

The financial statements for the current financial year do not reflect the above dividends. These dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

DIRECTORS

The names of the directors of the Company in office since the beginning of the financial year to the date of this report are:

Ho Kim Swee @ Ho Kian Guan**	
Dato' Ho Cheng Chong @ Ho Kian Hock**	
Maj-Gen (R) Dato' Muhammad bin Yunus	(demised on 7 June 2021)
Ho Eng Chong @ Ho Kian Cheong	
Lee Huee Nan @ Lee Hwee Leng**	
Too Hing Yeap @ Too Heng Yip	
Tai Lam Shin	
Chan Lui Ming Ivan**	
Mahathir Bin Mohamed Ismail	
Liew Foong Yuen	
Dato' Dr. Zaha Rina Binti Zahari	(appointed on 26 August 2021)
Ho Chung Kain (He ChongJing)**	(alternate to Dato' Ho Cheng Chong @ Ho Kian Hock)
Ho Chung Tao**	(alternate to Chan Lui Ming Ivan)
Ho Chung Hui**	(alternate to Lee Huee Nan @ Lee Hwee Leng)
Ho Chung Kiat, Sydney (He ChongJie, Sydney)	(alternate to Ho Eng Chong @ Ho Kian Cheong)

**These directors are also directors of the Company's subsidiaries.

The names of the directors of the Company's subsidiaries in office since the beginning of the financial year to the date of this report (not including those directors listed above) are:

Tan Ee Leng
Chua Teck Ngin
Kang Tai Peng
Chua Ngeun Seong
Dato' Dr. Abdul Rahim Bin Ramli
Tea Hing San
Gan Kim Buan
Tse See Fan Paul
Peter Wong
Evelyn Chow Yuet Chu
Cheah Siu Hoe
Lee Beng Ghee

During the financial year, an insurance premium of RM25,000 has been paid by the Company for the indemnity coverage of RM20,000,000 for the directors and the officers of the Group and the Company.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might 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 benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

DIRECTORS' REPORT (cont'd)

DIRECTORS' BENEFITS (cont'd)

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	6,657	5,126
Fees	1,163	1,063
Bonus	67	(199)
Defined contribution plan	502	406
Estimated money value of benefits-in-kind	31	28
	8,420	6,424

DIRECTORS' INTERESTS

According to the register of directors' shareholdings, the interests of directors in office at the end of the financial year in shares in the Company and its related corporations during the financial year were as follows:

		Number of ordinary shares		
The Company	**1.1.2021**	**Acquired**	**Sold**	**31.12.2021**
Ho Kim Swee @ Ho Kian Guan				
- direct interest	24,395,538	-	-	24,395,538
- indirect interest	101,791,473	1,284,200	-	103,075,673
Dato' Ho Cheng Chong @ Ho Kian Hock				
- direct interest	24,899,687	-	-	24,899,687
- indirect interest	101,791,473	1,284,200	-	103,075,673
Ho Eng Chong @ Ho Kian Cheong				
- direct interest	24,662,436	-	-	24,662,436
- indirect interest	18,000,000	-	-	18,000,000
Lee Huee Nan @ Lee Hwee Leng				
- direct interest	88,593	-	-	88,593
Chan Lui Ming Ivan				
- direct interest	102,000	-	-	102,000
Ho Chung Kain (He ChongJing)				
- direct interest	500,000	140,000	-	640,000
Subsidiary - Lim & Lim Plantations Berhad				
Direct Interest				
Ho Kim Swee @ Ho Kian Guan	5,000	-	-	5,000
Dato' Ho Cheng Chong @ Ho Kian Hock	5,500	-	-	5,500
Lee Huee Nan @ Lee Hwee Leng	2,000	-	-	2,000

Ho Kim Swee @ Ho Kian Guan, Dato' Ho Cheng Chong @ Ho Kian Hock and Ho Eng Chong @ Ho Kian Cheong by virtue of their interests in shares of the Company are also deemed interested in shares of all the Company's subsidiaries to the extent the Company has an interest.

The other directors in office at the end of the financial year had no interest in shares in the Company or its related corporations during the financial year.

TREASURY SHARES

Treasury shares relate to ordinary shares of the Company that are repurchased and held by the Company in accordance with the requirement of Section 127(6) of the Companies Act 2016 in Malaysia.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

As at 31 December 2021, the Company held as treasury shares a total of 2,174,000 out of its 361,477,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM7,054,000 and further relevant details are disclosed in Note 34(c) to the financial statements.

OTHER STATUTORY INFORMATION

(a) Before the statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the directors took reasonable steps:

  (i) 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

  (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

(b) At the date of this report, the directors are not aware of any circumstances which would render:

  (i) the amount 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; and

  (ii) the values attributed to the current assets in the financial statements of the Group and of the Company misleading.

(c) At the date of this report, the directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

(d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.

(e) As at the date of this report, there does not exist:

  (i) any charge on the assets of the Group or of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

  (ii) any contingent liability of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the directors :

  (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

  (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

DIRECTORS' REPORT (cont'd)

AUDITORS

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

Auditors' remuneration for the Group and the Company is as follows:

	Group RM'000	Company RM'000
Ernst & Young PLT		
- current year	370	170
Other services	20	20
	390	190

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 April 2022.

Ho Kim Swee @ Ho Kian Guan

Dato' Ho Cheng Chong @ Ho Kian Hock

STATEMENT BY DIRECTORS
PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016

We, Ho Kim Swee @ Ho Kian Guan and Dato' Ho Cheng Chong @ Ho Kian Hock, being two of the directors of Keck Seng (Malaysia) Berhad, do hereby state that, in the opinion of the directors, the accompanying financial statements set out on pages 81 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the directors dated 7 April 2022.

Ho Kim Swee @ Ho Kian Guan

Dato' Ho Cheng Chong @ Ho Kian Hock

STATUTORY DECLARATION
PURSUANT TO SECTION 251(1)(b) OF THE COMPANIES ACT 2016

I, Reuson Seet, being the officer primarily responsible for the financial management of Keck Seng (Malaysia) Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 81 to 165 are in my opinion 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.

Subscribed and solemnly declared by)	
by the abovenamed Reuson Seet)	
Johor Bahru in the State of Johor on)	Reuson Seet
7 April 2022.)	(MIA 15467)

Before me,
Commissioner of Oaths
Lai Soon Chee
No. J 287

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KECK SENG (MALAYSIA) BERHAD (Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Keck Seng (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 81 to 165.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and 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 Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

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

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Impairment assessment of hotel division's property, plant and equipment and right-of-use assets
(Refer to Notes 2.9, 2.12, 3.1(c) and 14 to the financial statements)

The Group is required to perform an impairment test of the cash generating units ("CGU") or groups of CGU when there is an indication that a CGU or groups of CGU may be impaired by comparing their carrying amounts with the recoverable amounts.

Due to unfavorable market conditions, certain subsidiaries of the Group which are involved in the operation of hotels recorded losses during the financial year, indicating that the carrying amount of the CGUs comprising the property, plant and equipment and right-of-use assets of these subsidiaries of RM344.23 million and RM3.59 million respectively, representing 13% of the Group's total assets, may be impaired. The management engaged independent valuers to determine the fair values of the hotel properties. The management has assessed that the fair value less costs of disposal ("FVLCD") as well as value in use of the hotel properties and determined that FVLCD is higher than the value in use. Therefore, FVLCD is used as the recoverable amount.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KECK SENG (MALAYSIA) BERHAD (Incorporated in Malaysia) (cont'd)

Report on the audit of the financial statements (cont'd)

Key audit matters (cont'd)

Impairment assessment of hotel division's property, plant and equipment and right-of-use assets (cont'd)
(Refer to Notes 2.9, 2.12, 3.1(c) and 14 to the financial statements)

The estimation of FVLCD of these hotel properties is based on assumptions that are highly judgmental, in particular, the assumptions on capitalisation rate of the expected level of potential net income to be generated, discount rate and revenue per available room. Management's assessment has resulted in the recording of impairment losses amounting to RM13.83 million during the current financial year in respect of property, plant and equipment of the Group.

Given the significance of the carrying amount, the magnitude of the impairment and the judgements and estimates involved in the assessment of the recoverable amounts, we have identified this to be a key matter for our audit.

How our audit addressed the matter

We involved the component auditors in our evaluation of the assessments of recoverable amounts of the property, plant and equipment and right-of-use assets of the CGUs. To address these areas of audit focus, we considered the work of the component auditors, amongst others, in the following areas:

- Obtained an understanding of the methodologies adopted by the management and independent valuers in estimating the value in use and FVLCD of the property, plant and equipment and right-of-use assets and assessed whether such methodology is consistent with those used in the industry.

- Assessed the competence, objectivity, independence and expertise of the independent valuers.

- Evaluated the reasonableness of the key assumptions used by making comparisons to historical performance and market data, taking into consideration the current and expected outlook of economic growth in the hotel industry.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions are included in Note 3.1(c) and 14 to the financial statements.

Revenue and cost of sales from property development activities recognised based on percentage of completion method
(Refer to Notes 2.22(i)(d), 3.1(a), 4 and 5 to the financial statements)

A proportion of the Group's and the Company's profits are derived from property development contracts. For the financial year ended 31 December 2021, property development revenue represents 9.1% and 8.6% of total revenue of the Group and the Company while its related cost of sales represents 5.2% and 5.4% of total cost of sales of the Group and the Company. The gross profits generated from property development activities represent 27.0% and 18.8% of total gross profits of the Group and the Company for the year. The Group and the Company use the percentage of completion method in accounting for these property development contracts.

Significant judgement and estimates are required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group and the Company.

The amount of revenue and profit recognised from property development activities are dependent on, amongst others, the extent of costs incurred to the total estimated costs of property development to derive the percentage of completion; the actual number of units sold and the estimated total revenue for each of the respective projects. We identified revenue and cost of sales from property development activities as areas requiring audit focus as significant management judgement and estimates are involved in estimating the total property development costs (which is used to determine gross profit margin of the property development activities undertaken by the Group and the Company).

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KECK SENG (MALAYSIA) BERHAD (Incorporated in Malaysia) (cont'd)

Report on the audit of the financial statements (cont'd)

Key audit matters (cont'd)

Revenue and cost of sales from property development activities recognised based on percentage of completion method (cont'd)
(Refer to Notes 2.22(i)(d), 3.1(a), 4 and 5 to the financial statements)

How our audit addressed the matter

In assessing the appropriateness of the extent of costs incurred, total estimated costs of property development and total estimated revenue collectively, amongst others, we have:

- obtained an understanding of the internal controls over the accuracy and timing of revenue recognized in the financial statements including the controls maintained by management in estimating the total budgeted costs on each project;

- inspected the sales and purchase agreements signed with property purchasers during the year and obtained an understanding of the specific terms and conditions. We also read the construction contracts including letters of award entered into with contractors on a sample basis;

- obtained an understanding of the process in deriving the percentage of completion, evaluated the determination of the progress towards complete satisfaction of the Group's and the Company's satisfaction of the performance obligations by examining to supporting evidences such as certified progress claims from contractors and architect certificates and assessed the reasonableness of project development estimated costs by verifying major costs to letter of awards issued to contractors;

- observed the progress of the property development phases by performing site visits. We have also discussed the status of on-going property development phases with management, finance personnel and project officials; and

- assessed the mathematical accuracy of revenue based on percentage of completion calculations.

Fair value of investment in unquoted instruments of A2I Holdings S.A R.L
(Refer to Notes 3.1(d), 19 and 39 to the financial statements)

The Group classifies its investment in unquoted instruments of A2I Holdings S.A R.L (“A2I”) as financial assets carried at fair value through profit or loss. A2I is a special purpose vehicle that is set up for the investment in AccorInvest Group S.A. (“AIG”). The investment in A2I comprises equity instrument and investment in Tracking Preferred Equity Certificates ("TPEC") of A2I which is considered a debt instrument. As at 31 December 2021, the carrying amount of the Group’s investment in A2I amounted to approximately RM64.76 million and the Group recorded a fair value loss of RM3.57 million in respect of the investment during the current financial year.

In estimating the fair value of the investment, the Group used the adjusted net asset value method which takes into consideration key inputs such as fair values of the hotel properties of AIG and the discount rate applied for the lack of control and marketability. We focused on the valuation of the investment in A2I because of the judgements involved in the estimation of the fair value of the hotel properties.

How our audit addressed the matter

With the involvement of the component auditors, our audit procedures to address this area of focus included amongst others the following procedures:

- We obtained an understanding of the methodology adopted by management in estimating the fair values of the investment and assessed whether such methodology is consistent with those commonly used to value such instruments.

- We obtained and checked the arithmetic accuracy of the computation of the adjusted net asset value.

- We verified the net assets value to the audited financial statements of AIG as at 31 December 2021.

- We assessed the appropriateness of the key adjustments in deriving the adjusted net asset value which comprises the fair value of the hotel properties of AIG by agreeing to the valuation reports issued by independent valuers on sample basis.

- We evaluated the reasonableness of the key assumptions underpinning the fair value of the hotel properties of AIG.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KECK SENG (MALAYSIA) BERHAD (Incorporated in Malaysia) (cont'd)

Report on the audit of the financial statements (cont'd)

Key audit matters (cont'd)

Fair value of investment in unquoted instruments of A2I Holdings S.A R.L (cont'd)
(Refer to Notes 3.1(d), 19 and 39 to the financial statements)

How our audit addressed the matter (cont'd)

- We evaluated the competence, capabilities, objectivity and independence of the valuers.
- We assessed whether the discount rate applied on the adjusted net asset value is within reasonable range by tracing to comparable recent transactions and also by benchmarking against available market data with the assistance of our internal specialist.

We have also evaluated the adequacy of the note disclosures concerning the determination of the fair value of the investment and the significant unobservable inputs. The disclosures are included in Note 39 to the financial statements.

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, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will 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 on the other information that we obtained prior to the date of this auditors' report, 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.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and 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 the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and 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 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KECK SENG (MALAYSIA) BERHAD (Incorporated in Malaysia) (cont'd)

Report on the audit of the financial statements (cont'd)

Auditors' responsibilities for the audit of the financial statements (cont'd)

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

- Identify and assess the risks of material misstatement of the financial statements of the Group and the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements of the Group and the Company, including the disclosures, and whether the financial statements of the Group and the Company represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF KECK SENG (MALAYSIA) BERHAD (Incorporated in Malaysia) (cont'd)

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 18 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.

Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Tan Jin Xiang
03348/01/2024 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 7 April 2022

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Revenue	4	**1,311,978**	874,463	**1,388,814**	801,503
Cost of sales	5	**(1,080,059)**	(735,307)	**(1,056,231)**	(688,717)
Gross profit		**231,919**	139,156	**332,583**	112,786
Other income	6	**24,798**	25,081	**34,424**	17,233
Distribution costs		**(35,353)**	(14,138)	**(29,426)**	(8,568)
Administrative expenses		**(89,918)**	(92,930)	**(33,806)**	(34,679)
Other expenses		**(28,715)**	(136,924)	**(5)**	(9,212)
Operating profit/(loss)		**102,731**	(79,755)	**303,770**	77,560
Finance costs	10	**(4,719)**	(5,475)	**(2,141)**	(1,875)
Profit/(loss) before tax	7	**98,012**	(85,230)	**301,629**	75,685
Income tax	11	**(23,416)**	13,256	**(20,719)**	(14,532)
Profit/(loss) net of tax		**74,596**	(71,974)	**280,910**	61,153
Profit/(loss) net of tax attributable to:					
Owners of the parent		**79,020**	(64,561)	**280,910**	61,153
Non-controlling interests		**(4,424)**	(7,413)	**-**	-
		74,596	(71,974)	**280,910**	61,153
Earnings/(loss) per share attributable to owners of the parent (sen per share)					
Basic	12	**21.99**	(17.97)		
Diluted	12	**N/A**	N/A		

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Other comprehensive income/(loss):					
Items that may be reclassified subsequently to profit or loss in subsequent periods (net of tax)					
Foreign currency translation, representing net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**13,721**	(2,414)	**-**	-
Items that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax)					
Net gain/(loss) on equity instruments designated at fair value through other comprehensive income, representing net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods		**13,734**	(23,500)	**18,555**	5,499
Other comprehensive income/(loss) for the year, net of tax		**27,455**	(25,914)	**18,555**	5,499
Total comprehensive income/(loss) for the year, net of tax		**102,051**	(97,888)	**299,465**	66,652
Total comprehensive income/(loss) attributable to:					
Owners of the parent		**105,475**	(90,623)	**299,465**	66,652
Non-controlling interests		**(3,424)**	(7,265)	**-**	-
		102,051	(97,888)	**299,465**	66,652

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	**463,395**	485,925	**31,279**	32,456
Investment properties	15	**171,771**	177,303	**80,458**	82,991
Right-of-use assets	16	**21,887**	18,612	**-**	-
Bearer plants	17	**18,353**	17,968	**10,835**	9,926
Investment in subsidiaries	18	**-**	-	**178,667**	177,050
Investment securities	19	**418,688**	411,045	**187,269**	168,592
Intangible assets	20	**83**	89	**8**	1
Inventories:					
- land held for property development	21(a)	**242,376**	249,738	**232,737**	240,099
Other receivables	24	**-**	-	**325,228**	314,800
Deferred tax assets	36	**41,830**	32,668	**14,518**	14,389
		1,378,383	1,393,348	**1,060,999**	1,040,304
Current assets					
Inventories:					
- property development costs	21(b)	**17,700**	28,741	**17,700**	28,741
- others	22	**206,580**	136,607	**192,430**	123,095
Biological assets	23	**1,194**	579	**57**	39
Trade and other receivables	24	**88,587**	98,172	**236,693**	225,566
Other current assets	25	**28,488**	47,089	**26,735**	45,470
Tax recoverable		**15,799**	14,568	**-**	-
Derivatives	26	**268**	83	**268**	83
Short term funds	27	**164,037**	199,607	**84,160**	27,680
Cash and bank balances	28	**855,037**	736,437	**606,853**	513,113
		1,377,690	1,261,883	**1,164,896**	963,787
Total assets		**2,756,073**	2,655,231	**2,225,895**	2,004,091

STATEMENTS OF FINANCIAL POSITION (cont'd)
AS AT 31 DECEMBER 2021

	Note	Group 2021 RM'000	Group 2020 RM'000	Company 2021 RM'000	Company 2020 RM'000
Equity and liabilities					
Current liabilities					
Loans and borrowings	29	**50,523**	60,749	**32,193**	48,818
Trade and other payables	30	**102,600**	109,429	**81,168**	148,659
Other current liabilities	31	**4,030**	412	**3,892**	277
Lease liabilities	32	**602**	-	**-**	-
Tax payable		**8,855**	2,096	**5,677**	77
		166,610	172,686	**122,930**	197,831
Net current assets		**1,211,080**	1,089,197	**1,041,966**	765,956
Non-current liabilities					
Trade and other payables	30	**10,666**	13,741	**9,089**	11,719
Non-refundable deposits		**605**	735	**605**	735
Lease liability	32	**3,351**	-	**-**	-
Deferred tax liabilities	36	**4,757**	5,097	**-**	-
Loans and borrowings	29	**172,773**	169,108	**-**	-
		192,152	188,681	**9,694**	12,454
Total liabilities		**358,762**	361,367	**132,624**	210,285
Net assets		**2,397,311**	2,293,864	**2,093,271**	1,793,806
Equity attributable to owners of the parent					
Share capital	33	**372,005**	372,005	**372,005**	372,005
Other reserves	34	**161,605**	140,051	**121,561**	103,812
Retained earnings	35	**1,726,002**	1,642,081	**1,599,705**	1,317,989
		2,259,612	2,154,137	**2,093,271**	1,793,806
Non-controlling interests		**137,699**	139,727	**-**	-
Total equity		**2,397,311**	2,293,864	**2,093,271**	1,793,806
Total equity and liabilities		**2,756,073**	2,655,231	**2,225,895**	2,004,091

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<— Attributable to owners of the parent						—>		
		<— Non-distributable		—>					
	Share capital (Note 33) RM'000	Treasury shares (Note 34) RM'000	Translation reserve (Note 34) RM'000	Fair value reserve (Note 34) RM'000	Premium on acquisition of non-controlling interests RM'000	Retained earnings (Note 35) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2021	372,005	(7,054)	97,442	50,296	(633)	1,642,081	2,154,137	139,727	2,293,864
Total comprehensive income	-	-	12,721	13,734	-	79,020	105,475	(3,424)	102,051
	372,005	(7,054)	110,163	64,030	(633)	1,721,101	2,259,612	136,303	2,395,915
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition	-	-	-	(4,901)	-	4,901	-	-	-
Share capital contributed by non-controlling shareholders	-	-	-	-	-	-	-	1,617	1,617
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	(221)	(221)
At 31 December 2021	372,005	(7,054)	110,163	59,129	(633)	1,726,002	2,259,612	137,699	2,397,311

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	<— Attributable to owners of the parent						—>		
		<— Non-distributable			—>				
	Share capital (Note 33) RM'000	Treasury shares (Note 34) RM'000	Translation reserve (Note 34) RM'000	Fair value reserve (Note 34) RM'000	Premium on acquisition of non-controlling interests RM'000	Retained earnings (Note 35) RM'000	Total RM'000	Non-controlling interests RM'000	Total equity RM'000
At 1 January 2020	372,005	(7,054)	100,004	76,403	(633)	1,704,035	2,244,760	146,992	2,391,752
Total comprehensive loss	-	-	(2,562)	(23,500)	-	(64,561)	(90,623)	(7,265)	(97,888)
	372,005	(7,054)	97,442	52,903	(633)	1,639,474	2,154,137	139,727	2,293,864
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition	-	-	-	(2,607)	-	2,607	-	-	-
At 31 December 2020	372,005	(7,054)	97,442	50,296	(633)	1,642,081	2,154,137	139,727	2,293,864

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	Share capital (Note 33) RM'000	<– Non-distributable –> Treasury shares (Note 34) RM'000	Fair value reserve (Note 34) RM'000	Distributable Retained earnings (Note 35) RM'000	Total equity RM'000
At 1 January 2020		372,005	(7,054)	105,834	1,256,369	1,727,154
Total comprehensive income		-	-	5,499	61,153	66,652
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition		-	-	(467)	467	-
At 31 December 2020 and 1 January 2021		372,005	(7,054)	110,866	1,317,989	1,793,806
Total comprehensive income		-	-	18,555	280,910	299,465
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition		-	-	(806)	806	-
At 31 December 2021		372,005	(7,054)	128,615	1,599,705	2,093,271

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Cash flows from operating activities				
Profit/(loss) before tax	**98,012**	(85,230)	**301,629**	75,685
Adjustments for:				
Amortisation of intangible assets	**26**	31	**3**	6
Amortisation of deferred loan costs	**25**	344	**-**	-
Depreciation of right-of-use assets	**1,221**	996	**-**	-
Depreciation of property, plant and equipment	**26,623**	32,937	**3,242**	3,644
Depreciation of investment properties	**4,173**	4,700	**1,027**	1,027
Depreciation of bearer plants	**733**	601	**149**	17
Dividend income	**(9,060)**	(6,776)	**(194,987)**	(20,618)
Property, plant and equipment written off	**275**	12	**3**	7
Bad debts written off	**163**	64	**-**	-
Inventories written off	**1**	-	**-**	-
Inventories written back	**(828)**	(59)	**(827)**	(56)
Write down of land held for developmentt	**1,250**	44	**1,250**	44
(Gain)/loss on disposal of property, plant and equipment	**(25)**	7	**-**	25
Gain on disposal of investment property	**(1)**	(3)	**-**	-
Net fair value gain on derivatives	**(185)**	(83)	**(185)**	(83)
Fair value loss/(gain) on financial assets at fair value through profit or loss	**3,658**	56,743	**(10)**	8
(Gain)/loss on fair value change in biological assets	**(615)**	30	**(18)**	(14)
Interest expenses	**4,719**	5,475	**2,141**	1,875
Interest income	**(6,245)**	(13,208)	**(9,443)**	(14,916)
Allowance for impairment on trade receivables	**55**	460	**-**	-
Allowance for impairment on amount due from a subsidiary	**-**	-	**7,495**	7,232
Impairment loss on property, plant and equipment	**13,825**	66,465	**-**	-
Gain on redemption of short term funds	**(241)**	(13)	**(72)**	(13)
Unrealised foreign exchange (gain)/loss	**(9,238)**	(5,907)	**(22,165)**	6,500
Operating profit before changes in working capital	**128,321**	57,630	**89,232**	60,370
Receivables	**31,334**	(28,573)	**43,763**	(29,218)
Payables	**(5,304)**	(30,180)	**(64,974)**	(11,266)
Inventories	**(68,909)**	(22,929)	**(68,507)**	(26,324)
Property development costs	**23,482**	31,323	**23,482**	31,323
Cash generated from operations	**108,924**	7,271	**22,996**	24,885
Interest paid on bank overdraft	**(2,141)**	(1,875)	**(2,141)**	(1,875)
Income tax paid	**(26,079)**	(27,696)	**(15,129)**	(18,209)
Net cash generated from/(used in) operating activities	**80,704**	(22,300)	**5,726**	4,801

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	**(6,032)**	(6,191)	**(2,068)**	(690)
Purchase of intangible assets	**(20)**	(16)	**(10)**	-
Purchase of investment properties	**(242)**	(29,114)	**(160)**	(29,053)
Purchase of investment securities	**(1,491)**	(1,818)	**(1,200)**	(1,278)
Addition to bearer plants	**(1,118)**	(3,028)	**(1,058)**	(2,453)
Addition to land held for property development	**(6,329)**	(26,283)	**(6,329)**	(26,283)
Acquisition of non-controlling interests	-	-	**-**	(21)
Proceeds from disposal of investment securities	**5,272**	6,255	**1,079**	2,908
Proceeds from disposal of property, plant and equipment	**26**	44	**-**	25
Proceeds from disposal of investment properties	**2**	4	**-**	-
Dividends received	**8,940**	6,642	**194,868**	20,483
Interest received	**6,268**	13,250	**9,443**	14,916
Advance to subsidiaries	**-**	-	**(40,002)**	(2,837)
Redemption of short term funds	**98,801**	9,000	**30,200**	9,000
(Placement)/withdrawal of short term funds	**(63,081)**	8,637	**(86,597)**	18,185
Withdrawal/(placement) of deposits with maturity more than three months	**56,980**	(61,942)	**49,408**	(61,727)
Net cash generated from/(used in) investing activities	**97,976**	(84,560)	**147,574**	(58,825)
Cash flows from financing activities				
Dividends paid to non-controlling interests	**(221)**	-	**-**	-
Interest paid on notes payable	**(2,300)**	(3,573))	**-**	-
Interest paid on lease liability	**(234)**	(27)	**-**	-
Repayment of principal portion of lease liability	**(539)**	(705)	**-**	-
Subscription of additional shares in subsidiary	**-**	-	**(1,617)**	-
Proceeds from issuance of shares by subsidiary to non-controlling interests	**1,617**	-	**-**	-
Drawdown of loans and borrowings	**10,945**	-	**-**	-
Repayment of loans and borrowings	**(7,323)**	(15,375)	**-**	-
Net cash generated from/(used in) financing activities	**1,945**	(19,680)	**(1,617)**	-
Net increase/(decrease) in cash and cash equivalents	**180,625**	(126,540)	**151,683**	(54,024)
Effects of exchange rate changes on cash and cash equivalents	**1,883**	(21,692)	**(1,450)**	(22,208)
Cash and cash equivalents at 1 January	**452,111**	600,343	**241,514**	317,746
Cash and cash equivalents at 31 December (Note 28)	**634,619**	452,111	**391,747**	241,514

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

The Company is a public limited liability company incorporated and domiciled in Malaysia, and is listed on Bursa Malaysia Securities Berhad. The registered office of the Company is located at Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor.

The principal activities of the Company consist of the cultivation of oil palm, processing and marketing of refined palm oil products, property development, property investment and share investment. The principal activities and other information of the subsidiaries are described in Note 18.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Ringgit Malaysia (RM), which is also the functional currency of the Company. All values are rounded to the nearest thousand (RM'000) except when otherwise indicated.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the preceding year except as follows:

On 1 January 2021, the Group and the Company adopted the following Amendments mandatory for annual financial periods beginning on or after 1 January 2021:

Description	Effective for annual periods beginning on or after
Amendment to MFRS 16: Leases - Covid-19 Related Rent Concessions	1 June 2020
Amendments to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021
Amendment to MFRS 16 Leases - Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

The adoption of the above Amendments did not have any significant impact on the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards, Amendments and Annual Improvements issued but not yet effective

The Standard, Amendments and Annual Improvements that are issued but not yet effective up to the date of issuance of the Group's and of the Company's financial statements are disclosed below. The Group and the Company intend to adopt these Standard, Amendments and Annual Improvements if applicable, when they become effective.

Description	Effective for annual periods beginning on or after
Annual Improvements to MFRS Standards 2018-2020	1 January 2022
Amendments to MFRS 3: Business Combinations - Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment - Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts - Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2023
- Disclosure of Accounting Policies	1 January 2023
Amendments to MFRS 108: Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	1 January 2023
Amendments to MFRS 112: Income Tax - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendment to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors are of opinion that the Standards, Amendments and Annual Improvements above would not have any material impact on the financial statements in the year of initial adoption.

2.4 Current versus non-current classification

Assets and liabilities in the statements of financial position are presented based on current/non- current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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

A fair value measurement of a non-financial asset 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.

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Inputs for the asset or liability that are not based on observable market data (unobservable inputs)

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

Policies and procedures are determined by senior management for both recurring fair value measurement and for non-recurring measurement.

External valuers are involved in valuation of significant assets and significant liabilities. Involvement of external valuers is decided by senior management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The senior management decides, after discussions with the external valuers, which valuation techniques and inputs to use for each case.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at the reporting date. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. Dividend income is recognised when the Company's right to receive payment is established. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in statement of comprehensive income.

2.7 Transactions with non-controlling interests

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to owners of the parent, and is presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the parent.

Changes in the Company owners' ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the parent.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

Transactions in foreign currencies are initially translated to the respective functional currencies of the Company and its subsidiaries at the exchange rates at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies at reporting date are translated at the rate of exchange ruling at that date and the exchange differences arising from the translation are recognised in profit or loss. Exchange differences arising on the settlement of monetary items are also recognised in profit or loss except for exchange differences arising on items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Non-monetary items denominated in foreign currencies recorded at historical cost or fair value could be remeasured. The remeasurement may result in gains and losses and translation differences. The treatment to be accorded to the translation differences shall be in line with whether the gains or losses arising from remeasurement are recognised in profit or loss or in equity.

(c) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at an average exchange rate for the year, unless the daily exchange rates during the year fluctuated significantly during that year, in which case the exchange rates at the dates of the transactions are used. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated at the closing rate at the reporting date.

2.9 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Government grant received by a subsidiary for the purchase of the necessary plant and equipment are credited to the related capital expenditure and are amortised to profit or loss over the useful life of the assets.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Property, plant and equipment (cont'd)

Freehold estates have unlimited useful life and therefore is not depreciated. Work-in-progress are also not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Golf course	over 86 to 90 years
Building and structures	2 - 10%
Plant and machinery	5 - 20%
Vehicles, furniture and equipment	5 - 33%

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2.10 Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation of other investment property is provided for on a straight-line basis to write-off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Leasehold land and buildings	2 - 10%

A property interest under an operating lease is classified and accounted for as an investment property on a property-by-property basis when the Group holds it to earn rentals or for capital appreciation or both.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property is recognised in profit or loss in the year of retirement or disposal.

2.11 Patents

Patents and intellectual property are recognised as intangible assets if it is probable that the future economic benefits that are attributable to such assets will flow to the enterprise and the costs of such assets can be measured reliably.

Patents and intellectual property are stated at cost less accumulated amortisation and impairment losses. Amortisation is charged to the statements of comprehensive income based on a straight line basis over a period of fifteen (15) to twenty (20) years from the date of successful registration.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Impairment of non-financial assets

The Group assesses at each reporting date or when an impairment assessment for an asset is required whether there is an indication that an asset may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, the fair value is derived based on sales comparison approach or income approach. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.13 Financial instruments - Initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity investment of another entity.

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's and the Company's business model for managing them. The Group and the Company initially measure a financial asset at its fair value plus transaction costs, in the case of a financial asset not at fair value through profit or loss.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's and the Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group and the Company commit to purchase or sell the asset.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets at amortised cost (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

The Group and the Company do not have any financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments).

- ***Financial assets at amortised cost (debt instruments)***

  This category is the most relevant to the Group and the Company. The Group and the Company measure financial assets at amortised cost if both of the following conditions are met:

  - The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows;

  and

  - The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortised cost are subsequently measured using the effective interest (''EIR'') method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

  The Group's and the Company's financial assets at amortised cost consist mainly of trade and other receivables and cash and bank balances.

- ***Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)***

  Upon initial recognition, the Group and the Company may elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under IAS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

  Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as revenue in the statements of comprehensive income when the right of payment has been established, except when the Group and the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

  The Group and the Company elected to classify irrevocably its listed and certain unquoted equity investments under this category.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

- ***Financial assets at fair value through profit or loss***

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. Financial assets at fair value through profit or loss are carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of comprehensive income.

This category comprises of the Group's and the Company's derivative instruments and fund placements with licensed financial institutions. The Group and the Company use derivative financial instruments such as forward currency contracts to hedge its foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Dividends are recognised as revenue in the statements of comprehensive income when the right of payment has been established. Interests are recognised as finance income in the statements of comprehensive income when the right of payment has been established.

A subsidiary of the Group, Brosna Ltd, invests in A2I Holdings S.A.R.L ("A2I"). The investment in shares in A2I is considered as equity instrument and investment in Tracking Preferred Equity Certificates ("TPEC") of A2I is considered as debt instrument. Both investments are subsequently measured at fair value through profit or loss.

Short term funds are investments in income trust funds carried in the statements of financial position at fair value with net changes in fair value recognised in the statements of comprehensive income.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's and the Company's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group and the Company have transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group and the Company have transferred substantially all the risks and rewards of the asset, or (b) the Group and the Company have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When rights to receive cash flows from an asset have been transferred or a pass-through arrangement has been entered, the Group and the Company evaluate to what extent the risks and rewards of ownership are retained by the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Financial instruments - initial recognition and subsequent measurement (cont'd)

(a) Financial assets (cont'd)

Derecognition (cont'd)

When all the risks and rewards of the assets have not been transferred or not retained substantially or when the control of the asset has not been transferred, the Group and the Company continue to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group and the Company also recognise an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group and the Company have retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group and the Company could be required to repay.

Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and the Company consider a financial asset in default when contractual payments are 180 days - 365 days past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's and the Company's financial liabilities consist mainly of loans and borrowings, lease liability, as well as trade and other payables.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.13 Financial instruments - initial recognition and subsequent measurement (cont'd)

(b) Financial liabilities (cont'd)

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

- ***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group and the Company that are not designated as hedging instruments in hedge relationships as defined by MFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of comprehensive income.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MFRS 9 are satisfied. The Group and the Company have not designated any financial liability as at fair value through profit or loss.

- ***Loans and borrowings***

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate ("EIR") method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statements of comprehensive income.

This category generally applies to the Group's and the Company's loans and borrowings, lease liability, as well as trade and other payables.

Derecognition

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

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short- term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value and have a short maturity of generally within three months when acquired. These also include bank overdrafts that form an integral part of the Group’s and the Company's cash management.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Inventories

(i) Inventory properties

Land held for property development

Land held for property development consists of land where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle. Such land is classified within non-current assets and is held as inventory and is measured at the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less costs to completion and the estimated costs of sales.

Land held for property development is transferred to property development costs under current assets when the development activities have commenced and are expected to be completed within the normal operating cycle.

Property development costs

Inventory properties under construction are referred to as property development costs. Property development costs are stated at the lower of costs and net realisable value. Property development costs comprise all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities. The cost of land, related development costs common to whole projects and direct building costs less cumulative amounts recognised as expense in the profit or loss for property under development are carried in the statements of financial position as property development costs. The property development cost is subsequently recognised as an expense in profit or loss as and when the control is transferred to the customer.

Property development cost of unsold unit is transferred to completed properties once the development activity is completed.

(ii) Inventory - others

Inventories are stated at the lower of cost (determined on the weighted average basis) and net realisable value.

Cost of refined oil products, crude palm oil and palm kernel includes raw materials, direct labour and appropriate proportions of manufacturing overheads based on normal operating capacity. The cost of unsold completed properties comprises cost associated with the acquisition of land, direct costs and appropriate proportions of common costs. Cost of spare parts, chemicals, food, beverage and utensils comprise cost of purchase.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.16 Contract assets and contract liabilities

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group and the Company have transferred goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional. In the case of property development, contract asset is the excess of cumulative revenue earned over the billings to date. A contract asset is stated at cost less accumulated impairment. Contract assets are subject to impairment in accordance of MFRS 9 Financial Instruments.

A contract liability is the obligation to transfer goods and services to a customer for which the Group and the Company have received consideration or an amount of consideration is due from the customer. In the case of property development, contract liability is the excess of the billings to date over the cumulative revenue earned. Contract liabilities are recognised as revenue when the Group and the Company have performed their obligation under the contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.18 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions attached will be met. Where the grant relates to an asset, the fair value is recognised as deferred capital grant in the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Alternatively, government grants related to an asset may be presented in the statements of financial position by deducting the grants in arriving at the carrying amount of the asset.

2.19 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

2.20 Employee benefits

Defined contribution plans

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. The Malaysian companies in the Group make contributions to the Employee Provident Fund in Malaysia, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.21 Leases

The Group and the Company assess at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) The Group and the Company as lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contract for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received; and
- any initial direct costs incurred by the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Leases (cont'd)

(a) The Group and the Company as lessee (cont'd)

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right- of-use assets. The state-owned lands are amortised over their lease terms of 99 years.

If the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's and the Company's incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(b) The Group and the Company as lessor

The Group and the Company classified its leases as either operating lease or finance lease. Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

If the Group and Company transfer substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

2.22 Revenue and other income recognition

The Group and the Company recognise revenue from contracts with customers based on the five- step model as set out below:

(i) Identify contract with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.

(ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

(iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transfering promised goods or services to a customer, excluding amounts collected on behalf of third parties.

(iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.

(v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Revenue and other income recognition (cont'd)

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

(i) Do not create an asset with an alternative use to the Group and the Company and have an enforceable right to payment for performance completed to-date; or

(ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or

(iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

The Group and the Company have generally concluded that it is the principal in its revenue arrangements, except for the procurement services below, because it typically controls the goods or services before transferring them to the customer.

Revenue is measured at the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services.

The following describes the performance obligation in contracts with customers:

(i) Revenue

(a) Sale of goods

The Group and the Company contract with its customers for sales of oil palm related products. Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally upon the transfer of significant risks and rewards of ownership of the goods to the customer. Payment is generally due up to 30 days from transfer of risks and rewards. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Delivery service

The Group and the Company provide delivery services that are bundled together with the sale of goods to a customer. The delivery services can be obtained from other providers and do not significantly customise or modify the goods sold.

Contracts for bundled sales of goods and delivery services are comprised of two performance obligations because the promises to transfer goods and provide delivery services are capable of being distinct and separately identifiable. Accordingly, the Group and the Company allocate the transaction price based on the relative stand-alone selling prices of the goods and delivery services.

The Group and the Company recognise revenue from delivery services over time, using an input method to measure progress towards complete satisfaction of the service, because the customer simultaneously receives and consumes the benefits provided by the Group and the Company. Payment is generally due up to 30 days from delivery.

(c) Rendering of services

Revenue from services rendered is recognised net of taxes and discounts as and when the services are performed.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Revenue and other income recognition (cont'd)

(i) Revenue (cont'd)

(d) Sales of properties

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 stand-alone selling prices. When these are not directly observable, they are estimated based on the percentage of completion method. The percentage of completion is determined by the proportion of property development costs incurred for work performed to date over the estimated cost for the respective development projects.

The revenue from property development is measured at the fixed transaction price agreed under the sale and purchase agreement.

Revenue from property development is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group and the Company will collect the consideration to which they will be entitled in exchange for the asset that will be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time.

This is generally established when:

(i) the promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) in the sale and purchase agreements and the attached layout plan and the purchasers could enforce its rights to the promised properties if the Group and the Company seek to sell the unit to another purchaser. The contractual restriction on the Group's and the Company's ability to direct the promised properties for another use is substantive and the promised properties sold to the purchasers do not have an alternative use to the Group and the Company; and

(ii) the Group and the Company have the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

(iii) If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the percentage of completion method using input method which is based on the actual cost incurred to date on the property development project as compared to the total estimated cost for the respective development projects.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the assets sold.

(e) Revenue from hotel operations

Revenue from rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Revenue and other income recognition (cont'd)

(i) Revenue (cont'd)

(f) Revenue from golf club and resort operations

Revenue from club operations consists of monthly subscription fees, golf, sports and other facilities. Where there are more than one performance obligations, the transaction price will be allocated to each of the separate performance obligations. When these are not directly observable, they are estimated based on expected cost plus margin.

Revenue from club activities excluding membership fees are recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Subscription fees are recognised as income on an accrual basis.

Revenue from rental of resort room, sale of food and beverage and other related income are recognised on accrual basis.

(g) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(h) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) Other income

(a) Interest income

Interest income is recognised using the effective interest method.

(b) Management fees

Management fees are recognised when services are rendered.

2.23 Taxation

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Taxation (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Services Tax ("SST")

Revenue are recognised net of the amount of SST.

The amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority and is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The amount of SST payable to the taxation authority is included as part of payables in the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved.

2.26 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.28 Bearer plants

Bearer plants are living plant that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

2.29 Biological assets

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date 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.

(a) Property development

Revenue on property development activities are recognised in accordance with the accounting policy set out in Note 2.22 (i)(d) above. The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and the corresponding revenue is recognised over time or at a point in time.

The Group and the Company recognise certain of their property development activities based on the percentage of completion method using input method which is based on the actual cost incurred to date on the property development project as compared to the total estimated cost for the respective development projects.

Estimation is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group and the Company. In making these judgements, management relies on past experience and the work of architect.

(b) Deferred tax assets

Deferred tax assets are recognised for unused tax losses, capital allowances and other deductible temporary differences to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position.

Further details on deferred tax assets are disclosed in Note 36.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.1 Key sources of estimation uncertainty (cont'd)

(c) Impairment of property, plant and equipment and right-of-use assets

The Group and the Company assess whether there are any indicators of impairment for all property, plant and equipment and right-of-use assets at each reporting date.

Property, plant and equipment and right-of-use assets are tested for impairment when indications of potential impairment exist. Indicators of impairment which could trigger an impairment review include significant adverse industry or economic changes, in particular as a result of Covid-19 pandemic. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is higher of its fair value less cost of disposal and its value in use. The fair value is derived based on sales comparison approach or income approach. The value in use calculation is based on discounted cash flows arising from the future operating performance, revenue generating capacity of the assets and future market conditions. Changes in circumstances may lead to changes in estimates and assumptions, and result in changes to the recoverable amounts of assets and impairment losses needed.

During the current financial year, the Group recognised impairment loss of approximately RM13,825,000 (2020: RM66,465,000) in respect of a foreign subsidiary's hotel property. The recoverable amount is determined based on a valuation done by an accredited independent valuer using the income capitalisation approach. The key assumptions used to determine the fair value, including the discount rate and capitalisation rate, are disclosed in Note 14 to the financial statements.

(d) Fair value of investment in A2I Holdings S.A.R.L ("A2I")

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The investment in A2I comprises equity instrument and investment in Tracking Preferred Equity Certificates ("TPEC") of A2I which is considered a debt instrument. The fair value of investment in A2I is determined based on the adjusted net assets of the investee discounted using an appropriate rate. Judgements and estimates include considerations of the appropriate discount for lack of control and marketability and inputs in measuring the fair value of the underlying hotel assets of the investee. The carrying amount of the investment in A2I and further details about the determination of fair value are disclosed in Note 19 and Note 39 to the financial statements respectively.

4. REVENUE

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Type of revenue				
Oil palm produce	**1,057,706**	627,664	**1,069,100**	623,445
Sale of properties	**119,136**	151,513	**119,136**	151,513
Dividend income	**9,060**	6,776	**194,987**	20,618
Management and operation of golf club	**5,238**	9,065	**-**	-
Operation of hotel and conference centre	**97,071**	54,805	**-**	-
Revenue from contracts with customers	**1,288,211**	849,823	**1,383,223**	795,576
Rental income	**23,767**	24,640	**5,591**	5,927
	1,311,978	874,463	**1,388,814**	801,503
Timing of revenue recognition				
- at a point in time	**1,137,966**	682,855	**1,306,123**	662,753
- over time	**150,245**	166,968	**77,100**	132,823
	1,288,211	849,823	**1,383,223**	795,576

4. REVENUE (cont'd)

4.1 CONTRACT BALANCES

	Group and Company	
	2021	2020
	RM'000	RM'000
Contract assets (Note 25)	**18,436**	36,938
Contract liability (Note 31)	**(3,622)**	-
	14,814	36,938
At beginning of the year	**36,938**	43,268
Consideration paid and payable to customers	**5,319**	8,306
Revenue recognised during the year	**119,136**	151,513
Progress billings during the year	**(146,579)**	(166,149)
At end of the year	**14,814**	36,938

Revenue from property development activities is recognised over time using the input method, which is based on the actual cost incurred to date on the property development projects over the total estimated cost of the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2021 for the Group and the Company is RM12,653,000 (2020: RM27,744,000). The remaining performance obligations are expected to be recognised as follows:

Group and Company	**2021**	2020
	RM'000	RM'000
Within 1 year	**12,653**	27,744

5. COST OF SALES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Property development costs	**56,556**	92,634	**56,556**	92,634
Cost of inventories sold	**946,247**	569,485	**999,675**	596,083
Cost of services rendered	**77,256**	73,188	**-**	-
	1,080,059	735,307	**1,056,231**	688,717

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

6. OTHER INCOME

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Interest income from deposits	**6,245**	13,208	**3,682**	7,895
Interest income from subsidiaries	**-**	-	**5,761**	7,021
	6,245	13,208	**9,443**	14,916
Unrealised gain on foreign exchange	**9,238**	5,907	**22,165**	-
Realised gain on foreign exchange	**70**	-	**44**	-
Net fair value gain on derivatives	**185**	83	**185**	83
Management fee received from subsidiaries	**-**	-	**1,146**	1,192
Gain on fair value change in biological assets	**615**	-	**18**	14
Gain on trading of palm oil	**170**	-	**170**	-
Gain on redemption of short term funds	**241**	13	**72**	13
Fair value gain on financial assets at fair value through profit or loss	**-**	6	**10**	-
Emergency wage and rent subsidy received by foreign subsidiary	**6,079**	2,685	**-**	-
Miscellaneous	**1,955**	3,179	**1,171**	1,015
	24,798	25,081	**34,424**	17,233

7. PROFIT/(LOSS) BEFORE TAX

Profit/(loss) before tax after charging/(crediting) the following items:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Auditors' remuneration:				
Statutory audits				
- Current year				
- Ernst & Young PLT	**370**	247	**170**	120
- Other auditors	**522**	1,247	**-**	-
- Underprovision in prior years				
- Other auditors	**32**	-	**-**	-
Other services				
- Ernst & Young PLT	**20**	44	**20**	44
- Other auditors	**-**	455	**-**	-
Bad debts written off	**163**	64	**-**	-
Employee benefits expense (Note 8)	**86,951**	81,062	**28,138**	27,829
Direct operating expenses arising from revenue generating properties	**6,441**	6,761	**894**	883
Amortisation of intangible assets (Note 20)	**26**	31	**3**	6
Amortisation of deferred loan costs (Note 40)	**25**	344	**-**	-
Depreciation of property, plant and equipment (Note 14)	**26,623**	32,937	**3,242**	3,644
Depreciation of investment properties (Note 15)	**4,173**	4,700	**1,027**	1,027
Depreciation of right-of-use assets (Note 16)	**1,221**	996	**-**	-
Depreciation of bearer plants (Note 17)	**733**	601	**149**	17
Property, plant and equipment written off	**275**	12	**3**	7
Inventories written off	**1**	-	**-**	-
Inventories written back	**(828)**	(59)	**(827)**	(56)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

7. PROFIT/(LOSS) BEFORE TAX (cont'd)

Profit/(Loss) before tax after charging/(crediting) the following items: (cont'd)

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Write down of land held for development (Note 21 (a))	**1,250**	44	**1,250**	44
Allowance for impairment on trade receivables (Note 24)	**55**	460	**-**	-
Allowance for impairment on amount due from a subsidiary (Note 24)	**-**	-	**7,495**	7,232
Realised (gain)/loss on foreign exchange	**(98)**	2,058	**(44)**	2,091
Unrealised (gain)/loss on foreign exchange	**(9,238)**	(5,907)	**(22,165)**	6,500
(Gain)/loss on fair value change in biological assets (Note 23)	**(615)**	30	**(18)**	(14)
Fair value loss/(gain) on financial assets at fair value through profit or loss	**3,658**	56,743	**(10)**	8
Gain on redemption of short term funds	**(241)**	(13)	**(72)**	(13)
Fair value gain on derivatives	**(185)**	(83)	**(185)**	(83)
Impairment loss on property, plant and equipment (Note 14)	**13,825**	66,465	**-**	-
Gross dividends from quoted investments:				
- Malaysian corporations	**(1,744)**	(1,671)	**(1,618)**	(1,591)
- Foreign corporations	**(6,810)**	(4,273)	**(3,147)**	(3,015)
Gross dividends from unquoted investments:				
- Malaysian corporations	**(506)**	(832)	**(506)**	(832)
- Subsidiaries	**-**	-	**(189,716)**	(15,180)
	(9,060)	(6,776)	**(194,987)**	(20,618)
Gain on disposal of investment properties	**(1)**	(3)	**-**	-
(Gain)/loss on disposal of property, plant and equipment	**(25)**	7	**-**	25

8. EMPLOYEE BENEFITS EXPENSE (excluding key management personnel)

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Wages and salaries	**70,772**	64,051	**25,570**	25,297
Social security and employee insurance contributions	**386**	408	**256**	259
Contributions to defined contribution plan	**3,262**	3,281	**2,312**	2,273
Other benefits	**12,531**	13,322	**-**	-
	86,951	81,062	**28,138**	27,829

9. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Directors' remuneration:				
Fees	**1,163**	1,185	**1,063**	1,085
Salaries, bonus and other emoluments	**7,226**	8,105	**5,333**	7,070
Benefits-in-kind	**31**	31	**28**	28
	8,420	9,321	**6,424**	8,183

Key management personnel comprises Directors of the Company, who have authority and responsibility for planning, directing and controlling the activities of the Group, either directly or indirectly.

10. FINANCE COSTS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Interest expenses on:				
- Notes payable	**2,300**	3,573	**-**	-
- Bank overdraft	**2,141**	1,875	**2,141**	1,875
- Lease liability	**234**	27	**-**	-
- Unwinding of discount on tenant deposits	**44**	-	**-**	-
	4,719	5,475	**2,141**	1,875

11. INCOME TAX EXPENSE

Components of income tax expense

The components of income tax expense for the years ended 31 December 2021 and 2020 are:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Statement of comprehensive income:				
Current income tax :				
- Malaysian income tax	**32,054**	22,921	**20,335**	13,795
- Foreign tax	**(120)**	(14,225)	**152**	157
	31,934	8,696	**20,487**	13,952
Under/(over)provision in prior years:				
- Malaysian income tax	**306**	16	**362**	41
- Foreign tax	**4**	(263)	**(1)**	-
	310	(247)	**361**	41
Deferred income tax (Note 36):				
- Origination and reversal of temporary differences	**(8,821)**	(22,245)	**(113)**	16
- (Over)/underprovision in prior years	**(7)**	540	**(16)**	523
	(8,828)	(21,705)	**(129)**	539
Income tax recognised in statements of comprehensive income	**23,416**	(13,256)	**20,719**	14,532

11. INCOME TAX EXPENSE (cont'd)

Components of income tax expense (cont'd)

The current foreign tax benefit arose as certain foreign subsidiaries are entitled to claim a tax refund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act ("CARES Act") enacted in the United States of America. Under the CARES Act, net operating losses arising in tax years beginning after 31 December 2017, and before 1 January 2021 may be carried back to each of the five tax years preceding the tax year of such loss.

Reconciliation between tax expense and accounting profit

The reconciliation between income tax and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2021 and 2020 is as follows:

	2021 RM'000	2020 RM'000
Group		
Profit/(loss) before tax	**98,012**	(85,230)
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**23,523**	(20,455)
Different tax rates in other countries	**987**	6,598
Income not subject to tax	**(10,941)**	(16,034)
Expenses not deductible for tax purposes	**4,448**	13,015
Tax on transfer of land held for property development to investment properties	**100**	145
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**-**	(3,056)
Deferred tax asset not recognised on unabsorbed capital allowances and unutilised business losses	**4,996**	6,238
Under/(over)provision of income tax in prior years	**310**	(247)
(Over)/underprovision of deferred tax in prior years	**(7)**	540
Income tax expense recognised in profit or loss	**23,416**	(13,256)
Company		
Profit before tax	**301,629**	75,685
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	**72,391**	18,164
Income not subject to tax	**(54,185)**	(8,108)
Expenses not deductible for tax purposes	**2,298**	3,990
Tax on transfer of land held for property development to investment properties	**100**	145
Different tax rates in other countries	**(230)**	(223)
Underprovision of income tax in prior years	**361**	41
(Over)/underprovision of deferred tax in prior years	**(16)**	523
Income tax expense recognised in profit or loss	**20,719**	14,532

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2020: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

12. EARNINGS/(LOSS) PER SHARE

Basic earnings/(loss) per share amounts are calculated by dividing profit/(loss) for the year, net of tax, attributable to owners of the parent by the weighted average number of ordinary shares after adjusting for treasury shares.

	Group	
	2021	2020
Profit/(loss) net of tax attributable to owners of the parent (RM'000)	**79,020**	(64,561)
Weighted average number of ordinary shares in issue ('000)	**359,303**	359,303
Basic earnings/(loss) per share (sen)	**21.99**	(17.97)

No diluted earnings/(loss) per share have been presented as there were no dilutive potential ordinary shares outstanding as at 31 December 2021 and 31 December 2020.

13. DIVIDENDS

On 18 March 2022, the Board of Directors approved and declared a single-tier interim dividend in respect of the financial year ending 31 December 2022, of 5.0 sen per share on 359,303,610 ordinary shares, amounting to a dividend of RM17,965,180.50, payable on 12 April 2022.

On 7 April 2022, the Board of Directors approved and declared a single-tier final dividend in respect of the financial year ended 31 December 2021, of 5.0 sen per share on 359,303,610 ordinary shares, amounting to a dividend of RM17,965,180.50, payable on 6 July 2022.

The financial statements for the current financial year do not reflect the above dividends. These dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. PROPERTY, PLANT AND EQUIPMENT

Group	Estates, golf course, land and buildings RM'000	Plant and machinery RM'000	Vehicles, furniture and equipment RM'000	Work-in-progress RM'000	Total RM'000
Cost/Deemed cost					
At 1 January 2021					
At cost	772,100	135,462	128,533	6,991	1,043,086
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	795,510	128,048	128,533	6,991	1,059,082
Additions	700	2,404	953	1,975	6,032
Reclassification	2,085	(1,062)	(162)	(861)	-
Write offs	(511)	(1,075)	(426)	-	(2,012)
Disposals	-	-	(291)	-	(291)
Transfer to inventories	-	-	-	(222)	(222)
Exchange differences	22,165	-	3,449	55	25,669
At 31 December 2021	819,949	128,315	132,056	7,938	1,088,258
Representing:					
At cost	796,539	135,729	132,056	7,938	1,072,262
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	819,949	128,315	132,056	7,938	1,088,258
Accumulated depreciation and impairment					
At 1 January 2021:					
At cost	354,684	121,946	103,941	-	580,571
Government grant	-	(7,414)	-	-	(7,414)
	354,684	114,532	103,941	-	573,157
Charge for the year (Note 7)	12,836	2,569	11,218	-	26,623
Write offs	(255)	(1,062)	(420)	-	(1,737)
Disposals	-	-	(290)	-	(290)
Impairment loss (Note 7)	13,825	-	-	-	13,825
Exchange differences	10,521	-	2,764	-	13,285
At 31 December 2021	391,611	116,039	117,213	-	624,863
Representing:					
At cost	391,611	123,453	117,213	-	632,277
Government grant	-	(7,414)	-	-	(7,414)
	391,611	116,039	117,213	-	624,863
At 31 December 2021					
Accumulated depreciation	265,725	116,039	117,213	-	498,977
Accumulated impairment loss	125,886	-	-	-	125,886
	391,611	116,039	117,213	-	624,863
Net carrying amount					
At 31 December 2021					
At cost	404,928	12,276	14,843	7,938	439,985
At deemed cost	23,410	-	-	-	23,410
	428,338	12,276	14,843	7,938	463,395

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Group	Estates, golf course, land and buildings RM'000	Plant and machinery RM'000	Vehicles, furniture and equipment RM'000	Work-in-progress RM'000	Total RM'000
Cost/Deemed cost					
At 1 January 2020					
At cost	773,606	135,611	127,479	10,078	1,046,774
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	797,016	128,197	127,479	10,078	1,062,770
Additions	1,195	381	1,281	3,334	6,191
Reclassification	5,202	21	1,142	(6,365)	-
Write offs	(9)	(60)	(244)	-	(313)
Disposals	-	(491)	(518)	-	(1,009)
Exchange differences	(7,894)	-	(607)	(56)	(8,557)
At 31 December 2020	795,510	128,048	128,533	6,991	1,059,082
Representing:					
At cost	772,100	135,462	128,533	6,991	1,043,086
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	795,510	128,048	128,533	6,991	1,059,082
Accumulated depreciation and impairment					
At 1 January 2020					
At cost	274,123	119,677	94,041	-	487,841
Government grant	-	(7,414)	-	-	(7,414)
	274,123	112,263	94,041	-	480,427
Charge for the year (Note 7)	18,915	2,768	11,254	-	32,937
Write offs	(9)	(57)	(235)	-	(301)
Disposals	-	(442)	(516)	-	(958)
Impairment loss (Note 7)	66,465	-	-	-	66,465
Exchange differences	(4,810)	-	(603)	-	(5,413)
At 31 December 2020	354,684	114,532	103,941	-	573,157
Representing:					
At cost	354,684	121,946	103,941	-	580,571
Government grant	-	(7,414)	-	-	(7,414)
	354,684	114,532	103,941	-	573,157
At 31 December 2020					
Accumulated depreciation	246,496	114,532	103,941	-	464,969
Accumulated impairment loss	108,188	-	-	-	108,188
	354,684	114,532	103,941	-	573,157
Net carrying amount					
At 31 December 2020					
At cost	417,416	13,516	24,592	6,991	462,515
At deemed cost	23,410	-	-	-	23,410
	440,826	13,516	24,592	6,991	485,925

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Estates, land and buildings RM'000	Plant and machinery RM'000	Vehicles, furniture and equipment RM'000	Work-in-progress RM'000	Total RM'000
Cost/Deemed cost					
At 1 January 2021	29,203	109,486	15,581	773	155,043
Additions	13	1,087	624	344	2,068
Reclassification	-	214	-	(214)	-
Write offs	-	(7)	(81)	-	(88)
At 31 December 2021	29,216	110,780	16,124	903	157,023
Representing:					
At cost	20,202	110,780	16,124	903	148,009
At deemed cost	9,014	-	-	-	9,014
	29,216	110,780	16,124	903	157,023
Accumulated depreciation					
At 1 January 2021	10,621	99,149	12,817	-	122,587
Charge for the year (Note 7)	403	1,908	931	-	3,242
Write offs	-	(6)	(79)	-	(85)
At 31 December 2021	11,024	101,051	13,669	-	125,744
Net carrying amount					
At 31 December 2021					
At cost	9,178	9,729	2,455	903	22,265
At deemed cost	9,014	-	-	-	9,014
	18,192	9,729	2,455	903	31,279

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	Estates, land and buildings RM'000	Plant and machinery RM'000	Vehicles, furniture and equipment RM'000	Work-in-progress RM'000	Total RM'000
Cost/Deemed cost					
At 1 January 2020	29,059	109,740	15,759	764	155,322
Additions	144	273	264	9	690
Write offs	-	(36)	(95)	-	(131)
Disposals	-	(491)	(347)	-	(838)
At 31 December 2020	29,203	109,486	15,581	773	155,043
Representing:					
At cost	20,189	109,486	15,581	773	146,029
At deemed cost	9,014	-	-	-	9,014
	29,203	109,486	15,581	773	155,043
Accumulated depreciation					
At 1 January 2020	9,967	97,535	12,353	-	119,855
Charge for the year (Note 7)	654	2,089	901	-	3,644
Write offs	-	(33)	(91)	-	(124)
Disposals	-	(442)	(346)	-	(788)
At 31 December 2020	10,621	99,149	12,817	-	122,587
Net carrying amount					
At 31 December 2020					
At cost	9,568	10,337	2,764	773	23,442
At deemed cost	9,014	-	-	-	9,014
	18,582	10,337	2,764	773	32,456

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(i) The details of the estates, golf course, land and buildings are as follows:

Group	Cost/ Deemed cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000	Depreciation charge RM'000
2021				
At deemed cost -				
Freehold estates	**23,410**	**-**	**23,410**	**-**
At cost -				
Freehold estates	**3,361**	**-**	**3,361**	**-**
Golf course	**78,739**	**23,253**	**55,486**	**900**
Freehold land and buildings	**714,439**	**368,358**	**346,081**	**11,936**
	796,539	**391,611**	**404,928**	**12,836**
Total	**819,949**	**391,611**	**428,338**	**12,836**
2020				
At deemed cost -				
Freehold estates	23,410	-	23,410	-
At cost -				
Freehold estates	3,361	-	3,361	-
Golf course	78,739	22,353	56,386	900
Freehold land and buildings	690,000	332,331	357,669	18,015
	772,100	354,684	417,416	18,915
Total	795,510	354,684	440,826	18,915

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

(i) The details of the estates, golf course, land and buildings are as follows: (cont'd)

Company	Cost/ Deemed cost RM'000	Accumulated depreciation RM'000	Net carrying amount RM'000	Depreciation charge RM'000
2021				
At deemed cost -				
Freehold estates	**9,014**	**-**	**9,014**	**-**
At cost -				
Freehold estates	**3,146**	**-**	**3,146**	**-**
Freehold land and buildings	**17,056**	**11,024**	**6,032**	**403**
	20,202	**11,024**	**9,178**	**403**
Total	**29,216**	**11,024**	**18,192**	**403**
2020				
At deemed cost -				
Freehold estates	9,014	-	9,014	-
At cost -				
Freehold estates	3,146	-	3,146	-
Freehold land and buildings	17,043	10,621	6,422	654
	20,189	10,621	9,568	654
Total	29,203	10,621	18,582	654

(ii) Property, plant and equipment of certain subsidiaries with net carrying amount of RM280,404,000 (2020: RM293,219,000) are pledged for bank facilities as disclosed in Note 29.

(iii) The carrying amount of the property, plant and equipment of the Group's hotel segment amounted to RM344.23 million (2020: RM413.62 million). During the current financial year, an impairment loss of RM13,825,000 (2020: RM66,465,000) was recognised on certain property, plant and equipment of a subsidiary involved in hotel and resort segment, KSNY Enterprises Ltd ("KSNY"), as a result of unfavorable market conditions. This was recognised in the statement of profit or loss as other expenses. The recoverable amount of RM166,840,000 (2020: RM186,854,000) as at 31 December 2021 was based on fair value less costs of disposal and was determined at the level of the cash-generating unit of KSNY. The fair value less costs of disposal was based on income capitalisation approach which utilises the discounted cash flow technique, measures the present value of projected income flows and the reversion of the property sale. The significant unobservable valuation inputs are as below:

	2021	2020
Revenue per available room	**USD 161 to USD 310**	USD 103 to USD 305
Discount rate	**8.50%**	8.50%
Capitalisation rate	**6.50%**	6.50%

(iv) Future minimum rentals receivable under non-cancellable operating leases on certain property, plant and equipment of the Group is disclosed in Note 15 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

15. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
2021			
Cost			
At 1 January 2021	264,177	18,099	282,276
Additions	242	-	242
Write offs	(70)	-	(70)
Disposals	(13)	-	(13)
Reversal	(1,666)	-	(1,666)
Exchange differences	-	150	150
At 31 December 2021	262,670	18,249	280,919
Accumulated depreciation			
At 1 January 2021	98,566	6,407	104,973
Charge for the year (Note 7)	4,133	40	4,173
Write offs	(70)	-	(70)
Disposals	(12)	-	(12)
Exchange differences	-	84	84
At 31 December 2021	102,617	6,531	109,148
Net carrying amount			
At 31 December 2021	160,053	11,718	171,771
2020			
Cost			
At 1 January 2020	236,027	17,222	253,249
Additions	28,254	860	29,114
Disposals	(104)	-	(104)
Exchange differences	-	17	17
At 31 December 2020	264,177	18,099	282,276
Accumulated depreciation			
At 1 January 2020	94,009	6,358	100,367
Charge for the year (Note 7)	4,660	40	4,700
Disposals	(103)	-	(103)
Exchange differences	-	9	9
At 31 December 2020	98,566	6,407	104,973
Net carrying amount			
At 31 December 2020	165,611	11,692	177,303

15. INVESTMENT PROPERTIES (cont'd)

Company	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
2021			
Cost			
At 1 January 2021	86,541	6,703	93,244
Additions	160	-	160
Reversal	(1,666)	-	(1,666)
At 31 December 2021	85,035	6,703	91,738
Accumulated depreciation			
At 1 January 2021	10,213	40	10,253
Charge for the year (Note 7)	987	40	1,027
At 31 December 2021	11,200	80	11,280
Net carrying amount			
At 31 December 2021	73,835	6,623	80,458
2020			
Cost			
At 1 January 2020	58,348	5,843	64,191
Additions	28,193	860	29,053
At 31 December 2020	86,541	6,703	93,244
Accumulated depreciation			
At 1 January 2020	9,226	-	9,226
Charge for the year (Note 7)	987	40	1,027
At 31 December 2020	10,213	40	10,253
Net carrying amount			
At 31 December 2020	76,328	6,663	82,991

15. INVESTMENT PROPERTIES (cont'd)

The fair value of investment properties as at 31 December 2021 for the Group and Company is approximately RM661,926,000 (2020: RM618,566,000) and RM349,650,000 (2020: RM306,894,000) respectively. The valuations were conducted by independent professional valuers using the comparison and investment methods, except for an investment property held by a foreign subsidiary valued at RM82,198,000 (2020: RM73,457,000) which was estimated by directors using the comparison method.

The fair value measurement of the Group's and the Company's investment properties are categorised within Level 3 of the fair value hierarchy. There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

The Group has entered into operating leases on its investment properties and certain property, plant and equipment. Future minimum rentals receivable under these non-cancellable operating leases as at 31 December are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Within one year	**22,188**	20,151	**9,121**	6,295
Within two to five years	**32,381**	15,516	**21,749**	5,297
After five years	**47,873**	206	**47,873**	206
	102,442	35,873	**78,743**	11,798

16. RIGHT-OF-USE ASSETS

The following table presents the carrying amounts of the right-of-use assets recognised and the movements during the period for the Group:

	Car park land RM'000	**State-owned land RM'000**	**Total RM'000**
At 1 January 2020	683	18,927	19,610
Depreciation charge for the year (Note 7)	(681)	(315)	(996)
Exchange differences	(2)	-	(2)
At 31 December 2020 and 1 January 2021	-	18,612	18,612
Additions	4,533	-	4,533
Depreciation charge for the year (Note 7)	(907)	(314)	(1,221)
Exchange differences	(37)	-	(37)
At 31 December 2021	3,589	18,298	21,887

The Group has right-of-use over state-owned land which is used for the cultivation of oil palm. The right-of-use has a remaining tenure of 94 years (2020: 95 years) expiring in 2115.

17. BEARER PLANTS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Cost/Deemed cost				
At 1 January	**23,960**	20,932	**10,311**	7,858
Additions	**1,118**	3,028	**1,058**	2,453
At 31 December	**25,078**	23,960	**11,369**	10,311
Accumulated depreciation				
At 1 January	**5,992**	5,391	**385**	368
Charge for the year (Note 7)	**733**	601	**149**	17
At 31 December	**6,725**	5,992	**534**	385
Net carrying amount				
At 31 December	**18,353**	17,968	**10,835**	9,926
Analysis of bearer plants:				
At 31 December				
Immature	**8,545**	10,327	**7,934**	9,778
Matured	**9,808**	7,641	**2,901**	148
	18,353	17,968	**10,835**	9,926

18. INVESTMENT IN SUBSIDIARIES

	Company 2021 RM'000	Company 2020 RM'000
Unquoted shares, at cost		
- In Malaysia	**227,854**	226,237
- Outside Malaysia	**4**	4
	227,858	226,241
Less: Impairment losses	**(49,191)**	(49,191)
	178,667	177,050

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2021 %	Proportion of ownership interest 2020 %
Held by the Company				
Johore (Masai) Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
Kota Tinggi Oil Palm Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
Lian Huap Oil Palm Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
Sin Lian Oil Palm Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
HKH Holdings Sdn. Bhd.	Malaysia	Property investment	**100**	100
Ragamo Sdn. Bhd.	Malaysia	Processing of palm kernel products and investment holding	**100**	100
Lim & Lim Plantations Berhad	Malaysia	Oil palm estate and investment holding	**99.8**	99.8
Supervitamins Sdn. Bhd.	Malaysia	Manufacturing and trading of nutraceutical and health-care materials	**100**	100
Tanjong Puteri Golf Resort Berhad	Malaysia	Operation of golf club	**99.97**	99.97
Keck Seng Investments Pte. Ltd.*	Singapore	Investment holding	**100**	100
Brosna Limited*	Hong Kong	Investment holding	**100**	100

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Details of the subsidiaries are as follows: (cont'd)

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2021 %	2020 %
Held by the Company (cont'd)				
Keck Seng International Private Limited*	Singapore	Dormant	**100**	100
Lusaka Holdings Sdn. Bhd.	Malaysia	Property investment	**70**	70
Siris Management Sdn. Bhd.	Malaysia	Dormant	**100**	100
K.S.F. Enterprises Sdn. Bhd.	Malaysia	Investment holding	**50+1****	50+1**
Held by K.S.F. Enterprises Sdn. Bhd.				
KSD Enterprises Ltd.*	Canada	Operation of hotels	**50+1****	50+1**
Held by Brosna Limited				
Promas Limited*	Hong Kong	Investment holding	**100**	100
K.S.A Enterprises Limited*	Canada	Dormant	**100**	100
KSG Enterprises Ltd.*	United States	Operation of hotels	**100**	100
KSNY Enterprises Ltd.*	United States	Operation of hotels	**100**	100

* Audited by firms of auditors other than Ernst & Young PLT
** The equity interest of the Company is 50% plus one share

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Summarised financial information on subsidiaries with significant non-controlling interests

Proportion of equity interest held by non-controlling interests:

	2021	2020
	%	%
Lusaka Holdings Sdn. Bhd.	**30.00**	30.00
K.S.F. Enterprises Sdn. Bhd.	**50.00**	50.00
Tanjong Puteri Golf Resort Berhad	**0.03**	0.03

	2021	2020
	RM'000	RM'000
Accumulated balances of material non-controlling interest:		
- Lusaka Holdings Sdn. Bhd.	**15,435**	14,151
- K.S.F. Enterprises Sdn. Bhd.	**24,025**	27,118
- Tanjong Puteri Golf Resort Berhad	**98,197**	98,197
	137,657	139,466
Attributable to non-controlling interest of subsidiary that is individually immaterial	**42**	261
	137,699	139,727
Total comprehensive loss attributable to material non-controlling interest:		
- Lusaka Holdings Sdn. Bhd.	**1,284**	1,224
- K.S.F. Enterprises Sdn. Bhd.	**(4,711)**	(8,498)
- Tanjong Puteri Golf Resort Berhad	**-**	-
	(3,427)	(7,274)
Attributable to non-controlling interest of subsidiary that is individually immaterial	**3**	9
	(3,424)	(7,265)

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Summarised financial information on subsidiaries with significant non-controlling interests (cont'd)

Summarised financial information of Lusaka Holdings Sdn. Bhd., K.S.F. Enterprises Sdn. Bhd. Group and Tanjong Puteri Golf Resort Berhad which have non-controlling interests that are material to the Group is set out below. The summarised financial information presented below is the amount before inter-company elimination.

(i) Summarised statements of financial position

	Lusaka Holdings Sdn. Bhd.		K.S.F. Enterprises Sdn. Bhd. Group #		Tanjong Puteri Golf Resort Berhad		Total	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000
Non-current assets	**47,912**	50,098	**53,589**	56,448	**76,342**	79,206	**177,843**	185,752
Current assets	**68,851**	62,825	**11,481**	7,359	**3,505**	3,763	**83,837**	73,947
Total assets	**116,763**	112,923	**65,070**	63,807	**79,847**	82,969	**261,680**	259,699
Current liabilities	**3,341**	3,351	**13,661**	9,562	**44,713**	37,197	**61,715**	50,110
Non-current liabilities	**1,971**	2,401	**3,351**	-	**1,238**	2,549	**6,560**	4,950
Total liabilities	**5,312**	5,752	**17,012**	9,562	**45,951**	39,746	**68,275**	55,060
Net assets	**111,451**	107,171	**48,058**	54,245	**33,896**	43,223	**193,405**	204,639
Equity attributable to:								
- owners of the Company	**96,016**	93,020	**24,033**	27,127	**(64,301)**	(54,974)	**55,748**	65,173
- non-controlling interests	**15,435**	14,151	**24,025**	27,118	**98,197**	98,197	**137,657**	139,466
	111,451	107,171	**48,058**	54,245	**33,896**	43,223	**193,405**	204,639

refers to K.S.F. Enterprises Sdn. Bhd. and its subsidiary, i.e. KSD Enterprises Ltd.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Summarised financial information on subsidiaries with significant non-controlling interests (cont'd)

(ii) Summarised statements of comprehensive income

	Lusaka Holdings Sdn. Bhd.		K.S.F. Enterprises Sdn. Bhd. Group #		Tanjong Puteri Golf Resort Berhad		Total	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000	**2021 RM'000**	2020 RM'000
Revenue	**14,780**	14,511	**25,075**	23,087	**5,238**	9,065	**45,093**	46,663
Profit/(Loss) for the year attributable to :								
- owners of the Company	**4,796**	4,657	**(5,710)**	(8,645)	**(6,396)**	(5,348)	**(7,310)**	(9,336)
- non-controlling interests	**1,284**	1,224	**(5,710)**	(8,645)	**-**	-	**(4,426)**	(7,421)
	6,080	5,881	**(11,420)**	(17,290)	**(6,396)**	(5,348)	**(11,736)**	(16,757)
Other comprehensive income attributable to :								
- owners of the Company	**-**	-	**1,000**	148	**-**	-	**1,000**	148
- non-controlling interests	**-**	-	**999**	147	**-**	-	**999**	147
Other comprehensive income for the year	**-**	-	**1,999**	295	**-**	-	**1,999**	295
Total comprehensive income/(loss) attributable to :								
- owners of the Company	**4,796**	4,657	**(4,710)**	(8,497)	**(6,396)**	(5,348)	**(6,310)**	(9,188)
- non-controlling interests	**1,284**	1,224	**(4,711)**	(8,498)	**-**	-	**(3,427)**	(7,274)
Total comprehensive income/(loss) for the year	**6,080**	5,881	**(9,421)**	(16,995)	**(6,396)**	(5,348)	**(9,737)**	(16,462)

refers to K.S.F. Enterprises Sdn. Bhd. and its subsidiary, i.e. KSD Enterprises Ltd.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Summarised financial information on subsidiaries with significant non-controlling interests (cont'd)

(iii) Summarised statements of cash flows

	Lusaka Holdings Sdn. Bhd.		K.S.F. Enterprises Sdn. Bhd. Group #		Tanjong Puteri Golf Resort Berhad		Total	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Net cash generated from/(used in) operating activities	**6,483**	5,878	**(692)**	(8,561)	**1,030**	1,377	**6,821**	(1,306)
Net cash used in investing activities	**(4,855)**	(4,436)	**(1,355)**	(1,813)	**(69)**	(130)	**(6,279)**	(6,379)
Net cash used in financing activities	**(1,800)**	(1,800)	**2,461**	(705)	**(1,270)**	(1,231)	**(609)**	(3,736)
Net (decrease)/increase in cash and cash equivalents	**(172)**	(358)	**414**	(11,079)	**(309)**	16	**(67)**	(11,421)
Effects of exchange rate changes on cash and cash equivalents	**-**	-	**77**	(48)	**-**	-	**77**	(48)
Cash and cash equivalents at beginning of the year	**761**	1,119	**5,077**	16,204	**748**	732	**6,586**	18,055
Cash and cash equivalents at end of the year	**589**	761	**5,568**	5,077	**439**	748	**6,596**	6,586

refers to K.S.F. Enterprises Sdn. Bhd. and its subsidiary, i.e. KSD Enterprises Ltd.

19. INVESTMENT SECURITIES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Financial assets at fair value through other comprehensive income				
Equity instruments				
Quoted in Malaysia	**57,113**	56,520	**54,029**	53,508
Quoted outside Malaysia	**293,371**	279,922	**129,797**	111,846
Unquoted in Malaysia	**3,447**	3,240	**3,443**	3,238
	353,931	339,682	**187,269**	168,592
Financial assets at fair value through profit or loss				
Debt instrument				
Unquoted outside Malaysia *	**64,757**	71,363	**-**	-
	418,688	411,045	**187,269**	168,592

* This is related to investment in A2I Holdings S.A R.L. ("A2I"), a company incorporated in Luxembourg and engaged in investment holdings. A2I is a special purpose vehicle that is set up for the investment in AccorInvest Group S.A. ("AIG"). The investment in A2I comprises equity instrument and investment in Tracking Preferred Equity Certificates ("TPEC") which is considered a debt instrument. As at 31 December 2021 and 2020, the fair value of equity instrument is nil. The Group's intention is to hold the investment for long term contractual cash flow return. The determination of fair value is described in Note 39(a).

20. INTANGIBLE ASSETS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Cost				
At 1 January	**1,934**	1,918	**1,495**	1,495
Addition	**20**	16	**10**	-
At 31 December	**1,954**	1,934	**1,505**	1,495
Accumulated amortisation				
At 1 January	**1,845**	1,814	**1,494**	1,488
Amortisation for the year (Note 7)	**26**	31	**3**	6
At 31 December	**1,871**	1,845	**1,497**	1,494
Net carrying amount				
At 31 December	**83**	89	**8**	1

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. INVENTORIES

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
2021				
At 1 January 2021	**65,014**	**57,567**	**127,157**	**249,738**
Additions	**26**	**33**	**6,270**	**6,329**
Write down (Note 7)	**-**	**(1,250)**	**-**	**(1,250)**
Transfer to property development cost (Note 21(b))	**(5,326)**	**(749)**	**(6,366)**	**(12,441)**
At 31 December 2021	**59,714**	**55,601**	**127,061**	**242,376**
Representing:				
At cost	**59,714**	**55,601**	**127,061**	**242,376**
2020				
At 1 January 2020	62,733	47,308	116,440	226,481
Additions	2,441	11,870	11,972	26,283
Write down (Note 7)	-	(44)	-	(44)
Transfer to property development cost (Note 21(b))	(160)	(1,567)	(1,255)	(2,982)
At 31 December 2020	65,014	57,567	127,157	249,738
Representing:				
At cost	65,014	57,305	126,502	248,821
At net realisable value	-	262	655	917
	65,014	57,567	127,157	249,738

21. INVENTORIES (cont'd)

(a) Land held for property development (cont'd)

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Company				
2021				
At 1 January 2021	**55,375**	**57,567**	**127,157**	**240,099**
Additions	**26**	**33**	**6,270**	**6,329**
Write down (Note 7)	**-**	**(1,250)**	**-**	**(1,250)**
Transfer to property development cost (Note 21(b))	**(5,326)**	**(749)**	**(6,366)**	**(12,441)**
At 31 December 2021	**50,075**	**55,601**	**127,061**	**232,737**
Representing:				
At cost	**50,075**	**55,601**	**127,061**	**232,737**
2020				
At 1 January 2020	53,094	47,308	116,440	216,842
Additions	2,441	11,870	11,972	26,283
Write down (Note 7)	-	(44)	-	(44)
Transfer to property development cost (Note 21(b))	(160)	(1,567)	(1,255)	(2,982)
At 31 December 2020	55,375	57,567	127,157	240,099
Representing:				
At cost	55,375	57,305	126,502	239,182
At net realisable value	-	262	655	917
	55,375	57,567	127,157	240,099

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

21. INVENTORIES (cont'd)

(b) Property development costs

	Group and Company	
	2021	2020
	RM'000	RM'000
At cost		
At 1 January :		
Freehold land	**173**	133
Leasehold land	**748**	4,905
Development costs	**27,820**	52,044
	28,741	57,082
Development costs incurred during the year	**32,206**	69,017
Cost recognised in profit or loss during the year	**(38,201)**	(75,112)
Transfer from land held for property development (Note 21(a))	**12,441**	2,982
Transfer to inventory	**(17,487)**	(25,228)
	(5,046)	(22,246)
At 31 December	**17,700**	28,741

22. INVENTORIES - OTHERS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
At cost				
Refined oil products	**96,409**	15,681	**85,901**	6,067
Crude palm oil, crude palm kernel oil and palm kernel	**38,729**	24,352	**38,339**	24,578
Spare parts and chemicals	**6,411**	5,960	**4,587**	4,407
Completed properties	**50,114**	41,661	**50,114**	41,661
Food, beverage and utensils	**1,428**	1,432	**-**	-
	193,091	89,086	**178,941**	76,713
At net realisable value				
Refined oil products	**11,686**	44,861	**11,686**	43,722
Completed properties	**1,803**	2,660	**1,803**	2,660
	13,489	47,521	**13,489**	46,382
	206,580	136,607	**192,430**	123,095

23. BIOLOGICAL ASSETS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
At fair value				
At 1 January	**579**	609	**39**	25
Changes in fair value (Note 7)	**615**	(30)	**18**	14
At 31 December	**1,194**	579	**57**	39

The biological assets of the Group and the Company comprise fresh fruit bunches ("FFB") prior to harvest. The valuation model adopted by the Group and the Company considers the present value of the net cash flows expected to be generated from the sale of FFB. To arrive at the fair value, the management has considered the ripeness of the FFB and assumed that the net cash flows to be generated from FFB more than 15 days prior to harvest is negligible. Therefore, the quantity of FFB on bearer plant of up to 15 days prior to harvest was used for valuation purposes. The value of the unripe FFB was estimated to be approximately 80% of the ripe FFB. Costs to sell include harvesting cost, transport and windfall profit levy.

The Group's and the Company's biological assets are categorised within Level 3 of the fair value hierarchy. There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

24. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade receivables				
Third parties	**74,176**	80,385	**52,926**	70,720
Less: Allowance for impairment	**(566)**	(511)	**-**	-
	73,610	79,874	**52,926**	70,720
Other receivables				
Amounts due from subsidiaries	**-**	-	**216,793**	179,428
Refundable deposits	**3,635**	3,676	**2,351**	2,385
Sundry receivables	**11,342**	14,622	**6,158**	7,073
	14,977	18,298	**225,302**	188,886
Less: Allowance for impairment	**-**	-	**(41,535)**	(34,040)
	14,977	18,298	**183,767**	154,846
Total trade and other receivables (current)	**88,587**	98,172	**236,693**	225,566
Non-current				
Other receivables				
Amounts due from subsidiaries	**-**	-	**325,228**	314,800
Total trade and other receivables (current and non-current)	**88,587**	98,172	**561,921**	540,366
Add: Cash and bank balances (Note 28)	**855,037**	736,437	**606,853**	513,113
Total financial assets at amortised cost	**943,624**	834,609	**1,168,774**	1,053,479

24. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 30 days (2020 : 14 to 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Neither past due nor impaired	**64,494**	70,797	**51,155**	66,738
1 to 30 days past due not impaired	**5,873**	4,892	**684**	1,581
31 to 60 days past due not impaired	**1,753**	1,375	**409**	1,141
61 to 90 days past due not impaired	**292**	1,375	**65**	328
91 to 120 days past due not impaired	**76**	484	**-**	471
More than 120 days past due not impaired	**1,122**	951	**613**	461
	9,116	9,077	**1,771**	3,982
Impaired	**566**	511	**-**	-
	74,176	80,385	**52,926**	70,720

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired			
	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Trade receivables - nominal amounts	**566**	511	**-**	-
Less: Allowance for impairment	**(566)**	(511)	**-**	-
	-	-	**-**	-
Movement in allowance accounts:				
At 1 January	**511**	2,664	**-**	2,573
Charge for the year (Note 7)	**55**	460	**-**	-
Written off	**-**	(2,613)	**-**	(2,573)
At 31 December	**566**	511	**-**	-

Trade receivables that are individually determined to be impaired at the reporting date relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

24. TRADE AND OTHER RECEIVABLES (cont'd)

(b) Other receivables - amounts due from subsidiaries

Current

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable upon demand. Included in the amounts are RM175,204,000 (2020: RM145,340,000) arising from a deposit placed in a foreign financial institution under a foreign subsidiary's name.

Non-Current

Amounts due from subsidiaries are unsecured, bear interest ranging from 0.38% to 6.06% per annum (2020: 0.38% to 6.06% per annum) and are not expected to be repaid within the next twelve months.

	Individually impaired Company	
	2021	2020
	RM'000	RM'000
Movement in allowance accounts:		
At 1 January	**34,040**	26,808
Charge for the year (Note 7)	**7,495**	7,232
At 31 December	**41,535**	34,040

25. OTHER CURRENT ASSETS

	Group		**Company**	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Prepayments	**6,422**	6,608	**4,668**	4,989
Deposits paid	**3,630**	3,543	**3,631**	3,543
Accrued billings in respect of property development costs	**17,572**	34,776	**17,572**	34,776
Consideration paid/payable to customers	**864**	2,162	**864**	2,162
Contract assets (Note 4.1)	**18,436**	36,938	**18,436**	36,938
	28,488	47,089	**26,735**	45,470

Consideration paid/payable to customers relate to discounts given and legal fees incurred to secure sales of property units and are recognised in profit or loss over time based on the input method.

26. DERIVATIVES

	<---------2021---------->		<----------2020---------->	
	Contract/ Notional Amount RM'000	**Asset RM'000**	Contract/ Notional Amount RM'000	Asset RM'000
Group and Company				
Non-hedging derivatives: Current				
Forward currency contracts	**29,197**	**268**	7,533	83

The Group and the Company use forward currency contracts to manage some of the exposure of foreign currency transactions. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with the transaction. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to reduce the level of foreign currency risk for the Group's and the Company's sales denominated in USD for which firm commitments exist as at the reporting date.

27. SHORT TERM FUNDS

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Money market funds, at fair value through profit or loss	**164,037**	199,607	**84,160**	27,680

Money market funds earn interest at floating rates based on daily bank deposit rates. Money market funds are highly liquid and readily convertible to cash but do not meet the criteria for presentation as cash and cash equivalents.

The weighted average effective interest rate of the investments as at the reporting date for the Group and the Company were 1.96% (2020: 2.64%) per annum and 1.83% (2020: 2.58%) per annum respectively. The maturities of the investments as at the reporting date for the Group and the Company were 1 to 31 days (2020: 1 to 31 days) and 1 day (2020: 1 day) respectively.

28. CASH AND BANK BALANCES

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Cash at banks and on hand	**276,581**	161,015	**209,201**	116,306
Deposits with:				
Licensed banks	**272,248**	288,404	**144,804**	152,329
Foreign financial institutions	**306,208**	287,018	**252,848**	244,478
Cash and bank balances (Note 24)	**855,037**	736,437	**606,853**	513,113

28. CASH AND BANK BALANCES (cont'd)

Included in cash and bank balances of the Group and of the Company is an amount of RM133,090,000 (2020: RM76,874,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, and are restricted from use in other operations.

Short-term deposits are made for varying periods of between one to twelve months depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2021 for the Group and the Company were 0.37% (2020: 0.56%) per annum and 0.44% (2020: 0.60%) per annum respectively.

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following at each reporting date:

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Cash and bank balances	**855,037**	736,437	**606,853**	513,113
Less:				
Bank overdrafts (Note 29)	**(32,193)**	(48,818)	**(32,193)**	(48,818)
Deposits with licensed banks with maturity more than three months	**(188,225)**	(235,508)	**(182,913)**	(222,781)
Cash and cash equivalents	**634,619**	452,111	**391,747**	241,514

29. LOANS AND BORROWINGS

	Maturity	Group		Company	
		2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
Current					
Unsecured:					
Bank overdrafts (Note 28)	On demand	**32,193**	48,818	**32,193**	48,818
Secured:					
Notes payable	2022	**18,330**	11,931	**-**	-
		50,523	60,749	**32,193**	48,818
Non-Current					
Secured:					
Notes payable	2023	**172,773**	169,108	**-**	-
Total loans and borrowings (Note 30)		**223,296**	229,857	**32,193**	48,818

The remaining maturities of the loans and borrowings as at 31 December 2021 and 2020 are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	**2021 RM'000**	2020 RM'000
On demand or within 1 year	**50,523**	60,749	**32,193**	48,818
More than 1 year and less than 5 years	**172,773**	169,108	**-**	-
	223,296	229,857	**32,193**	48,818

29. LOANS AND BORROWINGS (cont'd)

Bank overdrafts

Bank overdrafts were denominated in RM and bear interest at BLR + 0.75% (2020: BLR + 0.75%) per annum.

Notes payable

Included in current notes payables are amounts of RM10,982,000 (2020: Nil) which bear interest of 1% per annum and are related to the loans received by the foreign subsidiaries in United States of America, under the Paycheck Protection Program established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The loans and related accrued interest are subject to forgiveness to the extent the proceeds are used to pay expenses permitted by the Paycheck Protection Program. The Group intends to apply for forgiveness with respect to these expenses in 2022.

Other than as disclosed above, the other notes payables of the Group are loans with banks which bear interest ranging from LIBOR + 1.03% to 1.30% (2020: LIBOR + 1.03% to 1.05%) per annum and mature in July 2023. The loans are denominated in USD, secured by corporate guarantee from the Company and are collateralized by a Deed of Trust over property, plant and equipment of the Group amounting to RM280,404,000 (2020: RM293,219,000) as disclosed in Note 14.

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade payables				
Third parties	**49,630**	62,855	**46,480**	59,733
Amount due to subsidiaries	**-**	-	**13,318**	67,267
	49,630	62,855	**59,798**	127,000
Other payables				
Accruals	**22,882**	19,718	**8,951**	10,516
Sundry payables	**25,550**	21,736	**11,529**	10,106
Refundable deposits	**4,538**	5,120	**890**	1,036
Amount due to a subsidiary	**-**	-	**-**	1
	52,970	46,574	**21,370**	21,659
Total trade and other payables (current)	**102,600**	109,429	**81,168**	148,659
Non-current				
Trade payables				
Retention sum	**6,319**	9,647	**6,319**	9,647
Other payables				
Refundable deposits	**4,347**	4,094	**2,770**	2,072
Total trade and other payables (non-current)	**10,666**	13,741	**9,089**	11,719
Total trade and other payables	**113,266**	123,170	**90,257**	160,378
Add: Loans and borrowings (Note 29)	**223,296**	229,857	**32,193**	48,818
Add: Lease liability (Note 32)	**3,953**	-	**-**	-
Total financial liabilities carried at amortised cost	**340,515**	353,027	**122,450**	209,196

30. TRADE AND OTHER PAYABLES (cont'd)

(a) Trade payables - third parties

Trade payables are non-interest bearing and are normally settled on 30 to 45 days (2020: 30 to 45 days) terms.

(b) Other payables

Other payables are non-interest bearing and are normally settled on 30 to 60 days (2020: 30 to 60 days) terms.

(c) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and repayable on demand.

31. OTHER CURRENT LIABILITIES

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
Contract liability (Note 4.1)				
- Progress billings in respect of property development costs	**3,622**	-	**3,622**	-
Deposits received from tenants	**408**	412	**270**	277
	4,030	412	**3,892**	277

32. LEASE LIABILITIES

The Group's lease liability is for land which is being used as a parking lot. The lease expires in 2025 and contains no renewal option.

	Group	
	2021	2020
	RM'000	RM'000
Lease liability		
Current	**602**	-
Non-current	**3,351**	-
	3,953	-

The movement of lease liability during the financial year is as follows:

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	**-**	707
Additions	**4,533**	-
Interest expense on lease liability (Note 10)	**234**	27
Payments of:		
- Principal	**(539)**	(705)
- Interest	**(234)**	(27)
Exchange differences	**(41)**	(2)
At 31 December	**3,953**	-

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

33. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2021	2020	**2021**	2020
	'000	'000	**RM'000**	RM'000
Issued and fully paid				
At 1 January/31 December	**361,477**	361,477	**372,005**	372,005

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

34. OTHER RESERVES

The nature and purpose of each category of reserves are as follows:

Non-distributable reserves

(a) Fair value reserve

Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at fair value through other comprehensive income until they are disposed of.

(b) Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Treasury shares

Treasury shares relate to ordinary shares of the Company that are reacquired and held by the Company. The amount consists of acquisition costs.

The shareholders of the Company, by an ordinary resolution passed in an Annual General Meeting held on 22 June 2021, renewed their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the reacquired plan can be applied in the best interests of the Company and its shareholders. The shares reacquired are being held as treasury shares in accordance with the requirement of Section 127(6) of the Companies Act 2016.

There was no repurchase of the Company's issued ordinary shares, nor any resale, cancellation or distribution of treasury shares during the financial year.

Out of the total 361,477,000 (2020: 361,477,000) issued and fully paid ordinary shares, 2,174,000 (2020: 2,174,000) are held as treasury shares by the Company. The number of outstanding ordinary shares after set-off is 359,303,000 (2020: 359,303,000).

35. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2021 may be distributed as dividends under the single tier system.

36. DEFERRED TAXATION

Deferred income tax as at 31 December relates to the following:

Group	As at 1 January 2020 RM'000	Recognised in profit or loss (Note 11) RM'000	Exchange differences RM'000	As at 31 December 2020 RM'000	Recognised in profit or loss (Note 11) RM'000	Exchange differences RM'000	As at 31 December 2021 RM'000
Deferred tax liabilities:							
Property, plant and equipment and investment properties	19,187	(753)	(238)	18,196	(593)	492	18,095
Bearer plants	3,730	582	-	4,312	92	-	4,404
Biological assets	147	(7)	-	140	148	-	288
Right-of-use assets	2,098	(43)	-	2,055	(43)	-	2,012
Inventories - land held for property development	1,260	(16)	-	1,244	(39)	-	1,205
Receivables	1,972	(190)	(27)	1,755	(508)	60	1,307
Derivatives	-	21	-	21	44	-	65
Others	361	(277)	-	84	(39)	-	45
	28,755	(683)	(265)	27,807	(938)	552	27,421
Deferred tax assets:							
Property, plant and equipment	(13,000)	(19,108)	1,006	(31,102)	(3,974)	(1,114)	(36,190)
Receivables	(545)	545	-	-	-	-	-
Unutilised tax losses, investment tax, allowances and capital allowances	-	(2,291)	91	(2,200)	(3,203)	(88)	(5,491)
Provisions	(2,615)	79	1	(2,535)	(387)	(10)	(2,932)
Inventories - others	(1,262)	(194)	-	(1,456)	(20)	-	(1,476)
Inventories - land held for property development	(17,525)	-	-	(17,525)	-	-	(17,525)
Other payables	(515)	(53)	8	(560)	(8)	(14)	(582)
Others	-	-	-	-	(298)	-	(298)
	(35,462)	(21,022)	1,106	(55,378)	(7,890)	(1,226)	(64,494)
Deferred tax liabilities/(assets)	(6,707)	(21,705)	841	(27,571)	(8,828)	(674)	(37,073)

Group	**2021 RM'000**	2020 RM'000
Presented after appropriate offsetting as follows :		
Deferred tax assets	**(41,830)**	(32,668)
Deferred tax liabilities	**4,757**	5,097
	(37,073)	(27,571)

36. DEFERRED TAXATION (cont'd)

Company	As at 1 January 2020 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2020 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2021 RM'000
Deferred tax liabilities:					
Property, plant and equipment	2,732	(179)	2,553	(12)	2,541
Bearer plants	1,797	585	2,382	218	2,600
Biological assets	7	3	10	4	14
Inventories - land held for property development	1,260	(16)	1,244	(39)	1,205
Derivatives	1	20	21	44	65
Others	317	(277)	40	(39)	1
	6,114	136	6,250	176	6,426
Deferred tax assets:					
Provisions	(2,348)	(119)	(2,467)	(238)	(2,705)
Receivables	(540)	540	-	-	-
Inventories - others	(629)	14	(615)	199	(416)
Inventories - land held for property development	(17,525)	-	(17,525)	-	(17,525)
Unutilised tax losses	-	(32)	(32)	32	-
	-	-	-	(298)	(298)
	(21,042)	403	(20,639)	(305)	(20,944)
Deferred tax liabilities/(assets)	(14,928)	539	(14,389)	(129)	(14,518)

	Company 2021 RM'000	Company 2020 RM'000
Deferred tax assets	**(14,518)**	(14,389)

36. DEFERRED TAXATION (cont'd)

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

	Group	
	2021	2020
	RM'000	RM'000
Unutilised non capital losses, expiring in:		
- 2029	**11,224**	11,224
- 2030	**5,344**	5,344
- 2031	**7,608**	-
- 2034	**2,004**	2,004
- 2035	**1,438**	1,438
- 2037	**5,519**	5,519
- 2040	**14,081**	14,081
- 2041	**9,737**	-
	56,955	39,610
Unabsorbed capital allowances	**66,139**	61,755
Other deductible temporary differences	**8,959**	11,230
	132,053	112,595

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Company can utilise the benefits therefrom.

The unabsorbed capital allowances can be carried forward to be deducted from the adjusted income of the subsequent years of assessment indefinitely until it is fully utilised.

37. COMMITMENTS

	Group		Company	
	2021	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000
(a) Capital expenditures :				
Approved and contracted for				
- property, plant and equipment	**2,348**	3,949	**2,051**	2,886
- investment properties	**151**	1,134	**-**	983
	2,499	5,083	**2,051**	3,869

(b) Management and franchise license agreement

(i) KSG Enterprises Ltd. ("KSG") has an agreement with DoubleTree Management LLC to operate a hotel. Under the agreement, KSG is required to pay a base management fee and incentive fee.

(ii) KSNY Enterprises Ltd. ("KSNY") has an agreement with SpringHill FMC, LLC to operate a hotel. Under the agreement, KSNY is required to pay a base management fee and incentive fee.

(iii) KSD Enterprises Ltd. ("KSD") has a franchise license agreement with Global Hospitality Licensing S.A R.L. to operate a Delta Hotel and Resorts Canadian franchise which allows the hotel to use the brand name of Delta at a fee mutually agreed by both parties.

38. RELATED PARTY DISCLOSURES

Sale and purchase of goods and services

In addition to the related party balances disclosed in Notes 24 and 30, the following related party transactions between the Company and related parties that took place at terms agreed between the parties during the financial year:

	Company	
	2021	2020
	RM'000	RM'000
With Subsidiaries:		
Purchases	**73,809**	48,416
Sales	**77,910**	52,105
Rental income	**684**	855
Gross dividends	**189,716**	15,180
Interest income	**5,761**	7,021
Management fees	**1,146**	1,192

Significant transactions with Keck Seng (Singapore) Private Limited, a company in which certain directors namely, Ho Kim Swee @ Ho Kian Guan, Dato' Ho Cheng Chong @ Ho Kian Hock, Ho Eng Chong @ Ho Kian Cheong and Chan Lui Ming Ivan, have interest, undertaken during the financial year were as follows:

	Group and Company	
	2021	2020
	RM'000	RM'000
Commission on sales and purchases	**10,431**	5,954

During the year, consultancy fees amounting to RM636,000 (2020: RM978,000) was paid by a foreign subsidiary to an entity related to a Director of the foreign subsidiary.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value:

	Note
Trade and other receivables (current and non-current)	24
Trade and other payables (current and non-current)	30
Loans and borrowings (current and non-current)	29

The carrying amounts of current financial assets and liabilities are reasonable approximations of fair values due to their short-term nature and the insignificant impact of discounting.

The carrying amounts of non-current financial assets and liabilities are reasonable approximations of fair values as the interest charge on these loans and borrowings are pegged to, or close to, market interest rates near or at reporting date.

Quoted equity instruments

The fair value of quoted equity instruments is determined directly by reference to their published market closing bid price at the reporting date.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(a) Determination of fair value (cont'd)

Unquoted equity instruments in Malaysia

The fair value of unquoted equity instruments in Malaysia is determined based on its adjusted net assets value.

Unquoted debt instrument outside Malaysia

These relate to the unquoted investment in A2I and its fair value is determined based on the adjusted net asset value after applying an appropriate discount rate for lack of control and marketability.

Information on fair value measurement of the above unquoted debt instrument is as follows:

a) Valuation technique: Adjusted net asset value

b) Significant unobservable inputs:
   (i) Valuation of underlying hotel assets using income approach;
   (ii) Discount for lack of control and marketability: 18.3% (2020: 18.3%)

c) Sensitivity to change in significant unobservable inputs: the estimated fair value would increase if the underlying assets' value is higher; or the discount for the marketability is lower.

The fair value measurement is positively correlated to the underlying assets' values. As at reporting date, it is estimated that with other variables held constant, an increase/decrease of 5% (2020: 5%) on the underlying asset values would have increased/decreased the Group's profit by RM3,238,000 (2020: RM3,568,000). The fair value measurement is negatively correlated to the discount for lack of control and marketability. As at reporting date, it is estimated that with other variables held constant, a decrease/increase in discount for lack of control and marketability by 1% (2020: 1%) would have increased/decreased the Group's profit by RM648,000 (2020: RM714,000).

Short term funds

The short term funds for money market funds are valued using a valuation technique with market observable inputs.

Derivatives

The derivatives for forward currency contracts are valued using a valuation technique with market observable inputs.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value hierarchy

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

		<---- Fair value measurement using ---->		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
At 31 December 2021				
Group				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	57,113	57,113	-	-
(quoted outside Malaysia)	293,371	293,371	-	-
(unquoted in Malaysia)	3,447	-	-	3,447
Fair value through profit or loss				
- Debt instrument				
(unquoted outside Malaysia)	64,757	-	-	64,757
- Short term funds				
(money market funds)	164,037	-	164,037	-
- Derivatives	268	-	268	-
	582,993	350,484	164,305	68,204
Company				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	54,029	54,029	-	-
(quoted outside Malaysia)	129,797	129,797	-	-
(unquoted in Malaysia)	3,443	-	-	3,443
Fair value through profit or loss				
- Short term funds				
(money market funds)	84,160	-	84,160	-
- Derivatives	268	-	268	-
	271,697	183,826	84,428	3,443

39. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(b) Fair value hierarchy (cont'd)

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy (cont'd):

		<---- Fair value measurement using ---->		
	Total RM'000	Quoted prices in active markets (Level 1) RM'000	Significant observable inputs (Level 2) RM'000	Significant unobservable inputs (Level 3) RM'000
At 31 December 2020				
Group				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	56,520	56,520	-	-
(quoted outside Malaysia)	279,922	279,922	-	-
(unquoted in Malaysia)	3,240	-	-	3,240
Fair value through profit or loss				
- Debt instrument (unquoted outside Malaysia)	71,363	-	-	71,363
- Equity instrument (unquoted outside Malaysia)	-	-	-	-
- Short term funds (money market funds)	199,607	-	199,607	-
- Derivatives	83	-	83	-
	610,735	336,442	199,690	74,603
Company				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	53,508	53,508	-	-
(quoted outside Malaysia)	111,846	111,846	-	-
(unquoted in Malaysia)	3,238	-	-	3,238
Fair value through profit or loss				
- Short term funds (money market funds)	27,680	-	27,680	-
- Derivatives	83	-	83	-
	196,355	165,354	27,763	3,238

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk.

The Board of Directors decides and reviews policies and procedures for the management of these risks and the Group's policy is not to engage in speculative transactions.

It is and has been the Group's policy throughout the current and previous financial year that no derivatives be undertaken except for the use as hedging instruments where appropriate and cost- efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

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

The Group had no substantial long-term interest-bearing assets as at 31 December 2021. The investment in financial assets are mainly short term in nature and have been mostly placed in fixed deposits, marketable securities and occasionally, in short term commercial papers which yield better returns than deposits with banks.

The Group's and the Company's primary interest rate risk relates to interest-bearing borrowings and money market funds. The Group and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Interest on financial instruments subject to floating interest rates is contractually repriced at intervals determined by the financial institutions. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument.

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(a) Interest rate risk (cont'd)

The table below shows the carrying amount and interest rate profile of the interest bearing financial instruments of the Group and the Company as at the reporting date:

	Note	2021 RM'000	2020 RM'000
Group			
Fixed rate instruments			
Deposits with licensed banks and foreign financial institutions	28	**578,456**	575,422
Floating rate instruments			
Money market funds	27	**164,037**	199,607
Bank overdrafts	29	**(32,193)**	(48,818)
Notes Payable	29	**(191,103)**	(181,039)
		(59,259)	(30,250)
Company			
Fixed rate instruments			
Deposits with licensed banks and foreign financial institutions	28	**397,652**	396,807
Floating rate instruments			
Money market funds	27	**84,160**	27,680
Bank overdrafts	29	**(32,193)**	(48,818)
		51,967	(21,138)

Sensitivity analysis for interest rate risk

At the reporting date, if interest rates had been 25 basis points lower/higher, with all other variables held constant, the decrease/increase to the Group's and the Company's profit net of tax is RM32,000 (2020: RM186,000) and RM61,000 (2020: RM36,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Foreign currency risk

The net unhedged financial assets and liabilities of the Group and Company that are not denominated in their functional currencies are as follows:

Group	Euro Dollar ("EUR") RM'000	Canadian Dollar ("CAD") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Hong Kong Dollar ("HKD") RM'000	Total RM'000
2021						
Financial assets						
Trade receivables	**-**	**-**	**4**	**6,295**	**-**	**6,299**
Cash and bank balances	**22**	**2,307**	**314,731**	**352,793**	**628**	**670,481**
Financial liabilities						
Trade and other payables	**-**	**-**	**(125)**	**(314)**	**-**	**(439)**
Net financial assets	**22**	**2,307**	**314,610**	**358,774**	**628**	**676,341**
Less : Forward currency contracts	**-**	**-**	**-**	**(29,197)**	**-**	**(29,197)**
Net exposure	**22**	**2,307**	**314,610**	**329,577**	**628**	**647,144**

	Euro Dollar ("EUR") RM'000	Canadian Dollar ("CAD") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Total RM'000
2020					
Financial assets					
Trade receivables	-	-	7	15,588	15,595
Cash and bank balances	23	2,736	306,524	285,382	594,665
Financial liabilities					
Trade and other payables	(15)	-	(182)	(60)	(257)
Net financial assets	8	2,736	306,349	300,910	610,003
Less : Forward currency contracts	-	-	-	(7,533)	(7,533)
Net exposure	8	2,736	306,349	293,377	602,470

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Foreign currency risk (cont'd)

The net unhedged financial assets and liabilities of the Group and Company that are not denominated in their functional currencies are as follows (cont'd):

Company	Euro Dollar ("EUR") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Hong Kong Dollar ("HKD") RM'000	Total RM'000
2021					
Financial assets					
Trade receivables	**-**	**4**	**4,177**	**-**	**4,181**
Due from subsidiaries	**-**	**-**	**175,204**	**322,228**	**497,432**
Cash and bank balances	**-**	**305,646**	**161,639**	**628**	**467,913**
Financial liabilities					
Trade and other payables	**-**	**(125)**	**(314)**	**-**	**(439)**
Net financial (liabilities)/assets	**-**	**305,525**	**340,706**	**322,856**	**969,087**
Less : Forward currency contracts	**-**	**-**	**(29,197)**	**-**	**(29,197)**
Net exposure	**-**	**305,525**	**311,509**	**322,856**	**939,890**

	Euro Dollar ("EUR") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Hong Kong Dollar ("HKD") RM'000	Total RM'000
2020					
Financial assets					
Trade receivables	-	7	13,882	-	13,889
Due from subsidiaries	-	-	145,340	308,042	453,382
Cash and bank balances	-	297,572	127,341	-	424,913
Financial liabilities					
Trade and other payables	(15)	(182)	(60)	-	(257)
Net financial (liabilities)/assets	(15)	297,397	286,503	308,042	891,927
Less : Forward currency contracts	-	-	(7,533)	-	(7,533)
Net exposure	(15)	297,397	278,970	308,042	884,394

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax resulting from change in the exchange rates of USD, SGD, HKD, EUR and CAD against the functional currency of the Group entities since the financial year end until the most practical date of completion of this report.

	2021	2020	Profit net of tax			
			Group		Company	
	strengthened/(weakened)		2021	2020	2021	2020
	%	%	RM'000	RM'000	RM'000	RM'000
USD/RM	**0.55**	0.65	**1,378**	1,449	**1,302**	1,378
SGD/RM	**0.26**	0.18	**622**	419	**604**	407
HKD/RM	**0.36**	0.58	**2**	-	**1,162**	1,787
EUR/RM	**(0.47)**	(1.03)	**-**	-	**-**	-
CAD/RM	**1.16**	1.09	**20**	23	**-**	-
Total			**2,022**	1,891	**3,068**	3,572

If the foreign exchange rates were to fluctuate in the opposite direction, it would cause the profit net of tax of the Group and Company to change by the amounts above in the opposite direction.

(c) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations arising principally from payables and borrowings due to shortage of funds.

As part of the overall prudent liquidity management, the Group and the Company maintain sufficient levels of cash or cash equivalents and stand-by credit facilities from financial institutions to meet their working capital requirements and to achieve overall cost effectiveness.

The following table indicates the maturity profile of the Group's and the Company's financial liabilities at the reporting date based on undiscounted contractual payments:

	On demand or within 1 year RM'000	1 - 5 years RM'000	Total RM'000
At 31 December 2021			
Group			
Financial liabilities:			
Trade and other payables	**102,600**	**10,666**	**113,266**
Loans and borrowings	**52,437**	**173,856**	**226,293**
Lease liability	**803**	**3,666**	**4,469**
Total undiscounted financial liabilities	**155,840**	**188,188**	**344,028**
Company			
Financial liabilities:			
Trade and other payables	**81,168**	**9,089**	**90,257**
Loans and borrowings	**32,193**	**-**	**32,193**
Total undiscounted financial liabilities	**113,361**	**9,089**	**122,450**

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(c) Liquidity risk (cont'd)

	On demand or within 1 year RM'000	1 - 5 years RM'000	Total RM'000
At 31 December 2020			
Group			
Financial liabilities:			
Trade and other payables	109,429	13,741	123,170
Loans and borrowings	62,083	171,082	233,165
Total undiscounted financial liabilities	171,512	184,823	356,335
Company			
Financial liabilities:			
Trade and other payables	148,659	11,719	160,378
Loans and borrowings	48,818	-	48,818
Total undiscounted financial liabilities	197,477	11,719	209,196

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the results that the Group's exposure to bad debts is not significant. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses from such risk.

The Company has a concentration of credit risk in the form of outstanding balances from its subsidiaries representing 89% (2020: 85%) of its total receivables.

The ageing analysis of receivables which are trade in nature is disclosed in Note 24. Short-term funds, short-term deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable banks and financial institutions with high credit ratings and no history of default.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive values and the following corporate guarantee:

	Company	
	2021 RM'000	2020 RM'000
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	**191,103**	181,039

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(d) Credit risk (cont'd)

Exposure to credit risk (cont'd)

Financial guarantees have not been recognised in the financial statements as the directors are of the opinion that the fair value on initial recognition was not material and that it is not probable that a future sacrifice of economic benefits will be required.

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2021		2020	
	RM'000	**% of total**	RM'000	% of total
By country:				
Malaysia	**58,290**	**78**	62,863	78
Singapore	**4,132**	**6**	14,264	18
Other countries	**11,754**	**16**	3,258	4
	74,176	**100**	80,385	100
By industry sectors:				
Manufacturing	**39,283**	**53**	40,121	50
Property development and investment	**24,890**	**34**	38,486	48
Hotel and resort	**10,003**	**13**	1,778	2
	74,176	**100**	80,385	100

	Company			
	2021		2020	
	RM'000	**% of total**	RM'000	% of total
By country:				
Malaysia	**48,581**	**92**	56,102	79
Singapore	**4,132**	**8**	14,264	20
Other countries	**213**	**-**	354	1
	52,926	**100**	70,720	100
By industry sectors:				
Manufacturing	**28,752**	**54**	32,823	46
Property development and investment	**24,174**	**46**	37,897	54
	52,926	**100**	70,720	100

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(e) Market price risk

Market 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 price (other than interest or exchange rate).

The Group is exposed to equity price risk arising from its investments in quoted equity instruments quoted on Bursa Malaysia, SGX in Singapore, HKEx in Hong Kong, NYSE and NASDAQ in United States of America and EURONEXT Paris in France. These instruments are measured at fair value through other comprehensive income.

The Group's objective is to invest in investment grade shares with steady dividend yield. At the reporting date, the Group's equity portfolio consists of primarily investment grade shares.

Sensitivity analysis for equity price risk

If the FTSE Bursa Malaysia KLCI, STI in Singapore, HSI in Hong Kong, DJI in United States of America, FCHI in France were to change by positive or negative 3%, 12%, 23%, 7%, and 8% (2020: 1%, 8%, 4%, 11%, and 3%) respectively with all other variables held constant, the effects on other comprehensive income for the Group and the Company would have been as follows:

	Group		Company	
	2021	2020	**2021**	2020
Other comprehensive income	**RM'000**	RM'000	**RM'000**	RM'000
Listed in Malaysia				
- increased by	**1,713**	565	**1,621**	535
- decreased by	**(1,713)**	(565)	**(1,621)**	(535)
Listed in Singapore				
- increased by	**15,266**	8,320	**12,411**	6,657
- decreased by	**(15,266)**	(8,320)	**(12,411)**	(6,657)
Listed in Hong Kong				
- increased by	**35,967**	6,631	**3,816**	740
- decreased by	**(35,967)**	(6,631)	**(3,816)**	(740)
Listed in United States of America				
- increased by	**449**	711	**449**	711
- decreased by	**(449)**	(711)	**(449)**	(711)
Listed in France				
- increased by	**269**	110	**269**	110
- decreased by	**(269)**	(110)	**(269)**	(110)

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(f) Changes in liabilities arising from borrowings

	Group	
	2021 RM'000	2020 RM'000
At 1 January **	**181,039**	198,977
Interest expense on borrowings	**2,300**	3,573
Cash flows:		
- Repayments of loans and borrowings	**(7,323)**	(15,375)
- Drawdown of loans and borrowings	**10,945**	-
- Interest paid	**(2,300)**	(3,573)
Deferred loan costs amortised (Note 7)	**25**	344
Foreign exchange movement	**6,417**	(2,907)
At 31 December **	**191,103**	181,039

** Exclude bank overdrafts

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in line with the changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Funds in excess of working capital requirement will be placed with financial institutions in short term interest bearing financial instruments to maximise interest income.

Certain subsidiaries of the Group were subject to certain financial covenants imposed by the lenders. The covenant requires the subsidiaries to maintain their debt service ratio by above 1.3 but due to the outbreak of the pandemic during the year, this was waived by the lenders. The loan balances were also kept to below 50% to 60% of the value of the hotel properties during the financial year.

The Group monitors capital using the debt-to-equity ratio. The debt-to-equity ratios at 31 December 2021 and at 31 December 2020 were as follows:

	Group	
	2021 RM'000	2020 RM'000
Total loans and borrowings (Note 29)	**223,296**	229,857
Lease liability (Note 32)	**3,953**	-
Less: Cash and bank balances (Note 28)	**(855,037)**	(736,437)
Net surplus	**(627,788)**	(506,580)
Total equity	**2,397,311**	2,293,864
Debt-to-equity ratio (times)	**N/A**	N/A

42. SEGMENT INFORMATION

(a) Business segments:

The Group is organised on a worldwide basis into four major business segments:

(i) Manufacturing - processing and marketing of refined palm oil products;

(ii) Hotels and resort - operations of hotels and golf resort;

(iii) Property - property development and investment; and

(iv) Plantations - cultivation of oil palm.

Other business segments comprise mainly of share investment holding.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

2021	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE AND EXPENSES								
Revenue								
- External sales	1,057,706	102,309	142,903	-	9,060	-	-	1,311,978
- Intra/inter-segment sales	114,200	-	684	39,200	189,716	-	(343,800)	-
Total revenue	1,171,906	102,309	143,587	39,200	198,776	-	(343,800)	1,311,978
Results								
Operating results	53,537	(50,262)	65,619	18,877	184,673	149	(183,130)	89,463
Foreign exchange gain	-	-	-	-	-	7,041	(18)	7,023
Finance costs	(91)	(570)	(44)	-	(5,091)	(4,675)	5,752	(4,719)
Interest income	-	-	-	-	-	12,006	(5,761)	6,245
Profit/(loss) before tax	53,446	(50,832)	65,575	18,877	179,582	14,521	(183,157)	98,012
Income tax								(23,416)
Profit net of tax								74,596

42. SEGMENT INFORMATION (cont'd)

2020	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE AND EXPENSES								
Revenue								
- External sales	627,665	63,870	176,152	-	6,776	-	-	874,463
- Intra/inter-segment sales	73,535	-	856	28,202	15,180	-	(117,773)	-
Total revenue	701,200	63,870	177,008	28,202	21,956	-	(117,773)	874,463
Results								
Operating results	17,196	(140,938)	61,052	9,974	(31,377)	19	(8,835)	(92,909)
Foreign exchange loss	-	-	-	-	-	(61)	7	(54)
Finance costs	(151)	(583)	-	-	(6,279)	(5,475)	7,013	(5,475)
Interest income	-	-	-	-	-	20,229	(7,021)	13,208
Profit/(loss) before tax	17,045	(141,521)	61,052	9,974	(37,656)	14,712	(8,836)	(85,230)
Income tax expense								13,256
Loss net of tax								(71,974)

42. SEGMENT INFORMATION (cont'd)

2021	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Eliminations RM'000	Consolidated RM'000
ASSETS AND LIABILITIES							
Segment assets	381,975	369,883	801,145	74,650	997,144	73,647	2,698,444
Unallocated assets							57,629
Consolidated total assets							2,756,073
Segment liabilities	69,823	221,889	51,198	1,967	23	250	345,150
Unallocated liabilities							13,612
Consolidated total liabilities							358,762
OTHER INFORMATION							
Capital expenditure	3,850	2,065	352	1,145	-	-	7,412
Depreciation	3,713	23,377	4,436	1,224	-	-	32,750
Amortisation	7	44	-	-	-	-	51
Allowance for impairment on trade receivables	-	(5)	60	-	-	-	55
Impairment loss on property, plant and equipment	-	13,825	-	-	-	-	13,825
Fair value loss on financial assets at fair value through profit or loss	-	3,566	92	-	-	-	3,658

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

42. SEGMENT INFORMATION (cont'd)

2020	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Eliminations RM'000	Consolidated RM'000
ASSETS AND LIABILITIES							
Segment assets	231,594	381,660	758,209	172,638	986,467	77,427	2,607,995
Unallocated assets							47,236
Consolidated total assets							2,655,231
Segment liabilities	81,617	200,425	69,529	2,331	22	250	354,174
Unallocated *liabilities*							7,193
Consolidated total liabilities							361,367
OTHER INFORMATION							
Capital expenditure	2,975	3,160	29,170	3,044	-	-	38,349
Depreciation	4,142	29,029	4,949	1,114	-	-	39,234
Amortisation	14	361	-	-	-	-	375
Allowance for impairment on trade receivables	-	165	295	-	-	-	460
Impairment loss on property, plant and equipment	-	66,465	-	-	-	-	66,465
Fair value loss/(gain) on financial assets at fair value through profit or loss	-	56,749	(6)	-	-	-	56,743

42. SEGMENT INFORMATION (cont'd)

(b) Geographical segments:

The Group's four major business segments are operated in five principal geographical areas of the world. In Malaysia, its home country, the areas of operation are principally manufacturing, plantations, property development and investment, golf resort and share investment holding. Areas of operation in other countries are as follows:

Singapore	- investment holding
Hong Kong	- investment holding
Canada	- operation of hotel
United States of America	- operation of hotel

	Malaysia		Singapore		Hong Kong		Canada		United States of America		Consolidated	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Gross revenue	**1,210,668**	818,401	**1,342**	783	**2,897**	474	**25,074**	23,086	**71,997**	31,719	**1,311,978**	874,463
Segment assets	**1,950,581**	1,831,748	**194,857**	163,909	**241,951**	246,094	**65,059**	63,804	**303,625**	349,676	**2,756,073**	2,655,231
Capital expenditure	**5,423**	35,330	**-**	-	**-**	-	**1,358**	1,888	**631**	1,131	**7,412**	38,349

43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 7 April 2022.

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 4 APRIL 2022

Total Number of Issued Shares	:	361,477,110 ordinary shares (including 2,173,500 shares held as treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

SIZE OF SHAREHOLDINGS

Holdings	No. of Holders	%	No. of Shares	%
Less than 100	171	2.340	5,811	0.002
100 to 1,000	924	12.642	745,529	0.207
1,001 to 10,000	4,485	61.363	18,371,605	5.113
10,001 to 100,000	1,527	20.892	44,315,712	12.334
100,001 to less than 5% Issued Shares	197	2.695	85,641,638	23.835
5% and above of Issued Shares	5	0.068	210,223,315	58.509
	7,309	**100.000**	**359,303,610***	**100.000**

* Excluding a total of 2,173,500 shares bought back by the Company and retained as treasury shares.

THIRTY (30) LARGEST SHAREHOLDERS

No.	Name	No. of Shares Held	%^
1.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Singapore Branch)	76,770,778	21.366
2.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Hong Kong Branch)	69,444,889	19.328
3.	Ho Eng Chong @ Ho Kian Cheong	23,658,162	6.584
4.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	22,124,486	6.158
5.	Plentong Quarry (M) Sdn Bhd	18,225,000	5.072
6.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Hong Kong (Foreign)	12,013,872	3.344
7.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	4,297,325	1.196
8.	Ang Teow Cheng & Sons Sdn Bhd	4,000,000	1.113
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483)	3,006,100	0.837
10.	Ang Seng Chin	2,500,000	0.696
11.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8016787)	2,471,450	0.688
12.	Tan Ai Leng	2,140,866	0.596
13.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Deutsche Bank AG Singapore (Maybank SG PWM)	1,975,300	0.550
14.	Tunku Zahrah Binti Tunku Osman	1,545,000	0.430
15.	Chinchoo Investment Sdn. Berhad	1,530,000	0.426
16.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	1,374,552	0.382
17.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-Asing)	1,300,000	0.362

^ Excluding a total of 2,173,500 shares bought back by the Company and retained as treasury shares.

ANALYSIS OF SHAREHOLDINGS (cont'd)

THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

No.	Name	No. of shares held	%^
18.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients)	1,277,250	0.355
19.	Thong Weng Tim	1,145,100	0.319
20.	Key Development Sdn. Berhad	1,024,050	0.285
21.	Lim Peng Jin	1,000,000	0.278
22.	Tan Kien Leng	957,000	0.266
23.	Firmstead Realty Sendirian Berhad	835,312	0.232
24.	RHB Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte. Ltd. (A/C Clients)	807,525	0.225
25.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)	798,000	0.222
26.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	751,400	0.209
27.	Eu Lee Chuan Enterprise Sdn Berhad	750,000	0.209
28.	Gooi Seow Mee	740,250	0.206
29.	Wong Yu @ Wong Wing Yu	701,000	0.195
30.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Kang Yeow	667,500	0.186
		259,832,167	**72.315**

^ Excluding a total of 2,173,500 shares bought back by the Company and retained as treasury shares.

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 4 April 2022

Name	Direct Interest No. of Shares	Direct Interest (%)	Indirect Interest No. of Shares	Indirect Interest (%)
Ho Yeow Koon And Sons Private Limited	58,342,889	16.24	21,920,512 [1]	6.10
Dato' Ho Cheng Chong @ Ho Kian Hock	24,899,687	6.93	103,075,673 [2]	28.69
Ho Kim Swee @ Ho Kian Guan	24,395,538	6.79	103,075,673 [2]	28.69
Ho Eng Chong @ Ho Kian Cheong	24,662,436	6.86	18,000,000 [3]	5.01
KS Ocean Inc.	22,812,272	6.35	-	-
Plentong Quarry (M) Sdn. Bhd.	18,225,000	5.07	-	-

Notes:

1 *Deemed interested by virtue of its interest in Plentong Quarry (M) Sdn. Bhd., Firmstead Realty Sendirian Berhad and South West Holdings Sdn. Bhd.*

2 *Deemed interested by virtue of his interest in Ho Yeow Koon And Sons Private Limited, Plentong Quarry (M) Sdn. Bhd., Firmstead Realty Sendirian Berhad, South West Holdings Sdn. Bhd. and KS Ocean Inc.*

3 *Deemed interested by virtue of his interest in Laser Ace Ventures Ltd (BVI), Liteace Management Ltd (BVI), Vuitton Assets Ltd (BVI) and Skytrax Ventures Ltd.*

ANALYSIS OF SHAREHOLDINGS (cont'd)

DIRECTORS' SHAREHOLDINGS

According to the Register of Directors' Shareholdings as at 4 April 2022

		Direct Interest		Indirect Interest	
	Name of Directors	No. of Shares	%	No. of Shares	%
1.	Dato' Ho Cheng Chong @ Ho Kian Hock	24,899,687	6.93	103,075,673 [1]	28.69
2.	Ho Kim Swee @ Ho Kian Guan	24,395,538	6.79	103,075,673 [1]	28.69
3.	Ho Eng Chong @ Ho Kian Cheong	24,662,436	6.86	18,000,000 [2]	5.01
4.	Chan Lui Ming Ivan	102,000	0.03	–	–
5.	Lee Huee Nan @ Lee Hwee Leng	88,593	0.02	–	–
6.	Too Hing Yeap @ Too Heng Yip	–	–	–	–
7.	Tai Lam Shin	–	–	–	–
8.	Mahathir Bin Mohamed Ismail	–	–	–	–
9.	Liew Foong Yuen	–	–	–	–
10.	Dato' Dr. Zaha Rina Binti Zahari	–	–	–	–
11.	Ho Chung Kain (He ChongJing) [Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock]	640,000	0.18	–	–
12.	Ho Chung Hui [Alternate to Lee Huee Nan @ Lee Hwee Leng]	–	–	–	–
13.	Ho Chung Tao [Alternate to Chan Lui Ming Ivan]	–	–	–	–
14.	Ho Chung Kiat, Sydney (He ChongJie, Sydney) [Alternate to Ho Eng Chong @ Ho Kian Cheong]	–	–	–	–

Notes:

1 *Deemed interested by virtue of his interest in Ho Yeow Koon And Sons Private Limited, Plentong Quarry (M) Sdn. Bhd., Firmstead Realty Sendirian Berhad, South West Holdings Sdn. Bhd. and KS Ocean Inc.*

2 *Deemed interested by virtue of his interest in Laser Ace Venture Ltd (BVI), Liteace Management Ltd (BVI), Vuitton Assets Ltd (BVI) and Skytrax Ventures Ltd.*

LIST OF DIRECTORS' SHAREHOLDINGS IN SUBSIDIARY COMPANY: LIM & LIM PLANTATIONS BERHAD

		Direct Interest		Indirect Interest	
	Name of Directors	No. of Shares	%	No. of Shares	%
1.	Ho Kim Swee @ Ho Kian Guan	5,000	0.04	–	–
2.	Dato' Ho Cheng Chong @ Ho Kian Hock	5,500	0.04	–	–
3.	Lee Huee Nan @ Lee Hwee Leng	2,000	0.01	–	–

By virtue of their interests in the shares of the Company, all of the directors except Too Hing Yeap @ Too Heng Yip, Tai Lam Shin, Mahathir Bin Mohamed Ismail, Liew Foong Yuen, Dato' Dr. Zaha Rina Binti Zahari, Ho Chung Hui, Ho Chung Tao and Ho Chung Kiat, Sydney (He ChongJie, Sydney), are deemed to be interested in the shares of all subsidiaries of the Company to the extent the Company has an interest.

PARTICULARS OF GROUP MAJOR PROPERTIES

LAND FOR AGRICULTURE, HOUSING DEVELOPMENT AND BUILDING

Estate/ Housing Project/ Building Type	Location	Tenure	Area	Description	Approximate Age Of Building (Years)	Net Carrying Amount RM'000	Date Of Last Revaluation(#) /Date Of Acquisition
Tanjong Puteri Golf Resort	35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate.	Freehold	208 hec (Land area)	54 holes golf course, clubs and other recreational facilities.	–	83,470	18-04-1980 #
Bandar Baru Kangkar Pulai	27 km Pontian Road immediately after Kangkar Pulai Village.	Freehold/ Leasehold	1,772,102 sq metres (Development area)	Development of residential & commercial units including area planted with oil palm. The 99 year lease expires in 2102.	–	181,687	18-04-1980 #
Tanjong Puteri Resort	35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate.	Freehold	2,251,909 sq metres (Development area)	Development of residential & commercial units including area planted with oil palm.	–	39,439	18-04-1980 #
Bukit Chantek, Tong Hing & Tanjong Langsat Estate	10 km east of Ulu Tiram and 30 km from Johor Bahru.	Freehold/ Leasehold	2,485 hec (Planted area)	Oil palm estate including 7.32 hectares of industrial land with 3 industrial buildings erected on it. The 99 year lease expires in 2115.	–	30,458	18-04-1980/ # 30-04-1987
Hotel	1956, Ala Moana, Boulevard, Honolulu, Hawaii, 96815, USA.	Freehold	18,525 sq metres (Buildup area)	18 Storey DoubleTree Alana Waikiki Hotel (317 Rooms) with an adjoining 7 storey office building occupying a total land area of 3,315 sq metres.	50	113,335	01-12-2000
Hotel	25, West 37th Street, New York, NY, 10018, USA.	Freehold	6,624 sq metres (Buildup area)	19 Storey SpringHill Suites New York Hotel (173 Rooms) occupying a land area of 2,841 sq metres.	8	163,049	24-07-2014
Office Space	Menara Keck Seng, 203, Jalan Bukit Bintang, 55100 Kuala Lumpur.	Freehold	24,538 sq metres (Floor area)	Office space for rental.	26	43,420	15-08-1996
Hotel	655, Dixon Road, Toronto, Ontario Canada, M9W 113.	Freehold	52,954 sq metres (Buildup area)	12 Storey Delta Hotels by Marriott Toronto Airport and Conference Centre (433 Rooms) occupying a land area of 28,328 sq metres.	57	43,392	31-10-1997
Condominium Block	8, Jalan Ceylon, 50200 Kuala Lumpur.	Freehold	20,178 sq metres (Floor area)	23 Storey building known as Regency Tower (76 units luxury apartments) with an annexed 3-storey car park (108 bays) and other facilities.	31	46,851	11-07-2006
TD Central @ Taman Daya	Jalan Sagu 18 & Jalan Sagu 21, Taman Daya, 81100 Johor Bahru, Johor.	Freehold	101,922 sq metres (Land area)	Restaurant building, commercial complex & commercial buildings	2	47,017	01-03-2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Second Annual General Meeting ("52nd AGM") of the Company will be conducted through live streaming from the **Broadcast Venue** at **Conference Room, Suite 15-01, 15th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia** on **Friday, 27 May 2022** at **10.00 a.m.** for the following purposes:

AS ORDINARY BUSINESS:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 together with the Reports of the Directors and Auditors thereon. *(Please refer to the Explanatory Notes to the Agenda)*
2. To approve the payment of Directors' fees of RM1,063,332 for the financial year ended 31 December 2021. *(Ordinary Resolution 1)*
3. To approve the payment of Directors' benefits up to an aggregate amount of RM350,000 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Constitution of the Company:-
   (i) Ho Kim Swee @ Ho Kian Guan *(Ordinary Resolution 3)*
   (ii) Ho Eng Chong @ Ho Kian Cheong *(Ordinary Resolution 4)*
   (iii) Mahathir Bin Mohamed Ismail *(Ordinary Resolution 5)*
5. To re-elect Dato' Dr. Zaha Rina Binti Zahari who is retiring in accordance with Clause 78 of the Constitution of the Company. *(Ordinary Resolution 6)*
6. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 7)*

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions, with or without modification:

7. **Proposed continuation in office of Too Hing Yeap @ Too Heng Yip as Independent Non-Executive Director**

   "**THAT** approval be and is hereby given to Too Hing Yeap @ Too Heng Yip who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance." *(Ordinary Resolution 8)*

8. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

   "**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016 and subject to the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant regulatory authorities (if any), the Directors of the Company be and are hereby authorised to issue and allot shares in the Company from time to time, at such price, upon such terms and conditions and for such purposes and to such persons whomsoever as the Directors may in their absolute discretion deem fit PROVIDED THAT the aggregate number of shares to be issued pursuant to this resolution, when aggregated with the total number of such shares issued during the preceding twelve (12) months does not exceed ten per centum (10%) of the total number of issued shares (excluding treasury shares) of the Company for the time being AND THAT the Directors be authorised to do all such things as they may deem fit and expedient in the best interest of the Company to give effect to the issuance of new shares under this resolution including making such applications to Bursa Malaysia Securities Berhad for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND THAT such authority shall continue to be in force until the conclusion of the next Annual General Meeting of the Company held after the approval was given or at the expiry of the period within which the next Annual General Meeting is required to be held after the approval was given, whichever is earlier, unless revoked or varied by an ordinary resolution of the Company at a general meeting." *(Ordinary Resolution 9)*

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

9. **Proposed Renewal of Shareholders' Mandate for Share Buy-Back**

   (Ordinary Resolution 10)

   "**THAT** subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approvals of all relevant governmental and/or regulatory authorities (if any), the Company be and is hereby authorised to purchase such amount of ordinary shares in the Company as may be determined by the Directors of the Company from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors of the Company may deem fit and expedient in the interest of the Company provided that:

   (a) the aggregate number of ordinary shares in the Company which may be purchased and/or held by the Company at any point in time pursuant to the Share Buy-Back Mandate shall not exceed ten percent (10%) of the total number of issued shares of the Company at any point in time;

   (b) the maximum funds to be allocated by the Company for the purpose of purchasing its ordinary shares shall not exceed the total retained profits of the Company based on the latest audited financial statements and/or the latest management accounts (where applicable) available at the time of the purchase; and

   (c) the Directors of the Company may decide either to retain the shares so purchased as treasury shares or cancel the shares so purchased or retain part of the shares so purchased and cancel the remainder or resell the treasury shares on Bursa Malaysia Securities Berhad or distribute the treasury shares as dividends or transfer the treasury shares under an employees' share scheme or as purchase consideration or otherwise use the treasury shares for such other purpose in the manner as prescribed by the applicable laws, guidelines, rules and regulations.

   THAT the authority conferred by this resolution will be effective upon the passing of this resolution and will continue to be in force until:

   (i) the conclusion of the next Annual General Meeting of the Company, at which time it shall lapse, unless by an ordinary resolution passed at that meeting, the authority is renewed, either unconditionally or subject to conditions;

   (ii) the expiration of the period within which the next Annual General Meeting of the Company after that date is required by law to be held; or

   (iii) revoked or varied by an ordinary resolution passed by the shareholders in a general meeting,

   whichever occurs first, but shall not prejudice the completion of purchase(s) by the Company of its own shares before the aforesaid expiry date and, in any event, in accordance with the provisions of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authority.

   AND THAT authority be and is hereby given to the Directors of the Company to take all such steps to implement, finalise and to give full effect to the Proposed Renewal of Shareholders' Mandate for Share Buy-Back with full power to assent to any conditions, modifications, variations and/or amendments as may be required by the relevant authorities or as the Directors deem fit and expedient at their discretion in the best interest of the Company."

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

LIM HOOI MOOI (MAICSA 0799764) (SSM PC NO. 201908000134)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)
FONG SOK YEE (MAICSA 7066501) (SSM PC NO. 202008001180)

Company Secretaries
Kuala Lumpur

28 April 2022

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

NOTES:

1. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

   *Members/proxies/corporate representatives/attorneys **WILL NOT BE ALLOWED** to attend the 52nd AGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely (collectively, "participate") at the 52nd AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via **TIIH Online** at https://tiih.online. Members are advised to read and follow the procedures provided in the Administrative Guide enclosed herein in order to participate remotely via RPV.*

2. *For the purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the **Record of Depositors as at 17 May 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*

3. *A member who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*

4. *A member who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.*

5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 52nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

   (i) In hard copy form

   To be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronic means via TIIH Online website
   *The proxy form can be lodged electronically via **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide for further information on electronic lodgement of proxy form via TIIH Online.*

9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 52nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

10. *For a corporate member who has appointed a representative, please deposit the **original or duly certified** certificate of appointment at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if it has not been lodged at the Company's Share Registrar's office earlier. The certificate of appointment should be executed in the following manner:*

    (i) *If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.*

    (ii) *If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*

    (a) *at least two (2) authorised officers, one (1) of whom shall be a director; or*

    (b) *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

11. *A member who has appointed a proxy or attorney or authorised representative to participate in the 52nd AGM must request his/her proxy or attorney or authorised representative to register himself/herself for the RPV at the Share Registrar's TIIH Online website at https://tiih.online. Please read and follow the procedures provided in the Administrative Guide in order to participate remotely via RPV.*

12. *Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.*

13. *Last date and time for lodging the proxy form is **Wednesday, 25 May 2022** at **10.00 a.m.***

14. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 52nd AGM will be put to vote by way of poll.*

EXPLANATORY NOTES TO THE AGENDA

(i) ***Item 1 of the Agenda***
Audited Financial Statements for the financial year ended 31 December 2021

This item is meant for discussion only. The provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders for the Audited Financial Statements. As such, this Agenda item will not be put forward to vote.

(ii) ***Ordinary Resolution 1***
Payment of Directors' fees

The payment of Directors' fees of RM1,063,332 for the financial year ended 31 December 2021 will only be made if the proposed Ordinary Resolution 1 has been passed at the 52nd AGM of the Company.

(iii) ***Ordinary Resolution 2***
Payment of Directors' benefits

Directors' benefits consist of benefits-in-kind and allowances payable to Directors and in determining the estimated amount, the Board has considered various factors including the current board size and number of scheduled meetings for the Board and Board Committees for the period from the date of the forthcoming AGM until the next AGM as well as the number of Independent Directors involved in the meeting. In the event the proposed amount is insufficient (due to more meetings/enlarged board size), approval will be sought at the next AGM for the shortfall.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

(iv) ***Ordinary Resolutions 3 to 6***
Re-election of Directors

Ho Kim Swee @ Ho Kian Guan, Ho Eng Chong @ Ho Kian Cheong, Mahathir Bin Mohamed Ismail and Dato' Dr. Zaha Rina Binti Zahari are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 52nd AGM.

The profiles of the Directors who are standing for re-election are as follows:-

Ordinary Resolution 3 – Ho Kim Swee @ Ho Kian Guan (Executive Chairman)	
Nationality/ Age/ Gender	*Singaporean/ 76/ Male*
Present Directorship(s)	➢ *Listed Issuers: -* ➢ *Public Companies : Tanjong Puteri Golf Resort Berhad an Lim & Lim Plantations Berhad.* *[Both companies are subsidiaries of the Company]*
Family relationship with any Director and/or major shareholder of the Company	*Mr. Ho is the brother of Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director) and Mr. Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director).* *[Both of them are substantial shareholders of the Company]* *Mr. Ho is the father of Mr. Ho Chung Tao. He is also the uncle of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui and Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney).*
Working experience	*Mr. Ho was appointed to the Board on 15 September 1970. He has spent 51 years successfully steering the Group.*

Ordinary Resolution 4 – Ho Eng Chong @ Ho Kian Cheong (Non-Independent Non-Executive Director)	
Nationality/ Age/ Gender	*Singaporean/ 72/ Male*
Present Directorship(s)	➢ *Listed Issuers: -* ➢ *Public Companies : -*
Family relationship with any Director and/or major shareholder of the Company	*Mr. Ho is the brother of Mr. Ho Kim Swee @ Ho Kian Guan (Executive Chairman) and Dato' Ho Cheng Chong @ Ho Kian Hock (Managing Director).* *[Both of them are substantial shareholders of the Company]* *Mr. Ho is the father of Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney). He is also the uncle of Mr. Chan Lui Ming Ivan, Mr. Ho Chung Kain (He ChongJing), Mr. Ho Chung Hui and Mr. Ho Chung Tao.*
Working experience	*Mr. Ho was appointed to the Board on 21 September 1987. He has more than 30 years of working experience in the management of private and public companies.*

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

Ordinary Resolution 5 – Mahathir Bin Mohamed Ismail (Independent Non-Executive Director)	
Nationality/ Age/ Gender	*Malaysian/ 72/ Male*
Present Directorship(s)	➢ *Listed Issuers: -* ➢ *Public Companies :*
Family relationship with any Director and/or major shareholder of the Company	*He has no family relationship with any Director/major shareholder of the Company.*
Working experience	*Mr. Mahathir was appointed to the Board on 23 June 2015. He has considerable experience in the banking and finance field with his tenure at 3 Malaysian financial institutions, listed companies and private companies from January 1976 to March 2005. He was a Lecturer in Audit & Corporate Governance, Audit & Assurance, Accounting and Business Ethics in Taylor's University (June 2005 – December 2018).*

Ordinary Resolution 6 – Dato' Dr. Zaha Rina Binti Zahari (Independent Non-Executive Director)	
Nationality/ Age/ Gender	*Malaysian/ 60/ Female*
Present Directorship(s)	➢ *Listed Issuers: - Manulife Holdings Berhad, Hibiscus Petroluem Berhad, IGB Berhad and Pacific & Orient Berhad.* ➢ *Public Companies : Pacific & Orient Insurance Co. Berhad. and Mizuho Bank (Malaysia) Berhad.*
Family relationship with any Director and/or major shareholder of the Company	*She has no family relationship with any Director/major shareholder of the Company.*
Working experience	*Dato' Dr. Zaha Rina was appointed to the Board on 26 August 2021. She has more than 30 years of experience in the financial, commodities and securities industry and the development of the Malaysian Capital Market which includes managing a futures broking company. Her experience in the global financial markets cover both conventional and Islamic markets and she has technical knowledge in mergers and acquisitions of insurance and Takaful companies.*

Saved as disclosed in the Annual Report 2021, all the retiring Directors have no conflict of interest with the Company.

The Board had, through the Nominating Committee, carried out the necessary assessment on the aforesaid Directors and concluded that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors. The aforesaid Directors have devoted sufficient time to carry out their responsibilities throughout their tenure. They also possess relevant qualification, knowledge and experience which complement the Board's competencies.

Ho Kim Swee @ Ho Kian Guan and Ho Eng Chong @ Ho Kian Cheong have vast experience in the management of the Company and able to provide valuable input to steer the Company forward. The two (2) Independent Directors have exercised due care and carried out their professional duties proficiently during their tenure as Independent Non-Executive Directors of the Company. They remain objective and independent in expressing their view and participating in Board's deliberation and decision-making process.

NOTICE OF ANNUAL GENERAL MEETING (cont'd)

(v) ***Ordinary Resolution 7***

Re-appointment of Auditors

The Board has through the Audit Committee, endorsed the re-appointment of Ernst & Young PLT as the Auditors of the Company. Based on the annual assessment conducted by the Audit Committee on the suitability, independence, objectivity and performance of the external auditors, Ernst & Young PLT has met the criteria as prescribed under Paragraph 15.21 of the Main Market Listing Requirements.

(vi) ***Ordinary Resolution 8***

Proposed continuation in office of Too Hing Yeap @ Too Heng Yip as Independent Non-Executive Director

Practice 5.3 of the Malaysian Code on Corporate Governance provides that shareholders' approval be sought in the event the Company intends to retain an Independent Director who has served in that capacity for more than nine (9) years, to continue to act as Independent Director of the Company.

The Board is recommending to the shareholders for Too Hing Yeap @ Too Heng Yip who has served as Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as Independent Non-Executive Director of the Company.

The Board through the Nominating Committee, had assessed and endorsed that Too Hing Yeap @ Too Heng Yip be retained as Independent Non-Executive Director of the Company based on the following justifications:-

(a) He possesses strong self-esteem and confidence to stand up for an independent point of view. With "independent in mind", he would be able to bring the element of objectivity, independent judgement and balance to the Board;

(b) He is knowledgeable and has applied his vast experience and exercised due care during his tenure as Independent Non-Executive Director of the Company. He has carried out his duties professionally with reasonable skill and competence, bringing independent judgement and depth into the Board's decision making in the best interest of the Company, shareholders and stakeholders;

(c) He has been with the Company for long and therefore understand the Company's business operations which enable him to participate actively and contribute during Board and Board Committee meetings; and

(d) He exhibited high commitment and devoted sufficient time and efforts to attend all the meetings for informed and balanced decision making. He is unafraid to explicit disagreement on matters and able to express unbiased view without any influence.

(vii) ***Ordinary Resolution 9***

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

The Company had, during its 51st AGM held on 22 June 2021, obtained its shareholders approval for the general mandate for issuance of shares up to a maximum of 20% of the total number of issued shares of the Company ("20% General Mandate").

As at the date of this Notice, the Company did not implement its proposal for new allotment of shares under the 20% General Mandate and the general mandate has been reinstated from a 20% limit to a 10% limit with effect from 1 January 2022 ("10% General Mandate"). The authority for the 10% General Mandate will expire at the conclusion of the 52nd AGM.

This proposed resolution is a new mandate. The mandate is to provide flexibility to the Company to issue new securities without the need to convene separate general meeting to obtain its shareholders' approval so as to avoid incurring additional costs and time.

This proposed resolution, if passed, will empower the Directors to issue and allot up to a maximum of 10% of the total number of issued shares of the Company for the time being for such purposes as the Directors consider would be in the best interest of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier.

The purpose of this general mandate, if passed, will enable the Directors to take swift action in case of a need to issue and allot new shares in the Company for fund raising exercise including but not limited to further placement of shares for purpose of funding current and/or future investment projects, working capital, repayment of bank borrowings, acquisitions or such other application as the Directors may deem fit in the best interest of the Company.

(viii) ***Ordinary Resolution 10***

Proposed Renewal of Shareholders' Mandate for Share Buy-Back

The proposed resolution, if passed, will empower the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

Further information relating to this proposed resolution is set out in the Statement to Shareholders dated 28 April 2022 which is available at https://my.keckseng.com/statementtosh/AnnualReport2021/Statement to Shareholders.pdf.

KECK SENG (MALAYSIA) BERHAD
(Registration No. 196801000565) (8157-D)
(Incorporated in Malaysia)

CDS Account No.
No. of shares held

PROXY FORM

*I/*We ______________________________ (NRIC No./Passport No./Company No. ____________________)
[Full name in Block Letters]

of ____
[Full address]

being member(s) of KECK SENG (MALAYSIA) BERHAD, hereby appoint:

Name of proxy, NRIC No. & Address	No. of shares to be represented by proxy	%
1.		
and		
2.		

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Fifty-Second Annual General Meeting ("52nd AGM") of the Company to be conducted through live streaming from the **Broadcast Venue** at **Conference Room, Suite 15-01, 15th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia** on **Friday, 27 May 2022** at **10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' Fees of RM1,063,332 for the financial year ended 31 December 2021.		
2.	To approve the payment of Directors' benefits up to an aggregate amount of RM350,000 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company.		
3.	To re-elect Ho Kim Swee @ Ho Kian Guan as Director.		
4.	To re-elect Ho Eng Chong @ Ho Kian Cheong as Director.		
5.	To re-elect Mahathir Bin Mohamed Ismail as Director.		
6.	To re-elect Dato' Dr. Zaha Rina Binti Zahari as Director.		
7.	To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
8.	Proposed continuation in office of Too Hing Yeap @ Too Heng Yip as Independent Non-Executive Director.		
9.	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
10.	Proposed Renewal of Shareholders' Mandate for Share Buy-Back.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his /her discretion).

Signed this______________ day of ____________________ 2022.

____
Signature/Common Seal of Member(s)

Contact No: ______________________________

* Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
  (i) at least two (2) authorised officers, one (1) of whom shall be a director; or
  (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Fold this flap for sealing

NOTES:

1. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

   *Members/proxies/corporate representatives/attorneys **WILL NOT BE ALLOWED** to attend the 52nd AGM in person at the Broadcast Venue on the day of the meeting. Members are to attend, speak (including posing questions to the Board via real time submission of typed texts) and vote remotely (collectively, "participate") at the 52nd AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via TIIH Online at https://tiih.online. Members are advised to read and follow the procedures provided in the Administrative Guide enclosed herein in order to participate remotely via RPV.*
2. *For the purposes of determining who shall be entitled to attend this meeting, the Company shall be requesting the **Record of Depositors as at 17 May 2022**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*
3. *A member who is entitled to attend and vote at a general meeting may appoint a proxy or attorney or in the case of a corporation, to appoint a duly authorised representative to attend, participate, speak and vote in his place. A proxy may but need not be a member of the Company.*
4. *A member who is entitled to attend and vote at a general meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the general meeting.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the 52nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote:*

   (i) In hard copy form
   To be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.

   (ii) By electronic means via TIIH Online website
   *The proxy form can be lodged electronically via **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide for further information on electronic lodgement of proxy form via TIIH Online.*

Please fold here to seal

Affix
Stamp

THE SHARE REGISTRAR
KECK SENG (MALAYSIA) BERHAD
(Registration No.196801000565) (8157-D)
c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Please fold here to seal

9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the 52nd AGM or adjourned general meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *For a corporate member who has appointed a representative, please deposit the **original or duly certified** certificate of appointment at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if it has not been lodged at the Company's Share Registrar's office earlier. The certificate of appointment should be executed in the following manner:*

    (i) If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance with the Constitution of the corporate member.

    (ii) If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:

    (a) at least two (2) authorised officers, one (1) of whom shall be a director; or

    (b) any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.
11. *A member who has appointed a proxy or attorney or authorised representative to participate in the 52nd AGM must request his/her proxy or attorney or authorised representative to register himself/herself for the RPV at the Share Registrar's TIIH Online website at https://tiih.online. Please read and follow the procedures provided in the Administrative Guide in order to participate remotely via RPV.*
12. *Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.*
13. *Last date and time for lodging the proxy form is **Wednesday, 25 May 2022** at **10.00 a.m**.*
14. *Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all the resolutions set out in the Notice of the 52nd AGM will be put to vote by way of poll.*

KECK SENG (MALAYSIA) BERHAD
Website: https://my.keckseng.com