



激成(馬來西亞)有限公司
KECK SENG (MALAYSIA) BERHAD
196801000565 (8157-D)

2022

A N N U A L R E P O R T

C O N T E N T S

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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 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------------------------------------------|-----------|-----------|-----------|-----------|------------------|
| Plantations and Manufacturing | 590,854 | 525,883 | 627,665 | 1,057,706 | 1,438,939 |
| Property | 115,065 | 184,184 | 176,152 | 142,903 | 124,969 |
| Hotels and Resort | 250,152 | 256,375 | 63,870 | 102,309 | 256,015 |
| Dividend income | 11,206 | 12,164 | 6,776 | 9,060 | 7,649 |
| Total revenue | 967,277 | 978,606 | 874,463 | 1,311,978 | 1,827,572 |
| | | | | | |
| Profit/(Loss) before tax | 69,521 | 101,766 | (85,230) | 98,012 | 257,179 |
| Profit/(Loss) net of tax | 39,169 | 91,641 | (71,974) | 74,596 | 209,375 |
| Profit/(Loss) attributable to owners of the parent | 36,472 | 88,317 | (64,561) | 79,020 | 201,573 |
| Earnings/(Loss) per share (sen) | 10 | 25 | (18) | 22 | 56 |
| Dividend per share (sen) | 10 | 4 | 0 | 5 | 14 |
| | | | | | |
| Equity attributable to owners of the parent | 2,244,108 | 2,244,760 | 2,154,137 | 2,259,612 | 2,435,866 |
| Total assets | 2,775,528 | 2,795,928 | 2,655,231 | 2,756,073 | 2,919,974 |
| Loans and borrowings | 232,090 | 235,563 | 229,857 | 223,296 | 177,460 |

| Share Price (RM) | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------------|------|------|------|------|-------------|
| Highest daily close | 4.92 | 4.98 | 4.69 | 4.01 | 3.99 |
| Lowest daily close | 3.92 | 4.07 | 3.41 | 3.32 | 3.36 |
| Year-end closing | 4.08 | 4.70 | 3.84 | 3.44 | 3.58 |

CHAIRMAN'S STATEMENT

Dear Shareholders,

In response to the pandemic shock caused by COVID-19, global central banks spent a record stimulus from 2020-2021. The US Federal Reserve (FED) maintained a zero-rate interest rate policy after expanding money supply by an unprecedented amount during those two years. As it raised interest rates by 450 basis points last year to tame inflation, this rapid reversal of monetary policy saw the worst combined stock and bond market performance since 1931. We remain cautious on the global economy, given the potential slowdown in the US and Europe and the still nascent recovery in China.

Performance

In 2022, the Group reported a profit after tax of RM209 million versus RM75 million in 2021. Revenue from manufacturing and hotel segments was higher in 2022 versus 2021. Revenue from property development was lower in 2022 versus 2021.

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

Dividend

We understand the importance of enhancing our shareholders' return. The Board has approved a single-tier final dividend of 9 sen per share for the financial year ended 31 December 2022 and payable on 18 May 2023.

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
6 April 2023

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

Revenue in 2022 increased by 39% to RM1,827.6 million as compared with 2021. The increase was mainly derived from the Manufacturing and Hotel segments. Manufacturing segment's revenue increase was the result of higher palm product selling prices and quantity of refined oil sold, whilst the increase in the Hotels' revenue were the result of the rebound in demand after the easing of travel restriction and COVID-19 pandemic lockdown measures.

Profit before tax recorded a 162% increase to RM257.2 million due to better refining margins, higher forex gain, reversal of impairment loss recognised on an overseas hotel, better hotel occupancies and average room rates.

Overall, the Group managed to maintain a stable financial position.

OPERATIONS REVIEW

Plantations and Manufacturing

The Plantation Division had to deal with the dual challenges of all-time high inorganic fertiliser prices and higher labour costs due to labour shortages in the first three quarters of 2022, when crude palm oil ("CPO") prices were at their peak. When labour conditions improved in 4Q 2022, CPO price dropped due to seasonal year-end weakness. As a result, this division's financial performance was weaker despite the higher crop volume produced in 2022 versus 2021.

Manufacturing segment continued to benefit from overall higher palm product prices and refining margins in 2022 as compared to 2021 and achieved better financial performance.

Property

With the reopening of Malaysia's national borders to international travel on 1 April 2022, we saw a return of much-needed people flow, and a pick up in economic activities.

Due to tighter monetary and financial policies globally, the Malaysian gross domestic product (GDP) growth also slowed while the Malaysian Ringgit depreciated against major currencies. These affected property pricing and construction timelines. Meanwhile, disruption to global supply chains caused by the COVID-19 pandemic impacted margins negatively.

The Government continued to provide initiatives, such as stamp duty exemptions for first-time homebuyers and the removal of financing limit for the purchase of third residential properties, to aid the property sector in 2022. To lower inflation, Bank Negara Malaysia also hiked interest rates four times in 2022 to 2.75% and this adversely affected property sales.

The Property Division continues to focus on our strengths to deliver quality homes and living spaces. We are encouraged by the improved consumer sentiment for property purchases and tenancies in 2022 and 2023.

In Bandar Baru Kangkar Pulai (BBKP), we had two new launches last year, namely double-storey cluster houses and double-storey terrace houses. In 2023, we intend to launch new phases of the same project as we foresee healthy demand for cluster houses.

In Tanjong Puteri Resort (TPR), we sold 94% of our single-storey terrace houses and plan to launch new phases of single-storey and double-storey terrace houses.

In 2022, 98.5% of TD Central leases were signed and/or committed, while 82% of TD Point were tenanted. These will continue to provide a steady source of recurring income.

MANAGEMENT DISCUSSION AND ANALYSIS [cont'd]

OPERATIONS REVIEW (cont'd)

Property (cont'd)

Menara Keck Seng continues to address the twin challenges of office oversupply and remote/hybrid work arrangements affecting demand. As we move into 2023, we hope to reverse the trend of falling occupancy and rental through more aggressive social media and digital marketing.

The lobby refurbishment for Regency Tower was completed in 2022. We will be retrofitting some of the rooms which we believe will aim towards higher occupancy. In addition, management is adopting new digital marketing initiatives to improve the occupancy.

Hotels and Resort

The occupancy levels of the hotels at Hawaii have returned to pre-pandemic levels. Travel from Japan is expected to pick up in 2H 2023, which will benefit both our hotel business and office tenants. Hotel management is now focused on mitigating strategic risks, and is working on a nine-month project which includes repair and painting in 2023.

The SpringHill Suites Hotel in New York City did well despite soft demand early in the year arising from a surge in COVID-19 infections. The hotel achieved total sales matching 2019 levels and overall profitability was at 92% of 2019 levels. Overall, the hotel was able to outperform its peers to achieve a year-end revenue per available room (RevPAR) Index of 110%. With the return in leisure demand and a resumption in corporate travel, we believe the hotel will see further recovery in demand. So far in 2023, consumer discretionary spending continues to be positive and will help mitigate any headwinds from prolonged inflation or even a mild recession.

The Delta Toronto Airport Hotel performed well with the lifting of COVID-19 travel restrictions in 2022, and performed reasonably well within its competitors set. Management does not expect the same level of “revenge consumption” over the summer months in 2023, with recession fear and cost inflation. That said, the hotel is expected to perform better on its occupancy levels and daily rates as compared to both 2022 and pre-COVID-19 levels.

In 2022, Tanjong Puteri Golf Resort (“TPGR”) continued to show minor revenue improvements from the easing of travel restrictions for international travellers and golfers. The steep increase in costs of food ingredient, operating supplies and manpower limited the prospect for profit margin improvement. Management will continue to seek cost saving initiatives to help counter the recent severe price increase in goods and other operating expenses. Inflationary costs remain a significant risk to TPGR's financial performance now and for the foreseeable future and the business environment remains extremely challenging.

C O R P O R A T E I N F O R M A T I O N

BOARD OF DIRECTORS

| | |
|---------------------------------------------|---------------------------------------------------------|
| Ho Kim Swee @ Ho Kian Guan | <i>Executive Chairman</i> |
| Dato' Ho Cheng Chong @ Ho Kian Hock | <i>Managing Director</i> |
| Ho Eng Chong @ Ho Kian Cheong | <i>Non-Independent Non-Executive Director</i> |
| Chan Lui Ming Ivan | <i>Executive Director</i> |
| Lee Huee Nan @ Lee Hwee Leng (f) | <i>Executive Director</i> |
| Too Hing Yeap @ Too Heng Yip | <i>Senior Independent Non-Executive Director</i> |
| Tai Lam Shin | <i>Independent Non-Executive Director</i> |
| Mahathir Bin Mohamed Ismail | <i>Independent Non-Executive Director</i> |
| Liew Foong Yuen | <i>Independent Non-Executive Director</i> |
| Dato' Dr. Zaha Rina Binti Zahari (f) | <i>Independent Non-Executive Director</i> |
| Ho Chung Kain (He ChongJing) | <i>Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock</i> |
| Ho Chung Hui | <i>Alternate to Lee Huee Nan @ Lee Hwee Leng (f)</i> |
| Ho Chung Tao | <i>Alternate to Chan Lui Ming Ivan</i> |
| Ho Chung Kiat, Sydney (He ChongJie, Sydney) | <i>Alternate to Ho Eng Chong @ Ho Kian Cheong</i> |

COMPANY SECRETARIES

Te Hock Wee
(SSM PC No. 202008002124)
(MAICSA 7054787)
Fong Sok Yee
(SSM PC No. 202008001180)
(MAICSA 7066501)

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 Darul Takzim, Malaysia.
Tel: 607-288 3111 Fax: 607-288 3112

REGISTERED OFFICE

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

PRINCIPAL BANKERS

Malayan Banking Berhad
Registration No. 196001000142 (3813-K)

OCBC Bank (Malaysia) Berhad
Registration No. 199401009721 (295400-W)

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.
Wilayah Persekutuan, Malaysia.
Tel: 603 -2783 9299 Fax: 603 -2783 9222

LISTING

Main Market of Bursa Malaysia Securities Berhad

STOCK CODE

3476

WEBSITE

<https://my.keckseng.com>

DIRECTORS' PROFILE

HO KIM SWEE @ HO KIAN GUAN

Executive Chairman

AGE/GENDER NATIONALITY

Age 77/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 52 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 75/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

Age 73/Male

NATIONALITY

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 40 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 53/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

5 out of 5.

LEE HUEE NAN @ LEE HWEE LENG

Executive Director

AGE/GENDER NATIONALITY

Age 71/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]

DIRECTORS' PROFILE (cont'd)

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

Age 75/Male

NATIONALITY

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.

DIRECTORS' PROFILE [cont'd]

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 65/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

AGE/GENDER **NATIONALITY**
Age 73/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

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 practise in England and Wales and in Malaysia. He began his career in London before returning to work in Malaysia and Singapore. Mr. Liew was in practise 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 61/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 33 years of experience in financial (including Islamic), commodities and securities industries 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

5 out of 5.

HO CHUNG KAIN (HE CHONGJING)

Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock

AGE/GENDER **NATIONALITY**
Age 48/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 24 years of working experience in property development, property management, plantations, palm oil mill and refinery. Mr. Ho is also a member of the Board of the Singapore Hotel Association.

DIRECTORS' PROFILE [cont'd]

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

Age 47/Male

NATIONALITY

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]

DIRECTORS' PROFILE [cont'd]

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

Age 48/Male

NATIONALITY

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 39/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 60/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 on 4 December 2017.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

MANUFACTURING

CHUA TECK NGIN

General Manager
Johor, Malaysia

| AGE/GENDER | NATIONALITY |
|-------------|-------------|
| Age 70/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

KENNY KOH GUAN KAI

Deputy General Manager
Johor, Malaysia

| AGE/GENDER | NATIONALITY |
|------------|-------------|
|------------|-------------|

| | |
|-------------|-----------|
| Age 44/Male | Malaysian |
|-------------|-----------|

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Science in Civil Engineering, University Technology Malaysia ("UTM")

DATE APPOINTED/WORK EXPERIENCE

Mr. Koh started his career in the construction industry. He was with the Singapore Tunnel Project in 2002. Thereafter in 2006, he worked in Malaysia as a Project Manager with a Contractor's firm where he was involved in the construction of both buildings and infrastructures. Mr. Koh joined Keck Seng (Malaysia) Berhad – Property Division as a Project Manager on 1 June 2015 and was tasked to oversee the planning and construction of the Property Division's development projects. Mr. Koh was promoted to his current position on 1 January 2022.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

PROPERTY INVESTMENT

PAULINE TAN

General Manager
Kuala Lumpur, Malaysia

| AGE/GENDER | NATIONALITY |
|------------|-------------|
|------------|-------------|

| | |
|---------------|-----------|
| Age 66/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 46/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 81/Male | Malaysian |
|-------------|-----------|

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Arts (Honors) Economics, University Malaya.
Honorary PhD Pengurusan Kesultanan Johor from University Tun Hussein Onn Johor.

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 54/Male | German |
|-------------|--------|

ACADEMIC/PROFESSIONAL QUALIFICATION

Certifications in Meat Science Berufsschule 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 71/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

Age 59/Male

NATIONALITY

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

Age 67/Male

NATIONALITY

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 62/Male | American |
|-------------|----------|

ACADEMIC/PROFESSIONAL QUALIFICATION

AAS Accounting, University of Hawaii.

DATE APPOINTED/WORK EXPERIENCE

David was promoted to his current position on 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 68/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 50/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 74/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.

None of the key senior management team has:

- 1) any family relationship with any director and/or major shareholder of the Company;
- 2) any conflict of interests that the person has with the Company; 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 2022.

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 its shareholders and other stakeholders an insight of the Group’s CG practices for the financial year ended 31 December 2022 (“FY 2022”) 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 Malaysian Code on Corporate Governance 2021 (“CG Code”).

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 FY 2022.

The CGR explains the extend of the Group’s application, departures and alternative measures adopted for its CG practices.

The Board continues to evaluate the Group’s governance practices and enhance it in response to adopting best practices and the changing needs of the Group.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Responsibilities

The Board is responsible for the overall leadership, values, directions and performance of the Group.

The Board Charter which is available on the Company’s website, <https://my.keckseng.com>, outlines the responsibilities of the Board, both individually and collectively, and on matters reserved for the Board.

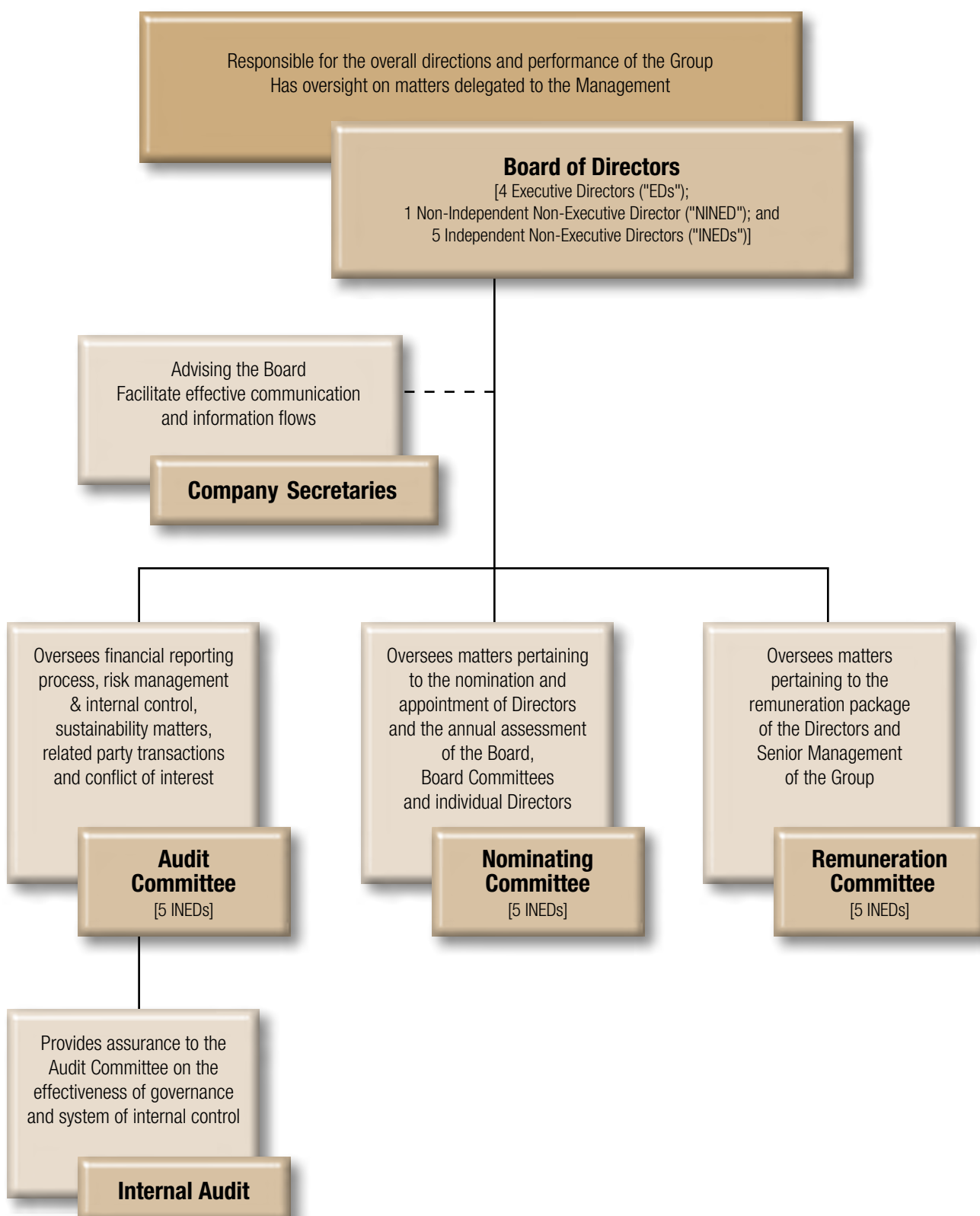
The Board has constituted three (3) Board Committees, namely Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) to which it has delegated its authorities in certain matters to support the Board. The Board is informed of the activities of the Board Committees by the respective Board Committee chairman and 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.

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:



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

I. Board Responsibilities (cont'd)

Differentiation between EDs and INEDs:

| ED | INED |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Plan the business directions of the Group. Make and implement the Board's decisions. Drive the Group's businesses and performance. Deal with day-to day operational matters. | <ul style="list-style-type: none"> Advise and support the Board. Provide independent judgement, scrutiny, experience and objectivity. Ensure the effectiveness of the system of risk management and internal control. Actively involved in the various Board Committees. |

Key matters considered by the Board in FY 2022 are:

| Strategic matters | Governance matters | Financial and other matters |
|------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> Business strategies and performance Succession planning Dividend decisions | <ul style="list-style-type: none"> Board and Board Committees Charters review New policies review and adoption: <ul style="list-style-type: none"> ➢ Directors' Fit and Proper Policy; and ➢ Conflict of Interest Policy. Existing Board policies review and adoption: <ul style="list-style-type: none"> ➢ Code of Conduct and Ethics; ➢ Whistleblowing Policy; ➢ External Auditors' Independence Policy; ➢ Corporate Disclosure Policy; ➢ Diversity Policy; and ➢ Remuneration Policy and Procedures for Directors and Senior Management. Corporate statements and reports review Risk management, internal control and sustainability framework review Internal audit reports, risk assessment analysis reports and Material Sustainability Matters Summary review Annual evaluation on Board, Board Committees and individual Director Adapting the use of digital tools for communications and shareholders' engagement Adoption of applicable CG Code practices | <ul style="list-style-type: none"> Quarterly unaudited financial statements and annual audited financial statements of the Group including announcements |

CG in FY 2023 and beyond:

- Monitor business strategies and performance.
- Promote and enhance the Group's sustainability practices and disclosures.
- Explore new business opportunities including business diversifications.
- Continue succession planning for Board and Senior Management.
- Review the participation of women in Senior Management roles.
- Align policies and procedures with applicable new laws and regulations.
- Assess non-application of CG practices for adoption and focus on Bursa Securities' enhanced sustainability reporting.
- Review the Environmental, Social & Governance ("ESG") framework and sustainability matters.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

I. Board Responsibilities (cont'd)

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 Board meetings, encourages constructive and respectful relations between the Board members and between the Board and Management. The EC also ensures that the Board Committees function properly and that open, healthy and effective debates that leverage on the Directors' diverse backgrounds and knowledge 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's strategy. The MD oversees the Group's day-to-day operations, ensures principal risks and sustainability matters of the Group are monitored and there is effective implementation of policies and strategies adopted by the Board throughout the entire organisation. The MD is supported in this role by Senior Management.

The Board Charter sets out the responsibilities of the EC and the MD.

Company Secretaries

The Board is supported by two (2) 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 conclusions 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, MMLR and relevant laws and regulations applicable to the Company.

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

Access to Information and Advice

The Board has unrestricted access to timely and accurate information based on the agreed meeting agenda. The information is not restricted to quantitative information but may include other information deemed proper.

All Directors are furnished with meeting agenda and Board papers at least seven (7) days prior to each Board meeting. Sufficient time is given to enable the Directors to read and 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

I. Board Responsibilities (cont'd)

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 in the Board Charter, 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;
- Limits of authority;
- 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 Committee Charters were last reviewed and approved by the Board on 25 November 2022 and are publicly 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:

- Plans are formulated and implemented to meet strategic objectives;
- Risk and sustainability frameworks are in place;
- Effective internal control systems are in place;
- Succession plans are in place;
- Compliance with legal and statutory requirements;
- Policies and procedures are drawn up, reviewed and updated, where necessary; and
- Timely, accurate and clear financials and information are maintained and available.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

I. Board Responsibilities (cont'd)

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

Our commitment to uphold high ethical standards, governance and professional conduct at all times is reflected from the establishment of the following Board policies:

- Code of Conduct and Ethics ("Code") – sets the principles, ethical and standards of business ethics and conduct of the Group that aim to promote ethical conduct throughout the Group;
- 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, whether directly or indirectly;
- Whistleblowing Policy – provides an avenue by which an individual, may in confidence, raise genuine concerns on possible improprieties in financial reporting, suspected criminal offence, breaches in legal obligations, non-compliance, endangerment, unfair treatment, misconduct, wrongdoings, corruption, bribery, blackmail and instances of fraud, waste, and/or abuse involving the resources of the Group. Complaints can be channelled in an appropriate and timely manner to any Senior Management and/or MD or AC Chairman or the Head of Internal Audit. Protections will be accorded to the whistleblower; and
- Conflict of Interest ("COI") Policy – guides all directors and employees of the Group on how to identify, declare and deal with COI situations as they arise.

Both the Code and Whistleblowing Policy were last reviewed and approved by the Board on 25 November 2022. The new COI Policy was established and adopted on the same date. The Code, ABAC, Whistleblowing and COI 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. The Board is committed in ensuring that there is proper governance throughout the Group, and business activities and practices do not detrimentally impact society and environment.

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

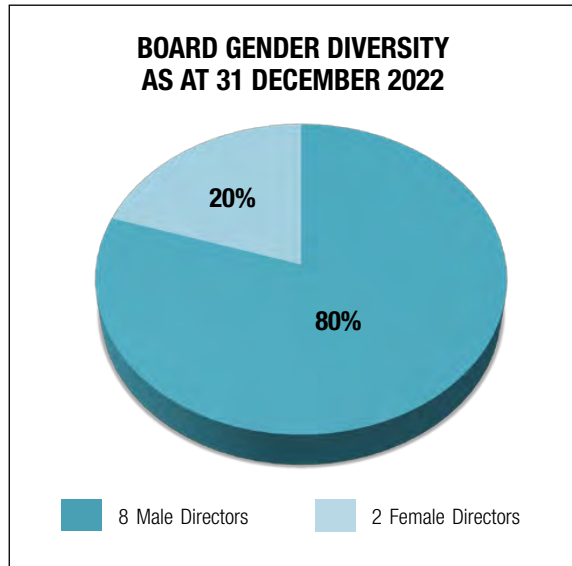
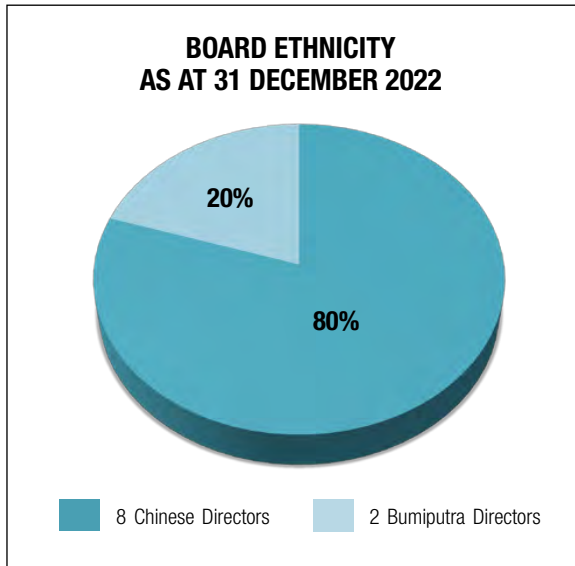
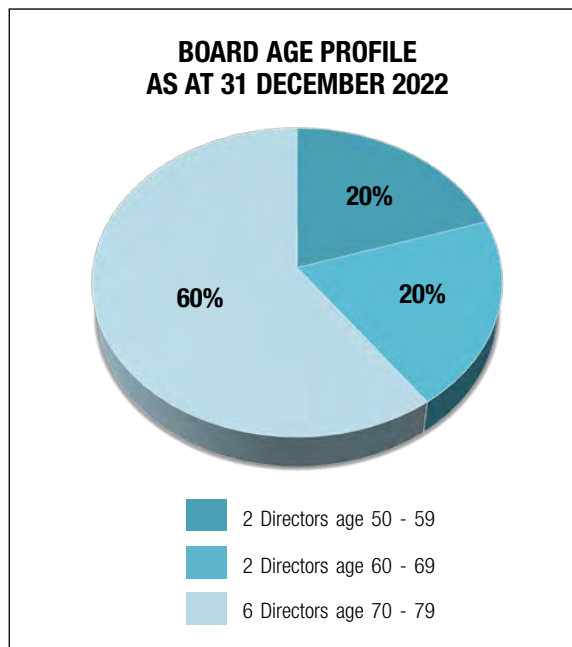
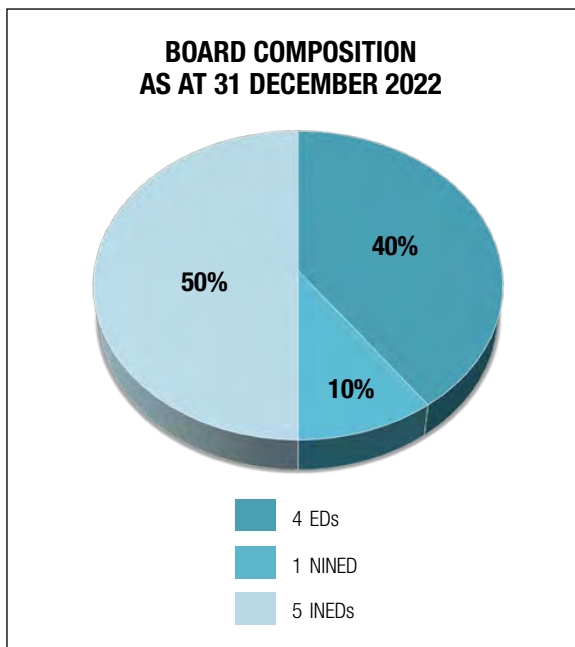
The shareholders and other stakeholders are kept abreast with the Group's sustainable efforts through the Sustainable Statement featured in this AR on pages 58 to 76.

The Board keeps abreast with sustainable related issues through their interaction with Senior Management, sustainability related articles and via professional development updates. Details of the Directors' training and professional development during FY 2022 can be found on pages 37 to 40.

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 complies with 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 and at least one (1) Director is a woman. The current Board composition 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

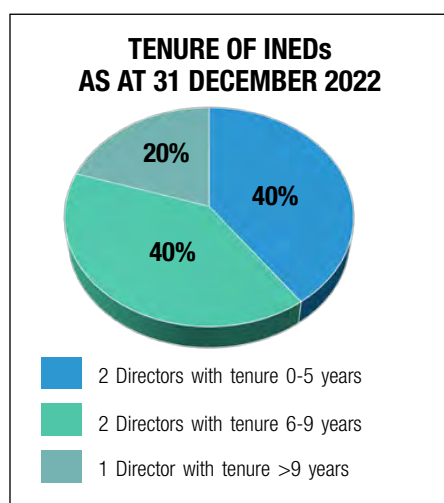
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

Independent Directors (cont'd)

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

Further to the annual assessment, each of the INED has also submitted an annual independence declaration. All the INEDs have fulfilled the criteria of "independence" as defined under the MMLR of Bursa Securities and other criteria pursuant to the CG Code.



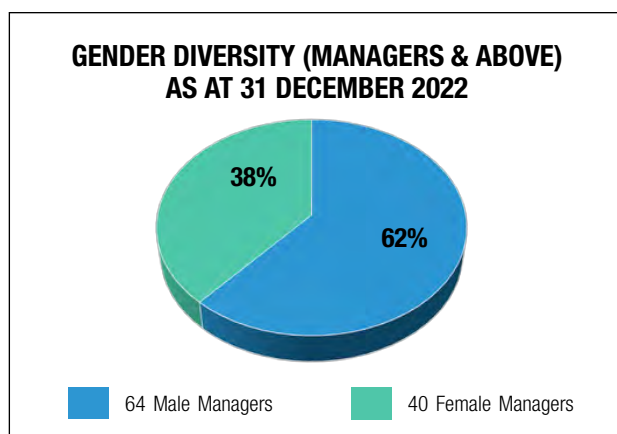
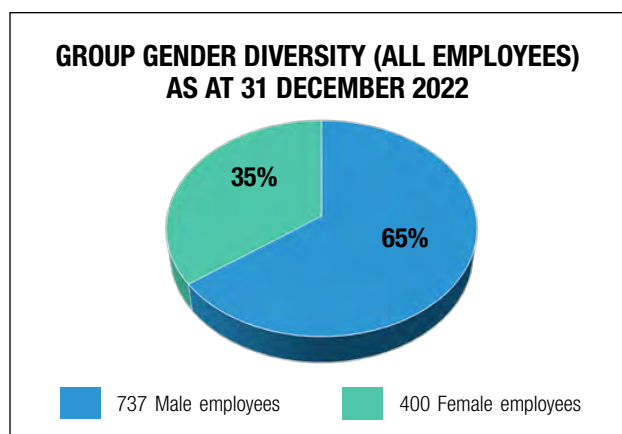
The Board is aware of the amendments on the MMLR on long-serving INED (with tenure of more than twelve (12) years), where the long-serving INED must resign or re-designated as Non-Independent Director by 1 June 2023 and it is mindful that the exit of long-serving Board members may result in a significant loss of experience and expertise to the Company. The Board advocates that the two-tier voting process will not be conducted but will seek the shareholders' approval at each AGM for the re-appointment of Independent Directors who have served the Board for more than nine (9) years.

Save for Mr. Too Hing Yeap @ Too Heng Yip, the tenure of all the other INEDs does not exceed nine (9) years.

Diversity

The Board recognises the value of a diverse Board. The NC annually reviews the size, composition and skills mix of the Board and Board Committees to ensure that the Board and Board Committee members have the required mix of industry-specific knowledge, broad business and commercial experience 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.

The Company endeavours to achieve the aspirational target of 30% representation of women directors on the Board for boardroom gender diversity. The Board advocates that fair and equal opportunities be given to all suitable candidates by taking into consideration the candidate's skills, knowledge, expertise, experience, professionalism, integrity, competencies, independence and diversity (including gender diversity, ethnicity and age).



CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition (cont'd)

Diversity (cont'd)

The Group is having a male-dominated workforce as certain work in the Plantation and Manufacturing segments was more suitable for men due to the heavy physical nature of the tasks.

However, the Group is committed to promote a culture of diversity, inclusivity, fairness, integrity, honesty, courtesy, respect, dignity and equal opportunity, where employees can succeed based on personal ability and contribution. The Group's employees spread across all age brackets, represent a variety of nationalities, genders, cultural background, skills and experience. 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 outlines the Group's approaches in achieving and maintaining diversity (including gender diversity, ethnicity and experience) on its Board and Senior Management positions. The Diversity Policy was last reviewed on 25 November 2022 and is available on the Company's website.

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-election of Directors of the Company.

The Board had on 27 May 2022 adopted a Directors' Fit and Proper Policy for the appointments and re-election of Directors of the Group and it is available on the Company's website. The NC will assess the fitness and propriety of a candidate for appointment or re-election as Director of the Board based on the following four (4) main criteria: -

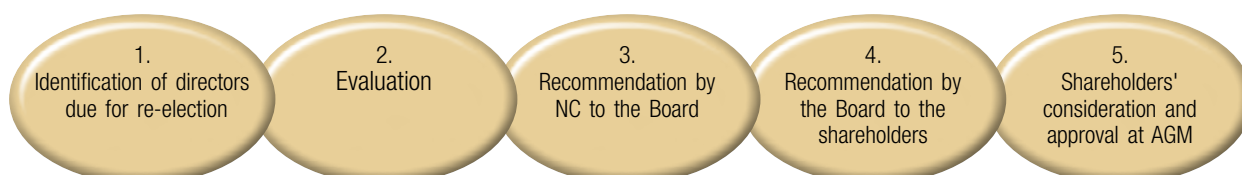
- Probity, character and integrity;
- Experience and competency;
- Time and commitment; and
- Financial integrity.

The NC 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, business associates and any other external parties/professional bodies.

The process for Board appointments is as follows:



The process for the re-election of Directors is as follows:



CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

II. Board Composition (cont'd)

Appointments and Annual Assessment (cont'd)

The NC has direct access to the advice and services of the Company Secretary who is responsible for ensuring that all appointments and re-elections are properly executed and all necessary information are obtained and documented.

All newly appointed Directors will undergo induction programmes that may include business area familiarisation, which will help the new Director to get acquainted with the environment that the Group operates in and the business operations of the various divisions and/or attend suitable training programmes. All 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. They will also be advised of their legal and other obligations as Directors of a listed company.

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, each Director shall not hold more than five (5) directorships in listed issuers. 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 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. In addition, the NC has obtained fit and proper declarations from the retiring directors prior to its recommendation to the Board on their re-election as Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition (cont'd)

Board and Board Committees Composition and Meeting Attendance

During FY 2022, the Board and Board Committees members have discharged their duties and responsibilities through their attendance at the respective 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 | 5/5 | | | |
| 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 | 4/5 | 2/2 | 2/2 |
| Mr. Tai Lam Shin Independent Non-Executive Director | 5/5 | 5/5 | 2/2 | 2/2 |
| Encik Mahathir Bin Mohamed Ismail Independent Non-Executive Director | 5/5 | 5/5 | 2/2 | 2/2 |
| Mr. Liew Foong Yuen Independent Non-Executive Director | 5/5 | 5/5 | 2/2 | 2/2 |
| Dato' Dr. Zaha Rina Binti Zahari Independent Non-Executive Director | 5/5 | 5/5 | 2/2 | 2/2 |

| | |
|--|------------------------------------------------------|
| | Chairman of the Board / Chairman of Board Committees |
| | Member |

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

II. Board Composition (cont'd)

Summary of activities of the NC

The NC has carried out the following activities in discharging its duties and responsibilities for FY 2022:

- Reviewed the size, 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 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.
- Obtained from each INED an annual independence declaration.
- Reviewed the terms of office and performance of the AC and each of its members pursuant to the MMLR of Bursa Securities.
- Reviewed the trainings accomplished by the Directors and determined the training needs of each Director.
- Assessed each of the Directors who is due for re-election, to ensure the fulfillment of the fit and proper criteria before recommending to the Board for consideration.
- Reviewed the tenure of Mr. Too Hing Yeap @ Too Heng Yip, the INED who have served as INED of the Company for a cumulative term of more than twelve (12) years and the composition of the Board and Board Committees.
- Reviewed the NC Charter and Diversity Policy and recommended the same to the Board for approval.

Directors' Professional Development

In order to meet the challenges face by the Board and effectively discharge their roles and responsibilities, the Directors acknowledge the importance of keeping abreast with relevant regulatory developments by attending webinars, seminars, conferences or dialogues organised by relevant regulatory authorities, professional bodies, commercial training providers or through the in-house tax department.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition (cont'd)

Directors' Professional Development (cont'd)

During the financial year under review, the Directors have attended the following webinars/seminars/conferences/dialogues:

| Webinars/Seminars/Conferences/Dialogues Attended | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------------------|---|---|-----|---|-----|---|---|----|----|----|-------|----|----|----|----|----|-------|----|----|----|-------|----|-------|--|--|--|--|--|--|--|--|
| <div><div>Topic Reference</div><div>Members</div></div> | 1 | 2 | 3-4 | 5 | 6-7 | 8 | 9 | 10 | 11 | 12 | 13-15 | 16 | 17 | 18 | 19 | 20 | 21-23 | 24 | 25 | 26 | 27-29 | 30 | 31-32 | | | | | | | | |
| Mr. Ho Kim Swee @ Ho Kian Guan | | | | | | | | | | | | | | | | | | | ✓ | ✓ | | | | | | | | | | | |
| Dato’ Ho Cheng Chong @ Ho Kian Hock <i>(Alternate: Mr. Ho Chung Kain [He ChongJing])</i> | ✓ | ✓ | | | | | | | | | | | | | | | | | ✓ | ✓ | | ✓ | | | | | | | | | |
| Mr. Ho Eng Chong @ Ho Kian Cheong <i>(Alternate: Mr. Ho Chung Kiat, Sydney [He ChongJie, Sydney])</i> | ✓ | | | | | | | | | | | | | | | | | | | ✓ | | | | | | | | | | | |
| Mr. Chan Lui Ming Ivan <i>(Alternate: Mr. Ho Chung Tao)</i> | | | | | | | | | | | | | | | | | | | ✓ | ✓ | | | | | | | | | | | |
| Ms. Lee Huee Nan @ Lee Hwee Leng <i>(Alternate: Mr. Ho Chung Hui)</i> | ✓ | ✓ | | | | | | | | | | | | | | | | | ✓ | ✓ | | ✓ | | | | | | | | | |
| 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) | ✓ | | | | | | | | | | | | | | | | | | | ✓ | | | | | | | | | | | |

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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. Tax Seminar (In-house): • Update on Personal Tax for YA 2021 • Filing of Form e-BE • Employer's Responsibilities • Tax Clearance Letter (SPC) | 05/01/2022 |
| 2. Tax Seminar (In-house): • Employer's Responsibilities • Submission of Form e-E • Audit Framework on Employer • Type of Employment Income • MTD Calculation | 20/01/2022 |
| 3. Prevention of Financial Crime and Market Misconduct Under CMSA 2007 | 28/01/2022 |
| 4. ESG, Stakeholder Capitalism and Sustainable and Responsible Investment (SRI) | 28/01/2022 |
| 5. Service Tax, Sales Tax, GST & Customs Duties: Special Tax Incentives in 2022 – Voluntary Disclosure & Amnesty | 15/02/2022 |
| 6. MIDF Green Conference 2022 Virtual Event with YB Dato' Sri Mustapa Mohamed (Minister in PM's Dept – Economy) | 09/03/2022 |
| 7. Offshore Technology Conference Asia (OTC) | 22/03/2022 - 25/03/2022 |
| 8. Dividends – When and How to Pay | 24/03/2022 |
| 9. Climate Governance Malaysia (CGM) in collaboration with CEO Action Network (CAN) - Exploring A Low Emission Pathway for Malaysia | 22/04/2022 |
| 10. Corporate Governance Code update | 31/05/2022 |
| 11. Islamic Finance for Board of Directors Programme | 01/06/2022 – 02/06/2022 |
| 12. BDO INED Virtual Forum | 12/07/2022 – 13/07/2022 |
| 13. FIDE Forum's Engagement session with Board Members of General Insurers and Takaful Operators on Motor Claims Reforms | 11/08/2022 |
| 14. CGM Conversations with Chairmen : A Standing Item in Board Agendas | 15/08/2022 |
| 15. ESG and Climate Risk Impacts on the Insurance Industry | 23/08/2022 |
| 16. TCFD 101: Getting started with climate-related financial reporting | 23/08/2022 |
| 17. Dialogue with YB Tengku Datuk Seri Utama Zafrul Tengku Abdul Aziz, Minister of Finance - Pre-Budget 2023 | 26/08/2022 |
| 18. TCFD 102: Building experience in climate-related financial reporting | 31/08/2022 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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 |
|---------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
| 19. Dialogue with Hon Lawrence Wong, Singapore Deputy PM and Minister of Finance – Global Headwinds: A Singapore Perspective | 05/09/2022 |
| 20. Transfer or Transmission of Shares | 08/09/2022 |
| 21. Malaysian Banking Conference 2022 | 12/09/2022 – 13/09/2022 |
| 22. Cyber Security Training 2022 | 14/09/2022 |
| 23. Voluntary Carbon Market (VCM) Exchange | 20/09/2022 |
| 24. Macroeconomics & Investment Strategies for Business Sustainability | 28/09/2022 |
| 25. Executive Training - Investments | 10/10/2022 |
| 26. Application of Fit and Proper Policy; and Winning the Sustainability Game Through Risk Management | 04/11/2022 |
| 27. Virtual Invest Malaysia KL Series 2 – The Road to Electric Vehicles | 09/11/2022 |
| 28. Singapore Global Restructuring Initiative Inaugural Conference 2022 School of Accountancy, Singapore Management University Singapore | 14/11/2022 – 15/11/2022 |
| 29. Audit Oversight Board Conversation with Audit Committees | 17/11/2022 |
| 30. Anti-Bribery & Corruption (Personal & Corporate Liability) – Compliance & Implementation Awareness | 29/11/2022 |
| 31. Anti-Bribery Management System – A tool for Adequate Procedures | 06/12/2022 |
| 32. Self Control in the Face of Multiple Projects | 07/12/2022 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

III. Remuneration

Remuneration of Directors and Senior Management

The Executive Directors' and Senior Management's 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 Group and the Company in a competitive environment. Their remuneration packages are linked to the strategic objectives of the Group, measured against financial and sustainability targets set at the start of the financial year, takes into account their job responsibilities, complexity of their role(s) and the prevailing market practice. Their remuneration packages are made up of fixed components i.e., basic salary, allowances and benefits-in-kind ("BIK") and variable components i.e., performance related bonuses.

The INEDs' remuneration packages are structured to ensure that it does not conflict with their obligations to bring objectivity and independent judgement to Board and Board Committee meetings.

Directors' fees and meeting allowances 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.

Senior Management's remuneration packages are reviewed annually together with the other employees' annual increment evaluation and is under the purview of the MD.

The Remuneration Policy and Procedures for Directors and Senior Management was last reviewed and approved by the Board on 25 November 2022 and is made available on the Company's website.

The RC has carried out the following activities in discharging its duties and responsibilities for FY 2022:

- Reviewed the remuneration packages of EDs.
- 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.
- Reviewed the RC Charter and the Remuneration Policy and Procedures for Directors and Senior Management and recommended the same to the Board for approval.

All Directors' fees and meeting allowances are reviewed, deliberated and approved at the RC and Board levels. The fees and allowances paid/payable for every financial year are subject to shareholders' approval at 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 FY 2022 is as follows:

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

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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 FY 2022 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 | 439 | 93 | 2,135 |
| Dato' Ho Cheng Chong @ Ho Kian Hock | 3,393 | 101 | 956 | 377 | 4,827 |
| Mr. Chan Lui Ming Ivan | - | 101 | 96 | 25 | 222 |
| Ms. Lee Huee Nan @ Lee Hwee Leng | 356 | 101 | 72 | 68 | 597 |
| Mr. Ho Chung Kain (He ChongJing) | 524 | 16 | 72 | 78 | 690 |
| Mr. Ho Chung Hui | 524 | 16 | 72 | 78 | 690 |
| | | | | | |
| Non-Executive | | | | | |
| Mr. Ho Eng Chong @ Ho Kian Cheong | - | 85 | - | 7 | 92 |
| Mr. Too Hing Yeap @ Too Heng Yip | - | 140 | - | 17 | 157 |
| Mr. Tai Lam Shin | - | 120 | - | 17 | 137 |
| Encik Mahathir Bin Mohamed Ismail | - | 130 | - | 17 | 147 |
| Mr. Liew Foong Yuen | - | 120 | - | 17 | 137 |
| Dato' Dr. Zaha Rina Binti Zahari | - | 120 | - | 17 | 137 |
| Mr. Ho Chung Tao | - | - | - | - | - |
| Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney) | - | - | - | - | - |
| Total | 6,281 | 1,169 | 1,707 | 811 | 9,968 |

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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 | 355 | 66 | 1,769 |
| Dato' Ho Cheng Chong @ Ho Kian Hock | 2,739 | 85 | 789 | 312 | 3,925 |
| Mr. Chan Lui Ming Ivan [N1] | - | 85 | 96 | 25 | 206 |
| Ms. Lee Huee Nan @ Lee Hwee Leng | 356 | 85 | 72 | 68 | 581 |
| | | | | | |
| Non-Executive | | | | | |
| Mr. Ho Eng Chong @ Ho Kian Cheong | - | 85 | - | 7 | 92 |
| Mr. Too Hing Yeap @ Too Heng Yip | - | 140 | - | 17 | 157 |
| Mr. Tai Lam Shin | - | 120 | - | 17 | 137 |
| Encik Mahathir Bin Mohamed Ismail | - | 130 | - | 17 | 147 |
| Mr. Liew Foong Yuen | - | 120 | - | 17 | 137 |
| Dato' Dr. Zaha Rina Binti Zahari | - | 120 | - | 17 | 137 |
| Mr. Ho Chung Kain (He ChongJing) (Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock) [N2] | 356 | - | 72 | 78 | 506 |
| Mr. Ho Chung Hui (Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng) [N3] | 356 | - | 72 | 78 | 506 |
| 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 | 5,040 | 1,085 | 1,456 | 719 | 8,300 |

(*) 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

III. Remuneration (cont'd)

Remuneration of Directors and Senior Management (cont'd)

The remuneration details for 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. The remuneration of the top five (5) Senior Management is as follows:

| Remuneration Band | No. of Person |
|--------------------------|---------------|
| RM0 to RM400,000 | - |
| RM400,001 to RM450,000 | 1 |
| RM450,001 to RM500,000 | - |
| RM500,001 to RM550,000 | 1 |
| RM550,001 to RM600,000 | 1 |
| RM600,001 to RM650,000 | 1 |
| RM650,001 to RM950,000 | - |
| RM950,001 to RM1,000,000 | 1 |
| Total | 5 |

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

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. AC

AC Composition

The 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. None of the current AC member was a former key audit partner of the Company's existing auditing firm or corporation.

External Auditors' Independence

The AC is established to assists the Board in ensuring the integrity of the Group's financial statements as well as reviewing, assessing and monitoring the performance, suitability, objectivity and independence of the External Auditors ("EA"). The AC has established the External Auditors' Independence Policy which governs the guidelines and procedures to ensure the suitability and independence of the EA and is entrusted with the duty to:

- oversee the appointment, remuneration and removal of the EA;
- assess the EA's competency and resources;
- assess the EA's independence;
- assess whether non-audit services rendered would impair the independence of the EA;
- ensure that the audit partner responsible for the audit of the Group is rotated according to the By-Laws of the Malaysian Institute of Accountants;
- ensure that the Company observe a cooling period of at least three (3) years before appointing any former audit partner to be a member of the AC;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (cont'd)

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

I. AC (cont'd)

External Auditors' Independence (cont'd)

- review the annual audit plan of the EA; and
- carry out an annual assessment on the performance, suitability, objectivity and independence of the EA.

The External Auditors' Independence Policy was last reviewed and approved by the Board on 25 November 2022 and is accessible via the Company's website.

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.

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 and 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 2022 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 are of the opinion 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;
- appropriate internal controls are in place to safeguard the assets of the Group and the Company; 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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Risk Management and Internal Control Framework

Risk Management and Internal Control Function

The Board is responsible for establishing and maintaining a sound risk management framework and internal control system 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 assists the Board in overseeing the Group's risk management and internal control function, evaluating the adequacy and effectiveness of the Group's risk management framework and internal control system, reviewing the key risks identified to ensure that adequate measures are in place to mitigate those risks and monitoring these risks.

During FY 2022, the Board continues to review the effectiveness of the Group's risk management framework and internal control system and ensuring that the risk and sustainability framework established by the Risk and Sustainability Committees ("RSC") are in place. The activities of the AC with regard to the Group and the Company's risk management, material sustainability and internal control matters for FY 2022 are separately set out in the AC Report on pages 49 to 53, whilst the management of the risk management framework and internal control system are outlined in the Statement on Risk Management and Internal Control on pages 54 to 57.

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 unrestricted 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 FY 2022 are guided by the Internal Audit Charter and Annual Audit Plan. These activities are separately set out in the AC Report on pages 49 to 53.

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 Company's Corporate Disclosure Policy sets out the procedures and practices on corporate disclosures encompassing material information, timing of announcements, public dissemination, events that may require trading halt or suspension, clarification of rumours, unusual market activities, unwarranted promotional disclosure and insider trading. This Policy was last reviewed and approved by the Board on 25 November 2022 and is made available on 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.

We encourage our shareholders to embrace the benefits of electronic communication. As at 3 April 2023, 52.4% of the total number of shareholders were eligible to receive notices electronically.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Conduct of General Meetings

The AGM is the principal forum for the Board and Management to interact with shareholders of the Company. It is the platform where the Board and Management are able to listen and understand shareholders' views and obtain the necessary feedback in assisting future decision making.

To enable shareholders to make adequate preparation, the Notice of AGM is issued at least 28 days before each AGM. The Notice of 52nd AGM was sent to the shareholders on 28 April 2022 and the Company's AGM was held on 27 May 2022. The same Notice was also published on the Company's website.

Embracing the benefits of digital communication, the Board was able to engage with the shareholders through its virtually conducted AGM. The Company's 52nd AGM was held on 27 May 2022 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.

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 TIH Online at <https://tjih.online>. Tricor had put in place information security measures to prevent cyber threats and data breaches.

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 52nd 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 52nd 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 are 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 52nd AGM together with the responses to questions raised by shareholders were made available on the Company's website on 14 July 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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 FY 2022 are disclosed in the AC Report on page 51 and Note 7 of the Financial Statements on pages 120 to 121 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 FY 2022 are disclosed on Note 38 of the Financial Statements on page 156 of this AR.

Although the Company is no longer required to seek the shareholders' mandate for RRPT, these transactions are still closely monitored and tracked by the Management and regularly reported to the AC.

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 2022 ("FY 2022").

COMPOSITION AND MEETINGS

Composition

The Audit Committee ("AC") consists of five (5) members, all of whom are Independent Non-Executive Directors.

The members of the AC and their respective designation are as follows:

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)

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

All AC members are financially literate and able to read and 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") to determine whether the AC have carried out their duties in accordance with the AC Charter.

Meetings

During FY 2022, the AC met on five (5) occasions. Their attendance details can be found on page 36 of this Annual Report ("AR").

Other Board members, employees and/or representatives of the External and Internal Auditors, upon invitation by the AC, were also present at the meetings to provide briefings, updates and clarifications on matters under the AC's purview. The AC Chairman may call for additional meetings on matters relating to the Group at any time at his discretion. Both the External and Internal Auditors may also request for a meeting if they consider it is necessary.

The Company Secretary is entrusted to assist the AC to develop and distribute agendas and meeting papers, and 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 the AC meeting to the Board following each AC meeting.

AUDIT COMMITTEE REPORT (cont'd)

COMPOSITION AND MEETINGS (cont'd)

Charter

The roles and responsibilities of the AC, as well as their rights are set out in the AC Charter and is available on the Company's website at <https://my.keckseng.com>. The AC Charter is reviewed periodically to ensure it complies with current legislation and best practices. The AC Charter was last reviewed and approved by the Board on 25 November 2022.

ANNUAL PERFORMANCE REVIEW OF THE AC

An annual assessment and evaluation on the performance and effectiveness of the AC for FY 2022 was undertaken by the NC. The AC was assessed for overall effectiveness and quality, internal and external audit functions, financial reporting, compliance with 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 FY 2022, the AC continued to assist the Board in fulfilling its fiduciary duties as well as providing oversight on the process and integrity of the Group's audit processes and financial reporting, adequacy and effectiveness of the risk management framework and internal control system, performance management system and compliance to applicable laws, standards and regulations.

The summary of activities carried out by the AC for the financial year under review are described as follows:

1. Financial Reporting

- reviewed the unaudited quarterly financial results and annual audited financial statements for FY 2022 and recommended to the Board for approval and announcement to Bursa Securities. Its focus was on:
 - financial reporting process;
 - clarity and presentation of disclosures;
 - adoption and consistent application of suitable accounting policies;
 - changes or implementation of new accounting principles and standards, issues or practices;
 - major 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 FY 2022 to ensure that their scope of work adequately covers the activities of the Group and the Company;
- discussed on areas of audit emphasis during the audit plan review session;
- assessed the suitability, objectivity and independence of the External Auditors ("EA"). 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;
- briefed by the EA on its 2022 Transparency Report;
- reviewed and discussed with the Management and the 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 and is satisfied that the Management is responsive to any findings made by the EA;

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 26 August 2022 and 6 April 2023 respectively without the presence of the Management to discuss on audit-related matters. No major issues were raised during the meetings;
- evaluated the competence of the audit team, quality and effectiveness of the audit, communication and interaction with the Management, ability to meet deadlines and resources capacity of the EA, before recommending to the Board their re-appointment as EA of the Company for the ensuing year;
- reviewed with the EA, the Statement on Risk Management and Internal Control for inclusion in the Company's 2022 AR;
- reviewed audit fees; and
- reviewed non-audit services rendered by the EA as part of its independence assessment. These fees constituted approximately 9.09% of the total audit fees and do not compromise the independence of the EA.

The amount of audit and non-audit fee incurred for FY 2022 were as follows:

| | Audit Fee RM'000 | Non-Audit Fee RM'000 |
|---------------------------------|---------------------|-------------------------|
| The Company - Current | 220 | 20 |
| The Group - Current | 1,058 (*) | 25 |

* includes audit fees amounting to RM578,000 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, competency, performance and effectiveness of the Internal Auditors ("IA");
- reviewed the internal audit reports on their findings, recommendations and the Management's responses and corrective actions;
- reviewed the follow-up reports and the status of mitigating measures taken by the 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 the Management's responses and resolutions thereon; and
- held one (1) private meeting with the IA on 6 April 2023, without the presence of the 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 ("RAA") dashboards/reports and the Summary of Sustainability Matters ("SM")/Material Sustainability Matters ("MSM");
- assessed the adequacy and effectiveness of the risk management framework 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;
- ensured that the Company's risk tolerance is not exceeded and report to the Board on any significant financial and/or reputational risks identified in the RAA dashboard/reports; and
- assessed the SM/MSM identified by the Risk and Sustainability Committees and monitored the achievability of the sustainability targets.

5. Annual Report

- reviewed and endorsed Corporate Governance Report and the following statements/reports before recommending the same to the Board for approval and inclusion in the 2022 AR:
 - Corporate Governance Overview Statement;
 - AC Report;
 - Statement on Risk Management and Internal Control; and
 - Sustainability Statement;
- reviewed the applicable amendments to the MMLR and CG Code and the extent of the Group's application of the best practices 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 more favourable to the related party(ies) than those generally available to the public and are not detrimental to the interests of the minority shareholders.
- reviewed conflict of interest transactions that may give rise to questions of the Board or Senior Management's integrity.

During FY 2022, there were no RPT and RRPT that triggered the disclosure threshold under the MMLR and required shareholders' approval, nor were there any conflict of interest situations that required disclosure.

7. Other Matters

- reviewed the AC Charter, External Auditors' Independence Policy and Whistleblowing Policy with reference to the new provisions in the CG Code and/or MMLR and recommended the same to the Board for 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 37 to 40 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 adequacy and 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. Internal Professional Practices Framework (IPPF) in a systematic, disciplined and credible manner.

AUDIT COMMITTEE REPORT (cont'd)

INTERNAL AUDIT FUNCTION (cont'd)

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.

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;
- review and report on the extent of the Management's compliance with established internal policies and procedures; and
- investigate and report on suspected fraud or malpractices (if any).

INTERNAL AUDIT WORK CARRIED OUT FOR THE FINANCIAL YEAR UNDR REVIEW

During FY 2022, the IAD performed the following:

- operational and financial audits and reviews based on the approved risk-based annual audit plan for 2022;
- business process improvement reviews;
- reviewing inter-company/related party transactions of the Group;
- performing follow-up audits to ensure proper and effective remedial actions have been taken on issues reported in the previous audits; and
- conducting impact assessment on the system of internal controls resulting from operational exercises.

All internal audits were conducted in-house. The IAD performs routine audits and reviews on all operating business units within the Group and special audits, where necessary. The on-site audits of the Group's overseas business units have been postponed to 2023 due to visa issues encountered upon application. In lieu of on-site audits, the IAD carried out off-site audits or performed data analysis for the overseas business units. During FY 2022, a total of twenty-eight (28) routine internal audit reports were presented to the AC incorporating findings, IA recommendations and the Management's comments. There were no special audits conducted during the year. The internal audit reports covered the following business segments:

| Segment | Routine Audits (No. of Reports) |
|-------------------------------------|---------------------------------|
| Manufacturing | 4 |
| Hotels and Resort | 10 |
| Property Development and Investment | 6 |
| Plantations | 2 |
| Share Investment | 6 |
| Total | 28 |

The IAD held a meeting with the EA without the presence of the Board or Management on 19 October 2022, 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 total cost incurred to manage the internal audit function of the Group for FY 2022 was RM512,600 (RM680,400 in 2021).

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") of Keck Seng (Malaysia) Berhad ("KSM") is pleased to present the Statement on Risk Management and Internal Control ("SORMIC") for the financial year ended 31 December 2022 ("FY 2022"), issued in compliance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Securities"), with guidance from the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

RESPONSIBILITIES

The Board

The Board affirms its responsibility for maintaining a sound risk management framework and internal control system. 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.

Audit 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 with 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 ("RSCs") were formed by the respective key business units and led by the respective 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 Ethics ("Code") and Anti-Bribery & Anti-Corruption Policy clearly sets out the expected behaviour of Directors and employees of the Group, whilst the Whistleblowing Policy provides a dedicated and confidential channel to individuals to raise genuine concerns without fear and retaliation. During the financial year, the Conflict of Interest Policy was established to guide the Group on how to identify, declare and implement actions to deal with conflict of interest situations.

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 and actions taken 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 together with succession plans to ensure operational continuity.

RISK MANAGEMENT FRAMEWORK AND REVIEWS

The RSCs 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 FY 2022, the respective RSCs conducted reviews and updates on their Business Units' ("BUs") significant risks, reassess financial risks and reputational impacts, and recommend mitigation measures. A total of nine (9) Risk Assessment Analysis ("RAA") reports have been tabled before the AC and the Board for deliberation during FY 2022. The RAA reports have been communicated to the respective risk owners for implementation. No new risk category has been identified during the year whilst the following risk areas have been re-evaluated:

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL [cont'd]

RISK MANAGEMENT FRAMEWORK AND REVIEWS (cont'd)

- Strategic – risks that affect business directions.
 - market shifts.
 - consumer trends.
 - competitors.
 - governmental policy changes.
 - geo-political issues.
- Operational – risks that affect the day-to-day business operations.
 - business continuity.
 - efficiencies and yield.
 - safety & health of our employees and business associates.
 - environmental impact.
 - manpower supply, retention and succession.
 - supply chain.
- Compliance – risks that affect legal, statutory and governance.
 - maintaining certifications and accreditations in light of changes in laws and regulations.
 - adherence to legal and other regulatory bodies' timelines and requirements.
- 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 and market 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 considered the effectiveness of the current risk assessment process 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 BUs' General Managers and Heads of Accounts/Finance. The IAD has also provided assurance to the Board that the Group's system of internal control is adequate.

The Board concludes and confirms that:

- the Group has taken the necessary measures to mitigate its risk exposures to an acceptable level including modifying processes according to business conditions or risks changes to 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 is 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 2022.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL [cont'd]

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 2022. 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 a resolution of the Board dated 6 April 2023.

SUSTAINABILITY STATEMENT

This Sustainability Statement ("Statement") has been prepared after considering the Sustainability Reporting Guide (3rd 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 structure and principal activities have remained unchanged during the financial year ended 31 December 2022 ("FY 2022"). 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 169 to 173 of this Annual Report ("AR").

GOVERNANCE STRUCTURE

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

| | |
|---------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board of Directors ("Board") | <ul style="list-style-type: none"> Responsible for: <ul style="list-style-type: none"> ➢ establishing sustainability strategies, priorities and targets; ➢ the governance of Material Sustainable Matters ("MSM"); and ➢ the Sustainability Statement. |
| Audit Committee ("AC") | <ul style="list-style-type: none"> Oversees the: <ul style="list-style-type: none"> ➢ management of identified MSM; and ➢ preparation of the Sustainability Statement. Reviews the Summary of Sustainability Matters ("SM")/MSM and recommends to the Board for approval. |
| Managing Director ("MD") | <ul style="list-style-type: none"> Reviews and approves the Summary of SM/MSM prior to the AC's review, deliberation and approval. |
| Risk and Sustainability Committees ("RSC") | <ul style="list-style-type: none"> The RSC are led by the respective Senior Management Personnel. Assist the MD to: <ul style="list-style-type: none"> ➢ identify, evaluate, monitor, manage and report on sustainability matters ("SM"); and ➢ categorise and prioritise SM to identified MSM, at least on an annual basis. |
| Department Managers | <ul style="list-style-type: none"> 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. |

During FY 2022, three (3) summary of SM/MSM were presented to the AC for review, deliberation and approval. The AC is of the view that the Group's sustainability framework is adequate in identifying and addressing environment, social and governance ("ESG") matters.

SUSTAINABILITY STATEMENT [cont'd]

SUSTAINABILITY MATTERS

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 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. Through the different modes of engagements held with key stakeholders, the Company and BU are able to identify the SM that impact their respective operations.

| Stakeholder Group | Mode of engagement | Topics | Solutions / Actions |
|--------------------------------|----------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Board | Board Meetings | <ul style="list-style-type: none"> • Sustainability strategy. • Performance. • Dividend payouts. | <ul style="list-style-type: none"> • Continue to build on the Company's core strength to deliver to shareholders. • Uphold high ethical standards, governance and professional conduct. |
| Shareholders | Annual General Meetings Announcements Company Website | <ul style="list-style-type: none"> • Performance. • Quoted investments held. • Impairment of assets. • Return on equity. • Future outlook and expansion plans. | <ul style="list-style-type: none"> • Close monitoring of currency fluctuation and enter into forward contracts to hedge against the fluctuation. • Hold the quoted investment portfolio for long-term. • Provide necessary impairment in the financial statements. • Monitor the returns on its A21 investments but outlook remains uncertain as the Ukraine conflict has not been resolved and recovery from the COVID-19 pandemic is slow. • No expansion plans due to the current geopolitical landscape. |
| Government / Regulators | Meetings Inspections Joint Surveys Seminars Talks Correspondences | <ul style="list-style-type: none"> • ESG issues. • Local and sectoral development. • Compliance with legal, regulatory and listing requirements. • Product quality and food safety. • Certifications. | <ul style="list-style-type: none"> • Meet, discuss and resolve issues raised. • Ensure and improve on legal, regulatory and listing compliance. • Joint patrolling exercise conducted. • Engage more certified competent persons. • Continuous research & development efforts. • Relevant certifications are obtained and maintained. |
| Non-Governmental Organisations | Meetings | <ul style="list-style-type: none"> • Environmental protection. • Biodiversity conservation. • Social welfare. | <ul style="list-style-type: none"> • Engage in collaborative projects to rehabilitate riparian buffer zones, mangrove forest reserve, establish wildfire corridors and protect wildlife. |

SUSTAINABILITY STATEMENT (cont'd)

SUSTAINABILITY MATTERS (cont'd)

Stakeholders' Engagements and Prioritisation (cont'd)

| Stakeholder Group | Mode of engagement | Topics | Solutions / Actions |
|-------------------|------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Customers | Meetings Tele-conversation Emails Social media Feedbacks Dialogue | <ul style="list-style-type: none"> • Certifications. • Sustainable procurement practices. • Market competitiveness. • Product and services review. • Uptrend, support and sustain commercial and community activities. | <ul style="list-style-type: none"> • Relevant certifications are obtained and maintained. • Meet with customers to discuss and solve issues to achieve 100% traceability supply chain. • Maintain and improve on its integrated palm oil processing complex. • Improve the design of development projects. • Maintain price affordability range for the properties developed. • Consistently uptrend, support and sustain the commercial and community activities within its townships. • Upkeep investment, hotels & resort properties and provide quality services to customers. |
| Suppliers | Meetings | <ul style="list-style-type: none"> • Sustainable procurement practices. • Compliance. | <ul style="list-style-type: none"> • Meet with suppliers to discuss and solve issues to achieve 100% traceability supply chain. |
| Employees | Meetings Conferences Social Impact Assessment Dialogue and direct engagement Annual Performance Appraisal Town Hall | <ul style="list-style-type: none"> • Staff retention. • Awareness on safety and health, sustainability requirements and company policies and procedures. • Staff welfare, labour policy and practices, workers' rights and quality of life. | <ul style="list-style-type: none"> • Annual performance appraisal and assessment. • Hold briefing and training sessions. • Hold townhall sessions. • Hold meetings with workers' representative for collective bargaining and to discuss on issues raised. |
| Local Communities | Meetings Dialogue Direct engagements Social media Company website | <ul style="list-style-type: none"> • Relationship with the Company. • Employment opportunities. • Complaints and grievances, including health and safety issues. • Community development. • Environmental impact. | <ul style="list-style-type: none"> • Create share valued initiatives. • Open employment opportunities to eligible locals. • Attend and resolve any complaints and grievances. • Contribute to community development / projects through our Corporate Social Responsibility ("CSR") activities. • Close interaction with local communities via social media exchanges, feedbacks and participate in community events. • Source quality operators for our developed/developing townships. |

SUSTAINABILITY STATEMENT (cont'd)

SUSTAINABILITY MATTERS (cont'd)

Stakeholders' Engagements and Prioritisation (cont'd)

Following the identification of the SM, a materiality assessment process is conducted to further identify MSM. The MSM are determined from common sustainability issues arising from the palm oil, palm oil mill & refinery industry and also from SM assessments and ratings.

The Group has commenced physical stakeholders' engagement sessions but continues to also hold engagements through social media platforms, survey forms or via phone interviews.

The Group's identified MSM for FY 2022 are as below:

| | |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Environment | <ul style="list-style-type: none"> • Good Agricultural Practices • Waste and Emission Management • Energy and Water Management |
| Social | <ul style="list-style-type: none"> • Diversity • Employment Practices and Human Rights • Occupational Safety and Health |
| Governance | <ul style="list-style-type: none"> • Performance • Integrity & Ethics and Laws & Regulations • Quality Products and Services • Supply Chain Management |

ENVIRONMENT

Good Agricultural Practices

Plantations

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

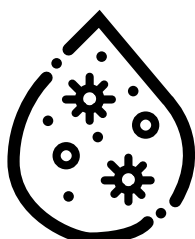
a) Land Management and Biodiversity



Target: Zero soil erosion reported incidences per hectare.
Actual: No reported incidences in 2022, 2021 and 2020.

➤ 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;
- monitor, identify and estimate area for any potential erosion incidents; and
- strictly adhere to soil erosion management plan, which forms part of our efficient planting techniques to ensure sustainable land cultivation.



Target: Zero water contamination reported incidences.
Actual: No reported incidences in 2022, 2021 and 2020.

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT (cont'd)

Good Agricultural Practices (cont'd)

Plantations (cont'd)

- Buffer Zone or Riparian Area:
 - maintain natural or engineered buffer zone or riparian area;
 - mark palms and place warning signages to raise awareness that these areas are considered as conservation area;
 - no new planting or replanting are carried out in these areas;
 - agrochemical activities are not allowed;
 - strict adherence to water management plan, which includes prohibiting chemical spraying or fertiliser application in the buffer zone and conducting water sampling/analysis to ensure water quality is maintained; and
 - educate workers on the importance of maintaining buffer zone or riparian reserves.



Target: Zero Development on High Conservation Value ("HCV") areas and peatland
Actual: No development carried out on HCV areas and peatland in 2022, 2021 and 2020

- HCV Areas and Biodiversity:
 - maintain and/or enhance identified HCV areas;
 - allocate HCV areas and buffer zones 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;
 - handing over any endangered wildlife species found in our premises to the Department of Wildlife and National Parks;
 - carry out annual joint inspection and patrolling activities with the Johor State Forestry Department; and
 - two of our plantations have been chosen by the Malaysian Palm Oil Certification Council ("MPOCC") to participate in its HCV pilot test for the development of HCV guidelines and approach for Malaysian Standard ("MS") 2530:2022.
- Peatland Development:
 - prohibit the planting of palms on peatland.

b) Integrated Pest Management ("IPM") and Chemical Usage:

| Year | Amount of pesticide used (active ingredients per hectare) | |
|------|-----------------------------------------------------------|---------------------------|
| | Target (litre/hectare) | Actual (litre/hectare) |
| 2022 | 2.00 | 1.15 |
| 2021 | | 1.60 |
| 2020 | | 3.70 |

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT (cont'd)

Good Agricultural Practices (cont'd)

Plantations (cont'd)

b) Integrated Pest Management ("IPM") and Chemical Usage: (cont'd)

- maintain 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;
- use mechanical spreaders and provide personal protection equipment ("PPE") to minimise human contact with chemicals;
- sound chemical management is in place throughout the chemicals' life cycle, with spills containment kits and PPE prepared for the management of chemical leaks and spills;
- standard operating procedures ("SOPs") are in place for weed management;
- workers are briefed on work safety before commencement of work and subjected to annual medical check-ups; and
- the plantations are required to routinely undergo Chemical Health Risk Assessments.



Prevention management – Preservation of Beneficial Plants
(*Turnera Subulata*)



Biological control – Barn Owl

Waste and Emission Management

Plantations



| | |
|----------|----------------------------------------------|
| Target : | 30% recycled out of total waste |
| Actual : | 2022 – 25% recycled out of 6 tonnes of waste |
| | 2021 – 24% recycled out of 6 tonnes of waste |
| | 2020 – 19% recycled out of 5 tonnes of waste |

As part of our efforts to reduce pollutants that contribute to climate change, our Plantations Segment adopts and adheres to a zero-burning policy. No fire is used for the preparation or clearing of land areas. 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 forms of open burnings are prohibited by our workers, staff and contractors within our 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 bracteata* to recycle nitrogen back into the soil, reduce soil erosion and water runoff. Timely maintenance is performed on our tractors to reduce carbon emission from such vehicles.

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT (cont'd)

Waste and Emission Management (cont'd)

Plantations (cont'd)

Plantations' wastes are mainly managed through recycling or disposed through licensed contractors. The Plantations' Agricultural Manual outlines the responsible methods on cutting palm fronds and replanting methods of biomass. Our empty fruit bunches are shredded for mulching and composting, whilst scheduled waste management guidelines are in place and strictly followed to minimise any adverse effects to human health and the environment.

Manufacturing



Target carbon emission for our Crude Palm Oil, Palm Kernel, Palm Kernel Oil and Palm Kernel Expeller products: < 3.5 tCO₂e/tProduct

Actual : 2022 - Ranges between 0.59 to 0.64 tCO₂e/tProduct
2021 - Ranges between 0.70 to 0.72 tCO₂e/tProduct
2020 - Ranges between 2.85 to 2.91 tCO₂e/tProduct

[Extracted from Masai Palm Oil Mill Emission Summary Reports]

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.

Our carbon emission reduced in year 2022 due to higher production, lesser wastewater generated and lesser fertilisation.

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 Stack Emission Analysis conducted, our boilers' dust particulate emission reading are as follows:



Target : Target: <150mg/Nm³.
Actual : 2022 - 91mg/Nm³
2021 - 109mg/Nm³
2020 - 73mg/Nm³

The commissioning of our new dust particulate arrestor system has been postponed from 2020 to April 2023 due to supply chain delays caused by COVID-19.

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, emission, pollution and soil erosion are complied. We engage with environmental consultants in the early stages of our property development to ensure that our development projects would not affect the environment negatively. Samples and readings that are benchmarked against monitoring indicators are taken and sent for laboratory analysis.

We know that disaster risk reduction is essential if our development is to be sustainable for the future. Our engineer consultant has been tasked to ensure that our township's stormwater drainage flow design caters for sudden flood situations that maybe caused by climate change.

No major flooding incidences have been reported within our developed/developing townships.

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

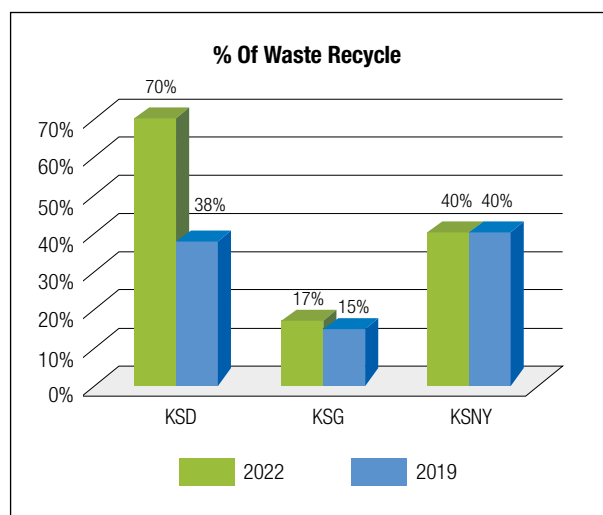
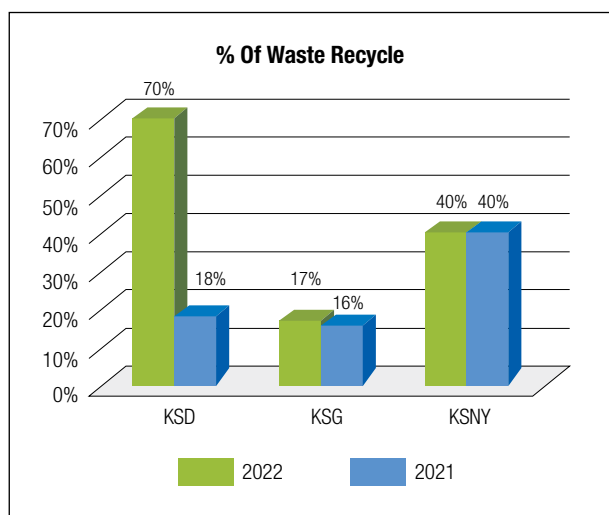
Waste and Emission Management (cont'd)

Hotels and Resort

FY2022



| Company | Waste (tonnes) | Recycled (Target [%]) | Recycled (Actual [%]) |
|---------|----------------|-----------------------|-----------------------|
| KSD | 642.26 | 35% | 70% |
| KSG | 158.40 | 18% | 17% |
| KSNY | 5.12 | 45% | 40% |



Abbreviation: KSD – KSD Enterprises Ltd.; KSG – KSG Enterprises Ltd.; KSNY – KSNY Enterprises Ltd.; TPGR – Tanjong Puteri Golf Resort Berhad

Note:

1. TPGR does not track its recycled waste or waste sent to the landfill. Instead, it monitors its Food & Beverage ("F&B") wastage, ensuring that it does not exceed 2% of its total F&B cost. For FY 2022, it had recorded a 0.02% wastage of its total F&B cost, which is approximately RM594.00.

Our respective Hotels and Resort reduce their waste generation through prevention, reduction, recycling and reuse efforts that may include one or more of the followings:

- Elimination of plastic bags;
- 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, event guest count or need-to basis;
- Food products are cross utilised to minimise waste;
- Ensure that produce ordered and delivered are fresh with adequate shelf life;
- Outsourced F&B function;
- 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.

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Energy and Water Management

Plantations

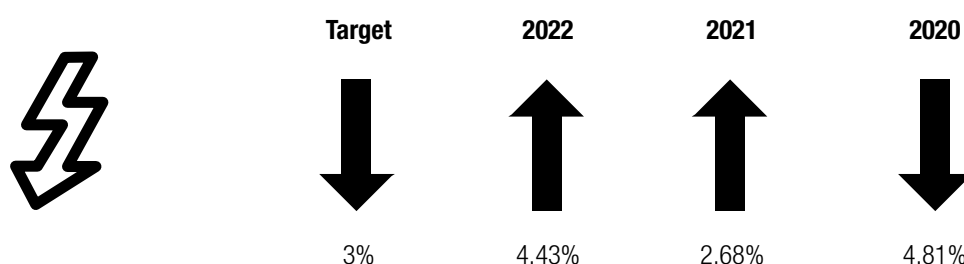
Our Plantations Segment has developed and implemented a comprehensive water management plan to maintain the quality and availability of surface and ground water which include maintaining buffer or riparian zones, conducting annual water sampling, reuse gray water for gardening and ensuring all taps,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

With climate change happening now, insufficient water issues affecting the plantations may develop in the very near future. As such, plans will be developed to tackle this issue.

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 Per Annum



The volume of energy purchased co-relates to the amount of fresh fruit bunches ("FFB") available for Palm Oil Mill's ("POM") processing. The lesser the amount of FFB processed, the amount of energy purchased would increase as the amount of renewable energy produced would inevitably drop. However, in 2022 even though the amount of FFB processed had increased by 7%, POM's purchased energy had not decreased as the POM's biomass boiler had to be shut down to undergo maintenance, resulting in lesser renewable energy being generated.

Water used to process per tonne of FFB (m³)



| Target | 2022 | 2021 | 2020 |
|-------------------|--------------------|--------------------|--------------------|
| < 3m ³ | 2.38m ³ | 2.55m ³ | 2.29m ³ |

POM's uses water to process its FFB as well as generate steam to supply to Palm Oil Refinery and the vitamin extraction plant. Therefore, since POM's FFB processed had increased by 7% in 2022, the computed amount of water used to process per tonne of FFB has decreased in 2022.

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.

Over the years, we have invested and upgraded our effluent treatment system to ensure that the water effluent discharged from our palm oil processing plant, is treated and made safe before being released into the environment.

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT (cont'd)

Energy and Water Management (cont'd)

Hotels and Resort



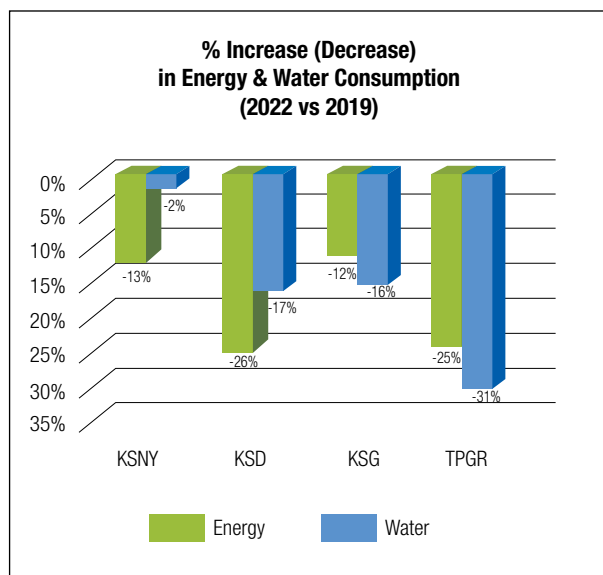
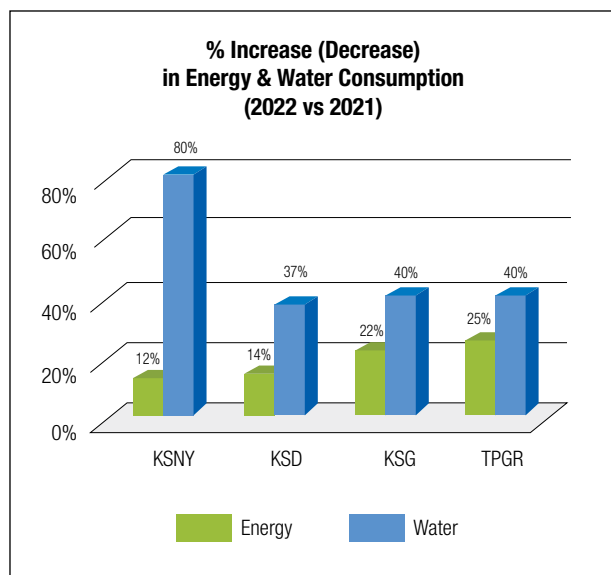
| Company | Target (< KWh per room) | 2022 (KWh per room) |
|---------|----------------------------|------------------------|
| KSD | 75.00 | 58.31 |
| KSG | 28.30 | 26.10 |
| KSNY | 19.65 | 20.65 |



| Company | Target (< m³ per room) | 2022 (m³ per room) |
|---------|---------------------------|-----------------------|
| KSD | 1.10 | 0.77 |
| KSG | 0.58 | 0.48 |
| KSNY | 0.26 | 0.32 |

Note:

- No comparative data is presented since the operations of the hotels and resort were temporary suspended during the respective countries' government-imposed lockdowns and border closures caused by COVID-19 in 2021 and 2020.
- Since TPGR's main revenue is not derived from the letting out of rooms, TPGR's does not track its energy and water consumption on this basis.



Note:

- The respective establishment's energy and water consumption have shown an increase when compared to 2021 but are below 2019's consumption levels as the occupancy rates for the hotels and resort have yet to achieve pre-pandemic levels.

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT (cont'd)



Energy and Water Management (cont'd)

Hotels and Resort (cont'd)

Our Hotels and Resort Segment strive to maintain efficient systems to minimise energy consumption. We understand that conservation of energy, water and recycling of waste requires team effort and continuous education of all our employees. The respective hotels and resort 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), thermostats and washers (set at cold wash) are set to conserve energy;
- Switching off the power for back-of-house spaces, 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

| | |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Target: 5% reduction Actual in 2022: 11% increased.</p> |  <p>Target: 5% reduction Actual in 2022: 27% increased.</p> |
|----------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|

Note:

No comparative data is presented since the operations of the commercial property was affected by the government's movement control orders caused by COVID-19 in 2021 and 2020.

Our commercial property's energy and water consumption for 2022 have increased, as many of our tenants' employees have resumed working on site after the government had ended all movement control orders and COVID-19 health restrictions.

We are committed to conserving energy and water and our conservation efforts include 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. We have explored the possibility of solar panel installations on our building to generate renewable energy, however due to the location and position of our building, which is shadowed by other neighbouring high-rise buildings, we have been advised of the unfeasibility of this plan as there is insufficient sunlight available to generate sufficient power.

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL

Our Employees

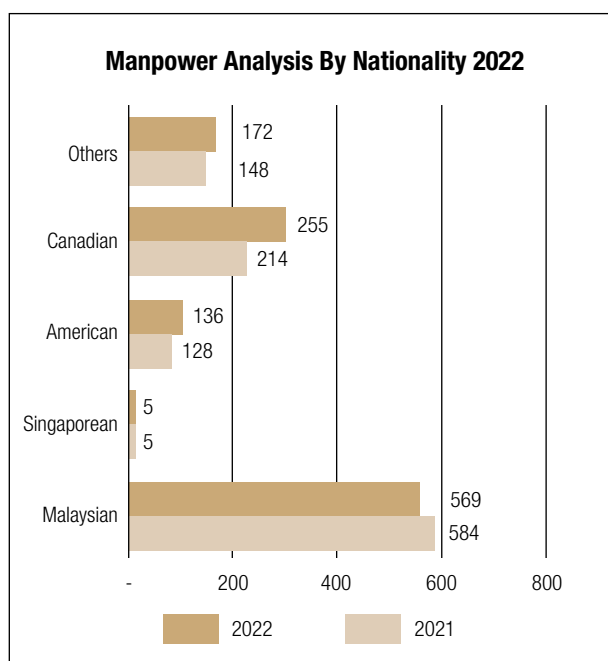
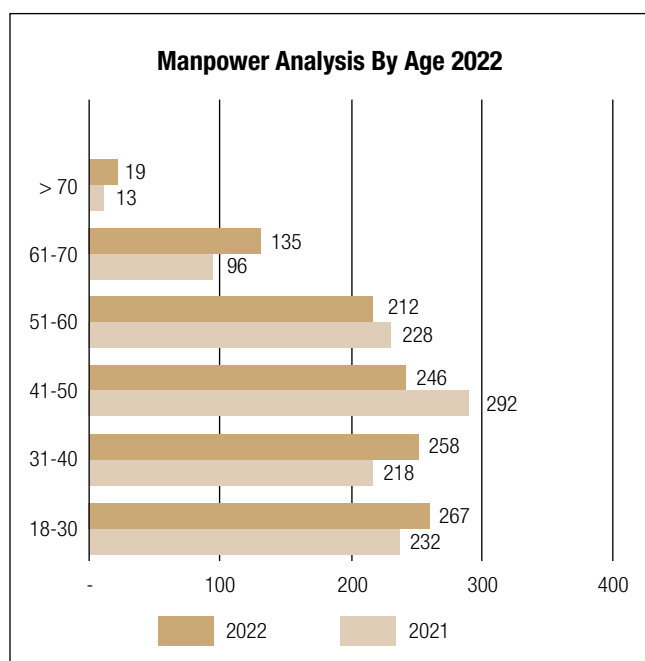
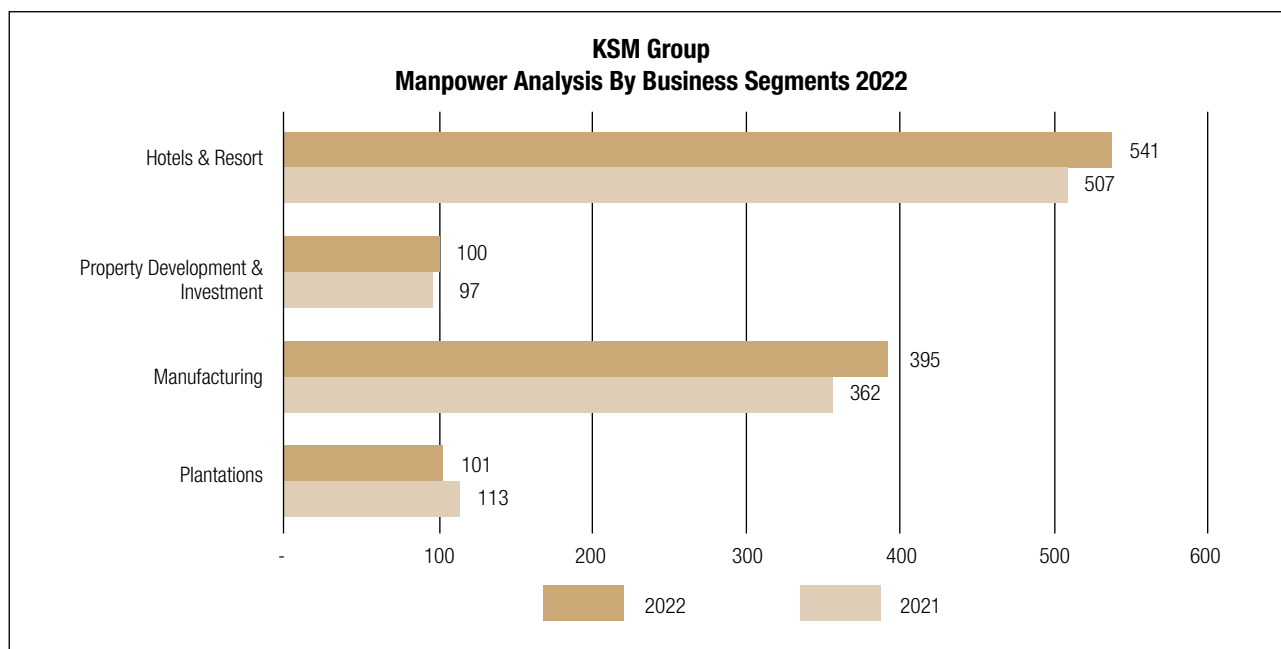
Diversity

We strongly believe that our employees form the backbone of our success. We are committed to diversity and equality 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 2022, we have a total of 1,137 (1,079 in 2021) employees and 77 (94 in 2021) contract workers engaged across our major business segments.

Presented below is an analysis of our manpower as at 31 December 2022 (excluding contract workers):-

Manpower Analysis

By Business Segments:



SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Employment Practices and Human Rights

KSM Group recognises that our people are our assets. We are committed to ensuring that our people and other stakeholders succeed to secure a sustainable future and economic growth. We strongly uphold our commitment to be a responsible and compassionate organisation and strive to accord to all our employees the following:

- fair treatment;
- productive employment and decent work;
- equal opportunity;
- gender equality;
- human rights;
- available dispute, grievance or complaint avenues;
- free from workplace/sexual harassment;
- women's reproductive rights;
- right to form and join trade unions and to bargain collectively;
- ethical recruitment i.e., no to forced, trafficked or child (less than 16 years old) labour, zero recruitment fee;
- decent housing with basic necessities (for our foreign workers); and
- strict compliance to the respective countries' applicable labour laws, rules and regulations.

Any non-compliance detected during recertification or governmental audits are addressed and corrective actions and preventive measures will be taken and communicated.



Target: Zero human rights violations reported.
Actual: 2022 - 2 human rights violations were reported
2021 - 0 human rights violations were reported
2020 - 10 human rights violations were reported (*)

Note:

(*) relates to manpower rationalisation exercise.

The violations reported in 2022 relate to sexual harassment cases. Appropriate actions have been taken by the respective BU's human resource department to address the issue.

To assist our employees in reaching greater heights, we advocate that employees attend the necessary training and development programmes that would lead to the upgrading of their professional knowledge or skills.

During FY 2022, a total of 6,805 hours or 78 training sessions have been vested on our employees. These covered matters on employment, taxes, occupational safety and health, environmental related matters, Bursa Securities updates, SOPs on workshop, harvesting operation, chemical spraying & manuring, Malaysian Sustainable Palm Oil (MSPO) Internal Auditor Training, policy on Roundtable Sustainable Palm Oil (RSPO), social environment, anti-bribery & corruption and many more.

SUSTAINABILITY STATEMENT [cont'd]

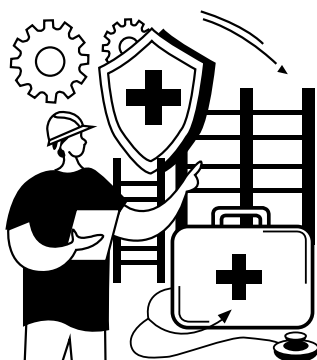
SOCIAL (cont'd)

Employment Practices and Human Rights (cont'd)



Training - Sexual Harassment in Workplace (19.07.2022)

Occupational Safety and Health



Number of employees in the Group trained in health and safety standards in 2022: 377 pax.

Maintaining and ensuring the safety, health and environment of our employees and stakeholders is one of our Group's priorities. All the BUs adhere strictly to their respective local Occupational Safety and Health Policy, act or other related regulations. Our Code of Conduct and Ethics ("Code") guides us in improving the working environment, safety and health of our employees and business associates.

We strive to promote the wellbeing for all at all ages by establishing and maintaining 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 competent safety 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. Key operational risk areas are inspected and assessed to ensure that adequate safety and health controls are in place. We also heavily subsidised clinical treatments for our employees.

During FY 2022, we continue to encourage our employees to get vaccinated, maintain strict hygiene protocols and wear masks to combat the spread of the COVID-19 virus.

We are pleased to report that there were no fatalities which occurred as a result of workplace accidents in 2022.

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Occupational Safety and Health (cont'd)



On-site COVID-19 vaccination for our Plantations and Manufacturing Segment's Staff (08.02.2022, 10.02.2022 and 14.02.2022)



Zumba Class held for our Plantations and Manufacturing Segment's Staff (18.10.2022)



Gotong Royong campaign at KSM Labour and Staff Quarters (02.10.2022)

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.
- increase employer's contribution to savings/profit-sharing plans for certain non-unionised employees.
- conduct employment assistance programme.
- donated to the families of needier employees during festive celebrations.



Festive donations to needy families (22.04.2022 & 20.10.2022)

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

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.



*Merdeka Celebrations
(31.08.2022)*



*Family Day at Punggai Bayu Beach Resort
(17.12.2022)*

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 2022.

Community Service and Projects

Our BUs have always been actively involved in community activities or participated in initiatives that will strengthen community growth and welfare. During FY 2022, the following corporate social responsibility activities were carried out by our:

Local BU



*Contributed school bags and stationeries to underprivileged students of Sekolah Kebangsaan Kong Kong Laut
(27.04.2022)*



*Contribution to Program Kasih Lebaran JPKK Kampung Cahaya Baru Bersama Anak Yatim Asnaf
(30.04.2022)*

SUSTAINABILITY STATEMENT (cont'd)

SOCIAL (cont'd)

Our Community (cont'd)

Community Service and Projects (cont'd)

Local BU (cont'd)



*Contribution to IPD Seri Alam in relation to their Anti-Crime campaign
(25.05.2022)*



Contributed satay and ketupat to the residents' committee of Selat Medana Kong Kong during their 2022 Hari Raya celebration (31.05.2022)



*Contributed canopies, tables and chairs to Sekolah Kebangsaan Kong Kong Laut in conjunction with their 49th Sports Day
(26.06.2022)*



*Donation made to Majlis Sukan Negeri Johor in conjunction to their Mountain Bike Event held at the newly opened Recreational Park at Bandar Baru Kangkar Pulau
(01.11.2022)*

Overseas BU



Bake-O-Rama in conjunction with the Children's Miracle Network (14.12.2022)

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE

Performance

KSM Group has recorded a revenue of RM1,827,572,000 for 2022 (RM1,311,978,000 for 2021; RM874,463,000 in 2020). In 2022, it has contributed RM30,975,000 (RM26,079,000 in 2021; RM27,696,000 in 2020) in income taxes and RM127,985,000 (RM86,951,000 in 2021; RM81,062,000 in 2020) in employee benefits respectively.

Reference can be made to Note 4, Statements of Cash Flows and Note 8 of the Financial Statements on pages 118, 96 to 97 and 121 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. We set targets and performance indicators to monitor our compliance and operational effectiveness.

Our directors and employees are governed by our Code, the Anti-Bribery & Anti-Corruption ("ABAC") and Conflict of Interest ("COI") Policies, 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 Code, COI Policy, concerns of wrongdoing, corruption and fraud.

The Code, Whistleblowing, ABAC and COI Policies are accessible via the Company's website, <https://my.keckseng.com>.

In 2022, there were no complaints brought against KSM Group on Code, ABAC and COI breaches, nor were there confirmed bribery or corruption cases or penalties imposed for legal and regularity breaches. The number of employees in the Group that attended anti-bribery & anti-corruption trainings in 2022 amounted to 160 persons.

Quality Products and Services

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 Divisions which include:

Maintained

- RSPO Principles & Criteria
- RSPO Supply Chain (Mass Balance) / (Segregation)
- 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)

There were no new certifications obtained during FY 2022.

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

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Property Development and Investment

At our Property Division, we focus on building quality and value for money properties. We aim to ensure that our townships are sustainable and are hubs for commerce, culture, social, human and economic development. Our new developments now incorporate value added and lifestyle improving enhancements that will improve the quality of life of the residents and surrounding communities.

Our new recreational park at Bandar Baru Kangkar Pulai was officially opened to the public in 2022. To reduce land degradation and loss of biodiversity, the Park was designed to maintain its natural terrain as much as possible and retain existing plants.

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.

Supply Chain Management

Where practical and in terms of quality comparability, our BUs in the respective segments are committed to source for their supplies locally.

Manufacturing

Our POM sourcing team continues to work towards achieving the 100% traceability to plantation rate. As of 2022, it has achieved a rate 67.80%.

CONCLUSION

Moving forward, the Group will continue to pursue and undertake more initiatives to broaden its role in managing ESG 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 2022.

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 | 209,375 | 164,507 |
| Profit net of tax attributable to: | | |
| Owners of the parent | 201,573 | 164,507 |
| Non-controlling interests | 7,802 | - |
| | <u>209,375</u> | <u>164,507</u> |

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

The amounts of dividends paid by the Company since 31 December 2021 were as follows:

| | RM'000 |
|-------------------------------------------------------------------------------------------------------------------------------------|---------------|
| In respect of the financial year ended 31 December 2021 as reported in the directors' report of that year: | |
| Single tier final dividend of 5 sen per share on 359,303,610 ordinary shares, declared on 7 April 2022 and paid on 6 July 2022 | 17,965 |
| In respect of the financial year ended 31 December 2022: | |
| Single tier interim dividend of 5 sen per share on 359,303,610 ordinary shares, declared on 18 March 2022 and paid on 12 April 2022 | 17,965 |
| | <u>35,930</u> |

On 6 April 2023, the Board of Directors approved and declared a single-tier final dividend in respect of the financial year ended 31 December 2022, of 9 sen per share on 359,303,610 ordinary shares, amounting to a dividend of RM32,337,324.90, payable on 18 May 2023.

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 2023.

DIRECTORS' REPORT [cont'd]

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**
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
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
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
Chua Ngeun Seong (resigned on 1 July 2022)

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 | 6,724 | 5,175 |
| Fees | 1,185 | 1,085 |
| Bonus | 1,783 | 1,455 |
| Defined contribution plan | 667 | 558 |
| Estimated money value of benefits-in-kind | 36 | 28 |
| | <u>10,395</u> | <u>8,301</u> |

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:

| The Company | 1.1.2022 | Number of ordinary shares | | 31.12.2022 |
|-------------------------------------|-------------|---------------------------|------|-------------|
| | | Acquired | Sold | |
| Ho Kim Swee @ Ho Kian Guan | | | | |
| - direct interest | 24,395,538 | - | - | 24,395,538 |
| - indirect interest | 103,075,673 | 38,700 | - | 103,114,373 |
| Dato' Ho Cheng Chong @ Ho Kian Hock | | | | |
| - direct interest | 24,899,687 | - | - | 24,899,687 |
| - indirect interest | 103,075,673 | 38,700 | - | 103,114,373 |
| 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 | 640,000 | 356,100 | - | 996,100 |

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 2022, 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.

DIRECTORS' REPORT [cont'd]

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 | 480 | 220 |
| - Other services | 25 | 20 |
| | <hr/> | <hr/> |
| | 505 | 240 |
| | <hr/> | <hr/> |

Signed on behalf of the Board in accordance with a resolution of the directors dated 6 April 2023.

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 89 to 173 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 2022 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 6 April 2023.

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 89 to 173 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)
at Johor Bahru in the State of Johor)
on 6 April 2023.)

Reuson Seet
(MIA 15467)

Before me,

Commissioner of Oaths
Mohd Ali Bin Talib
No. J 270

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 2022 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 89 to 173.

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 2022, 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 property, plant and equipment of a subsidiary which is involved in the operation of a hotel
(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 or an impairment loss recognised in prior periods on the CGU or groups of CGU, other than goodwill, may no longer exist or may have decreased.

A subsidiary of the Group which is involved in the operation of a hotel recorded losses during the financial year, indicating that the carrying amount of the CGU comprising the property, plant and equipment of the subsidiary of RM171.90 million, representing 6% of the Group's total assets, may be impaired.

Management has engaged an independent valuer to determine the fair value of the hotel property which involves assessing the fair value less costs of disposal ("FVLCD") as well as value in use of the hotel. Management determined that FVLCD is higher than the value in use and accordingly, 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 property, plant and equipment of a subsidiary which is involved in the operation of a hotel (cont'd)
(Refer to Notes 2.9, 2.12, 3.1(c) and 14 to the financial statements)

The estimation of FVLCD of the hotel property 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 in which the FVLCD is most sensitive to.

Although the subsidiary recorded losses during the year, the hotel industry is showing a positive outlook due to the increasing trend in hotel occupancy following the lifting of Covid-19 travel restrictions in most of the countries around the world. As a result of the improvement in the market conditions of the hotel industry, management's assessment has resulted in a reversal of impairment loss amounting to RM19.64 million during the current financial year in respect of the hotel property included in property, plant and equipment of the Group. The accumulated impairment losses in respect of the above hotel property as at 31 December 2022 amounted to RM113.36 million.

How our audit addressed the matter

Given the significance of the carrying amount, the magnitude of the reversal of 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.

We involved the component auditors in our evaluation of the assessment of recoverable amount of the property, plant and equipment of the CGU. 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 valuer in estimating the value in use and FVLCD of the property, plant and equipment and assessed whether such methodology is consistent with those used in the industry.
- Assessed the competence, objectivity, independence and expertise of the independent valuer.
- 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 2022, property development revenue represents 5.4% and 6.2% of total revenue of the Group and the Company while its related cost of sales represents 3.8% and 4.0% of total cost of sales of the Group and the Company. The gross profits generated from property development activities represent 12.3% and 21.5% 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 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 2022, the carrying amount of the Group's investment in A2I amounted to approximately RM70.83 million and the Group recorded a fair value gain of RM5.63 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 2022.
- 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.
- We evaluated the reasonableness of the key assumptions underpinning the fair value of the hotel properties of AIG on a sample basis.

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: 6 April 2023

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | | Group | | Company | |
|--------------------------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| | Note | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Revenue | 4 | 1,827,572 | 1,311,978 | 1,592,574 | 1,388,814 |
| Cost of sales | 5 | (1,484,706) | (1,080,059) | (1,396,969) | (1,056,231) |
| Gross profit | | 342,866 | 231,919 | 195,605 | 332,583 |
| Other income | 6 | 96,724 | 24,798 | 79,426 | 34,424 |
| Distribution costs | | (52,343) | (35,353) | (40,037) | (29,426) |
| Administrative expenses | | (104,977) | (89,918) | (40,665) | (33,806) |
| Other expenses | | (18,361) | (28,715) | (2,766) | (5) |
| Operating profit | | 263,909 | 102,731 | 191,563 | 303,770 |
| Finance costs | 10 | (6,730) | (4,719) | (1,258) | (2,141) |
| Profit before tax | 7 | 257,179 | 98,012 | 190,305 | 301,629 |
| Income tax | 11 | (47,804) | (23,416) | (25,798) | (20,719) |
| Profit net of tax | | 209,375 | 74,596 | 164,507 | 280,910 |
| Profit net of tax attributable to: | | | | | |
| Owners of the parent | | 201,573 | 79,020 | 164,507 | 280,910 |
| Non-controlling interests | | 7,802 | (4,424) | - | - |
| | | 209,375 | 74,596 | 164,507 | 280,910 |
| Earnings per share attributable to owners of the parent (sen per share) | | | | | |
| Basic | 12 | 56.10 | 21.99 | | |
| Diluted | 12 | N/A | N/A | | |

STATEMENTS OF COMPREHENSIVE INCOME [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Note | Group | | Company | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Other comprehensive income: | | | | | |
| 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 | | 21,462 | 13,721 | - | - |
| Items that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax) | | | | | |
| Net (loss)/gain on equity instruments designated at fair value through other comprehensive income, representing net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods | | (10,934) | 13,734 | (10,979) | 18,555 |
| Other comprehensive income/ (loss) for the year, net of tax | | 10,528 | 27,455 | (10,979) | 18,555 |
| Total comprehensive income for the year, net of tax | | 219,903 | 102,051 | 153,528 | 299,465 |
| Total comprehensive income/(loss) attributable to: | | | | | |
| Owners of the parent | | 212,184 | 105,475 | 153,528 | 299,465 |
| Non-controlling interests | | 7,719 | (3,424) | - | - |
| | | 219,903 | 102,051 | 153,528 | 299,465 |

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

| | | Group | | Company | |
|--------------------------------------|-------|------------------|------------------|------------------|------------------|
| | Note | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Assets | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 14 | 486,902 | 463,395 | 32,988 | 31,279 |
| Investment properties | 15 | 176,515 | 171,771 | 87,645 | 80,458 |
| Right-of-use assets | 16 | 20,661 | 21,887 | - | - |
| Bearer plants | 17 | 19,248 | 18,353 | 12,166 | 10,835 |
| Investment in subsidiaries | 18 | - | - | 118,667 | 178,667 |
| Investment securities | 19 | 419,501 | 418,688 | 176,383 | 187,269 |
| Intangible assets | 20 | 64 | 83 | 8 | 8 |
| Inventories: | | | | | |
| - land held for property development | 21(a) | 240,721 | 242,376 | 231,082 | 232,737 |
| Other receivables | 24 | - | - | 346,627 | 325,228 |
| Deferred tax assets | 36 | 34,994 | 41,830 | 14,173 | 14,518 |
| | | <u>1,398,606</u> | <u>1,378,383</u> | <u>1,019,739</u> | <u>1,060,999</u> |
| Current assets | | | | | |
| Inventories: | | | | | |
| - property development costs | 21(b) | 22,513 | 17,700 | 22,513 | 17,700 |
| - others | 22 | 173,091 | 206,580 | 161,098 | 192,430 |
| Biological assets | 23 | 1,223 | 1,194 | 104 | 57 |
| Trade and other receivables | 24 | 79,917 | 88,587 | 258,413 | 236,693 |
| Other current assets | 25 | 27,486 | 28,488 | 25,811 | 26,735 |
| Tax recoverable | | 6,572 | 15,799 | - | - |
| Derivatives | 26 | - | 268 | - | 268 |
| Short term funds | 27 | 248,306 | 164,037 | 220,583 | 84,160 |
| Cash and bank balances | 28 | 962,260 | 855,037 | 628,747 | 606,853 |
| | | <u>1,521,368</u> | <u>1,377,690</u> | <u>1,317,269</u> | <u>1,164,896</u> |
| Total assets | | <u>2,919,974</u> | <u>2,756,073</u> | <u>2,337,008</u> | <u>2,225,895</u> |

STATEMENTS OF FINANCIAL POSITION [cont'd]
AS AT 31 DECEMBER 2022

| | Note | Group 2022 RM'000 | 2021 RM'000 | Company 2022 RM'000 | 2021 RM'000 |
|----------------------------------------------------|------|-------------------------|------------------|---------------------------|------------------|
| Equity and liabilities | | | | | |
| Current liabilities | | | | | |
| Loans and borrowings | 29 | 177,460 | 50,523 | 3,493 | 32,193 |
| Trade and other payables | 30 | 133,331 | 102,600 | 105,438 | 81,168 |
| Other current liabilities | 31 | 3,638 | 4,030 | 3,423 | 3,892 |
| Lease liability | 32 | 797 | 602 | - | - |
| Derivatives | 26 | 490 | - | 490 | - |
| Tax payable | | 8,310 | 8,855 | 6,138 | 5,677 |
| | | <u>324,026</u> | <u>166,610</u> | <u>118,982</u> | <u>122,930</u> |
| Net current assets | | <u>1,197,342</u> | <u>1,211,080</u> | <u>1,198,287</u> | <u>1,041,966</u> |
| Non-current liabilities | | | | | |
| Trade and other payables | 30 | 7,035 | 10,666 | 6,696 | 9,089 |
| Non-refundable deposits | | 461 | 605 | 461 | 605 |
| Lease liability | 32 | 2,537 | 3,351 | - | - |
| Deferred tax liabilities | 36 | 4,631 | 4,757 | - | - |
| Loans and borrowings | 29 | - | 172,773 | - | - |
| | | <u>14,664</u> | <u>192,152</u> | <u>7,157</u> | <u>9,694</u> |
| Total liabilities | | <u>338,690</u> | <u>358,762</u> | <u>126,139</u> | <u>132,624</u> |
| Net assets | | <u>2,581,284</u> | <u>2,397,311</u> | <u>2,210,869</u> | <u>2,093,271</u> |
| Equity attributable to owners of the parent | | | | | |
| Share capital | 33 | 372,005 | 372,005 | 372,005 | 372,005 |
| Other reserves | 34 | 171,432 | 161,605 | 110,586 | 121,561 |
| Retained earnings | 35 | 1,892,429 | 1,726,002 | 1,728,278 | 1,599,705 |
| | | <u>2,435,866</u> | <u>2,259,612</u> | <u>2,210,869</u> | <u>2,093,271</u> |
| Non-controlling interests | | <u>145,418</u> | <u>137,699</u> | <u>-</u> | <u>-</u> |
| Total equity | | <u>2,581,284</u> | <u>2,397,311</u> | <u>2,210,869</u> | <u>2,093,271</u> |
| Total equity and liabilities | | <u>2,919,974</u> | <u>2,756,073</u> | <u>2,337,008</u> | <u>2,225,895</u> |

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 2022

| | Attributable to owners of the parent | | | | Premium on acquisition of non-controlling interests | | Retained earnings (Note 35) | Total | Non-controlling interests | Total equity |
|-------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|---------------------------|-------------------------------|------------------------------|-----------------------------------------------------|--|-----------------------------|-----------|---------------------------|--------------|
| | ← | | → | | → | | | | | |
| | Share capital (Note 33) | Treasury shares (Note 34) | Translation reserve (Note 34) | Fair value reserve (Note 34) | Non-distributable | | RM'000 | RM'000 | RM'000 | RM'000 |
| At 1 January 2022 | | | | | | | | | | |
| Total comprehensive income | 372,005 | (7,054) | 110,163 | 59,129 | | | 1,726,002 | 2,259,612 | 137,699 | 2,397,311 |
| | - | - | 21,545 | (10,934) | | | 201,573 | 212,184 | 7,719 | 219,903 |
| | 372,005 | (7,054) | 131,708 | 48,195 | | | 1,927,575 | 2,471,796 | 145,418 | 2,617,214 |
| Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition | - | - | - | (784) | | | 784 | - | - | - |
| Dividends (Note 13) | - | - | - | - | | | (35,930) | (35,930) | - | (35,930) |
| At 31 December 2022 | 372,005 | (7,054) | 131,708 | 47,411 | | | 1,892,429 | 2,435,866 | 145,418 | 2,581,284 |

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | ← Atributable to owners of the parent → | | ← Non-distributable → | | Premium on acquisition of non-controlling interests | | Retained earnings (Note 35) | | Total | | Non-controlling interests | | Total equity | |
|-------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|----------------------------------|--------------------------------------|-------------------------------------|-----------------------------------------------------|-------|-----------------------------|-----------|---------|-----------|---------------------------|--|--------------|--|
| | 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 | | | | | | | | | | |
| At 1 January 2021 | | | | | | | | | | | | | | |
| Total comprehensive income | 372,005 | (7,054) | 97,442 | 50,296 | | (633) | 1,642,081 | 2,154,137 | 139,727 | 2,293,864 | | | | |
| | - | - | 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 | | | | |

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 2022

| | 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 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 and 1 January 2022 | 372,005 | (7,054) | 128,615 | 1,599,705 | 2,093,271 |
| Total comprehensive income | - | - | (10,979) | 164,507 | 153,528 |
| Dividends (Note 13) | - | - | - | (35,930) | (35,930) |
| Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition | - | - | 4 | (4) | - |
| At 31 December 2022 | 372,005 | (7,054) | 117,640 | 1,728,278 | 2,210,869 |

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 2022

| | Group | | Company | |
|---------------------------------------------------------------------------------|-----------------|----------|-----------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash flows from operating activities | | | | |
| Profit before tax | 257,179 | 98,012 | 190,305 | 301,629 |
| Adjustments for: | | | | |
| Amortisation of intangible assets | 22 | 26 | 3 | 3 |
| Amortisation of deferred loan costs | 54 | 25 | - | - |
| Depreciation of right-of-use assets | 1,241 | 1,221 | - | - |
| Depreciation of property, plant and equipment | 24,974 | 26,623 | 3,155 | 3,242 |
| Depreciation of investment properties | 5,307 | 4,173 | 2,147 | 1,027 |
| Depreciation of bearer plants | 1,055 | 733 | 471 | 149 |
| Dividend income | (7,649) | (9,060) | (29,363) | (194,987) |
| Property, plant and equipment written off | 170 | 275 | 17 | 3 |
| Bearer plants written off | 85 | - | - | - |
| Bad debts written off | 88 | 163 | 6 | - |
| Investment property written off | 45 | - | 43 | - |
| Inventories written off | 808 | 1 | - | - |
| Inventories written back | (150) | (828) | (150) | (827) |
| Write down of inventories | 23 | - | - | - |
| Write down of land held for development | - | 1,250 | - | 1,250 |
| Gain on disposal of property, plant and equipment | (18) | (25) | - | - |
| Gain on disposal of investment property | - | (1) | - | - |
| Net fair value loss/(gain) on derivatives | 758 | (185) | 758 | (185) |
| Fair value (gain)/loss on financial assets at fair value through profit or loss | (7,064) | 3,658 | (1,404) | (10) |
| Gain on fair value change in biological assets | (29) | (615) | (47) | (18) |
| Interest expense | 6,730 | 4,719 | 1,258 | 2,141 |
| Interest income | (14,198) | (6,245) | (18,549) | (9,443) |
| Allowance for impairment on trade receivables | 78 | 55 | - | - |
| Allowance for impairment on amount due from a subsidiary | - | - | 8,345 | 7,495 |
| (Reversal of)/impairment loss on property, plant and equipment | (19,636) | 13,825 | - | - |
| Gain on redemption of short term funds | - | (241) | - | (72) |
| Waiver of loan received from paycheck protection program | (11,527) | - | - | - |
| Unrealised foreign exchange gain | (26,419) | (9,238) | (46,671) | (22,165) |
| Operating profit before changes in working capital | 211,927 | 128,321 | 110,324 | 89,232 |
| Receivables | 3,556 | 31,334 | 9,353 | 43,763 |
| Payables | 27,088 | (5,304) | 21,292 | (64,974) |
| Inventories | 32,798 | (68,909) | 31,482 | (68,507) |
| Property development costs | 9,482 | 23,482 | 9,482 | 23,482 |
| Cash generated from operations | 284,851 | 108,924 | 181,933 | 22,996 |
| Interest paid on bank overdraft | (1,258) | (2,141) | (1,258) | (2,141) |
| Income tax paid | (30,975) | (26,079) | (24,899) | (15,129) |
| Net cash generated from operating activities | 252,618 | 80,704 | 155,776 | 5,726 |

STATEMENTS OF CASH FLOWS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

| | Group | | Company | |
|-----------------------------------------------------------------------------|-----------------|----------|------------------|----------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash flows from investing activities | | | | |
| Purchase of property, plant and equipment | (12,874) | (6,032) | (4,900) | (2,068) |
| Purchase of intangible assets | (3) | (20) | (3) | (10) |
| Purchase of investment properties | (9,772) | (242) | (9,377) | (160) |
| Purchase of investment securities | (235) | (1,491) | (235) | (1,200) |
| Addition to bearer plants | (2,035) | (1,118) | (1,802) | (1,058) |
| Addition to land held for property development | (12,640) | (6,329) | (12,640) | (6,329) |
| Proceeds from disposal of investment securities | 2,658 | 5,272 | 143 | 1,079 |
| Proceeds from disposal of property, plant and equipment | 72 | 26 | 19 | - |
| Proceeds from disposal of investment properties | - | 2 | - | - |
| Dividends received | 7,556 | 8,940 | 29,270 | 194,868 |
| Interest received | 14,198 | 6,268 | 18,549 | 9,443 |
| Advance to subsidiaries | - | - | (36,285) | (40,002) |
| Redemption of redeemable preference shares of subsidiary | - | - | 60,000 | - |
| Subscription of additional shares in subsidiary | - | - | - | (1,617) |
| Redemption of short term funds | - | 98,801 | - | 30,200 |
| Placement of short term funds | (82,836) | (63,081) | (135,019) | (86,597) |
| (Placement)/withdrawal of deposits with maturity more than three months | (1,210) | 56,980 | 8,154 | 49,408 |
| Net cash (used in)/generated from investing activities | (97,121) | 97,976 | (84,126) | 145,957 |
| Cash flows from financing activities | | | | |
| Dividends paid to non-controlling interests | - | (221) | - | - |
| Dividends paid | (35,930) | - | (35,930) | - |
| Interest paid on notes payable | (5,265) | (2,300) | - | - |
| Interest paid on lease liability | (207) | (234) | - | - |
| Repayment of principal portion of lease liability | (622) | (539) | - | - |
| 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 | (16,468) | (7,323) | - | - |
| Net cash (used in)/generated from financing activities | (58,492) | 1,945 | (35,930) | - |
| Net increase in cash and cash equivalents | 97,005 | 180,625 | 35,720 | 151,683 |
| Effects of exchange rate changes on cash and cash equivalents | 57,053 | 1,883 | 42,985 | (1,450) |
| Cash and cash equivalents at 1 January | 634,619 | 452,111 | 391,747 | 241,514 |
| Cash and cash equivalents at 31 December (Note 28) | 788,677 | 634,619 | 470,452 | 391,747 |

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022, the Group and the Company adopted the following Annual Improvements and Amendments mandatory for annual financial periods beginning on or after 1 January 2022:

| <u>Description</u> | <u>Effective for annual periods beginning on or after</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 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 |

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

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standard and Amendments issued but not yet effective

The Standard and Amendments 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 and Amendments, if applicable, when they become effective.

| <u>Description</u> | <u>Effective for annual periods beginning on or after</u> |
|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| 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 |
| Amendments to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information | 1 January 2023 |
| Amendments to MFRS 16: Leases - Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to MFRS 101: Presentation of Financial Statements | |
| - Non-current Liabilities with Covenants | 1 January 2024 |
| 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 and Amendments 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 rate ("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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

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.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 transferring 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 hotel rooms is recognised over time during the period of stay for the hotel guests. Revenue from food and beverage sales, parking and other ancillary services is generally recognised at the point in time when the services are rendered.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 subscription fees are recognised at the point in time when the services are rendered. Subscription fees are recognised over time over the subscription period. The payment of the transaction price is due immediately upon delivery of the services.

Room revenue is recognised over time during the period of stay for the room guests. Revenue from food and beverage sales is recognised at the point in time when the services are rendered.

(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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

The management's estimates of future taxable profits 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 are 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 or an impairment loss recognised in prior periods on the CGU or groups of CGU, other than goodwill, may no longer exist or may have decreased.

Indicators of impairment which could trigger an impairment review include evidence of obsolescence or physical damage, a significant fall in market values, significant underperformance relative to historical or projected future operating results, significant changes in the use of assets or the strategy of the business, and significant adverse industry or economic changes. 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.

Although a foreign subsidiary involved in the operation of a hotel recorded losses during the current financial year, the Group recognised a reversal of impairment loss of approximately RM19,636,000 (2021: impairment loss of approximately RM13,825,000) in respect of the foreign subsidiary's hotel property due to improvement in the market conditions of the hotel industry. 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 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 | |
|-------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Type of revenue | | | | |
| Oil palm produce | 1,438,939 | 1,057,706 | 1,455,121 | 1,069,100 |
| Sale of properties | 98,148 | 119,136 | 98,148 | 119,136 |
| Dividend income | 7,649 | 9,060 | 29,363 | 194,987 |
| Management and operation of golf club | 11,135 | 5,238 | - | - |
| Operation of hotels and conference centre | 241,066 | 93,825 | - | - |
| | | | | |
| Revenue from contracts with customers | 1,796,937 | 1,284,965 | 1,582,632 | 1,383,223 |
| Rental income | 30,635 | 27,013 | 9,942 | 5,591 |
| | | | | |
| | 1,827,572 | 1,311,978 | 1,592,574 | 1,388,814 |
| Timing of revenue recognition | | | | |
| - At a point in time | 1,524,341 | 1,117,170 | 1,529,619 | 1,306,123 |
| - Over time | 272,596 | 167,795 | 53,013 | 77,100 |
| | | | | |
| | 1,796,937 | 1,284,965 | 1,582,632 | 1,383,223 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

4. REVENUE (cont'd)

4.1 CONTRACT BALANCES

| | Group and Company | |
|---------------------------------------------|--------------------------|-----------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Contract assets (Note 25) | 18,898 | 18,436 |
| Contract liability (Note 31) | (3,267) | (3,622) |
| | 15,631 | 14,814 |
| At beginning of the year | 14,814 | 36,938 |
| Consideration paid and payable to customers | 5,479 | 5,319 |
| Revenue recognised during the year | 98,148 | 119,136 |
| Progress billings during the year | (102,810) | (146,579) |
| At end of the year | 15,631 | 14,814 |

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 2022 for the Group and the Company is RM35,114,000 (2021: RM12,653,000). The remaining performance obligations are expected to be recognised as follows:

| Group and Company | 2022 | 2021 |
|--------------------------|---------------|--------|
| | RM'000 | RM'000 |
| Within 1 year | 35,114 | 12,653 |

5. COST OF SALES

| | Group | | Company | |
|----------------------------|------------------|-----------|------------------|-----------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Property development costs | 56,056 | 56,556 | 56,056 | 56,556 |
| Cost of inventories sold | 1,283,942 | 946,247 | 1,340,913 | 999,675 |
| Cost of services rendered | 144,708 | 77,256 | - | - |
| | 1,484,706 | 1,080,059 | 1,396,969 | 1,056,231 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

6. OTHER INCOME

| | Group | | Company | |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Interest income from deposits | 14,198 | 6,245 | 11,019 | 3,682 |
| Interest income from subsidiaries | - | - | 7,530 | 5,761 |
| | 14,198 | 6,245 | 18,549 | 9,443 |
| Unrealised gain on foreign exchange | 26,419 | 9,238 | 46,671 | 22,165 |
| Realised gain on foreign exchange | 9,293 | 70 | 9,157 | 44 |
| Net fair value gain on derivatives | - | 185 | - | 185 |
| Management fee received from subsidiaries | - | - | 1,146 | 1,146 |
| Gain on fair value change in biological assets | 29 | 615 | 47 | 18 |
| Gain on trading of palm oil | - | 170 | - | 170 |
| Gain on redemption of short term funds | - | 241 | - | 72 |
| Fair value gain on financial assets at fair value through profit or loss | 7,064 | - | 1,404 | 10 |
| Reversal of impairment loss on property, plant and equipment (Note 14) | 19,636 | - | - | - |
| Waiver of loan received from paycheck protection program | 11,527 | - | - | - |
| Government grants received by foreign subsidiary | 5,183 | 6,079 | - | - |
| Miscellaneous | 3,375 | 1,955 | 2,452 | 1,171 |
| | 96,724 | 24,798 | 79,426 | 34,424 |

7. PROFIT BEFORE TAX

The following items have been included in arriving at profit before tax:

| | Group | | Company | |
|----------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Auditors' remuneration: | | | | |
| Statutory audits | | | | |
| - Current year | | | | |
| - Ernst & Young PLT | 480 | 370 | 220 | 170 |
| - Other auditors | 578 | 522 | - | - |
| - Underprovision in prior year | | | | |
| - Other auditors | - | 32 | - | - |
| Other services | | | | |
| - Ernst & Young PLT | 25 | 20 | 20 | 20 |
| Bad debts written off | 88 | 163 | 6 | - |
| Bad debts recovered | (3) | - | - | - |
| Employee benefits expense (Note 8) | 127,985 | 86,951 | 30,646 | 28,138 |
| Direct operating expenses arising from revenue generating properties | 7,766 | 6,441 | 1,738 | 894 |
| Amortisation of intangible assets (Note 20) | 22 | 26 | 3 | 3 |
| Amortisation of deferred loan costs (Note 40 (f)) | 54 | 25 | - | - |
| Depreciation of property, plant and equipment (Note 14) | 24,974 | 26,623 | 3,155 | 3,242 |
| Depreciation of investment properties (Note 15) | 5,307 | 4,173 | 2,147 | 1,027 |
| Depreciation of right-of-use assets (Note 16) | 1,241 | 1,221 | - | - |
| Depreciation of bearer plants (Note 17) | 1,055 | 733 | 471 | 149 |
| Property, plant and equipment written off | 170 | 275 | 17 | 3 |
| Bearer plants written off | 85 | - | - | - |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

7. PROFIT BEFORE TAX (cont'd)

The following items have been included in arriving at profit before tax: (cont'd)

| | Group | | Company | |
|---------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Investment property written off | 45 | - | 43 | - |
| Inventories written off | 808 | 1 | - | - |
| Inventories written back | (150) | (828) | (150) | (827) |
| Write down of inventories | 23 | - | - | - |
| Write down of land held for development (Note 21 (a)) | - | 1,250 | - | 1,250 |
| Allowance for impairment on trade receivables (Note 24 (a)) | 78 | 55 | - | - |
| Allowance for impairment on amount due from a subsidiary (Note 24) | - | - | 8,345 | 7,495 |
| Realised gain on foreign exchange | (9,293) | (70) | (9,157) | (44) |
| Unrealised gain on foreign exchange | (26,419) | (9,238) | (46,671) | (22,165) |
| Gain on fair value change in biological assets (Note 23) | (29) | (615) | (47) | (18) |
| Fair value (gain)/loss on financial assets at fair value through profit or loss | (7,064) | 3,658 | (1,404) | (10) |
| Gain on redemption of short term funds | - | (241) | - | (72) |
| Fair value loss/(gain) on derivatives | 758 | (185) | 758 | (185) |
| (Reversal of)/impairment loss on property, plant and equipment (Note 14) | (19,636) | 13,825 | - | - |
| Gross dividends from quoted investments: | | | | |
| - Malaysian corporations | (2,452) | (1,744) | (2,216) | (1,618) |
| - Foreign corporations | (4,655) | (6,810) | (3,324) | (3,147) |
| Gross dividends from unquoted investments: | | | | |
| - Malaysian corporations | (542) | (506) | (542) | (506) |
| - Subsidiaries | - | - | (23,281) | (189,716) |
| | (7,649) | (9,060) | (29,363) | (194,987) |
| Gain on disposal of investment properties | - | (1) | - | - |
| Gain on disposal of property, plant and equipment | (18) | (25) | - | - |

8. EMPLOYEE BENEFITS EXPENSE (excluding key management personnel)

| | Group | | Company | |
|------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Wages and salaries | 96,100 | 67,702 | 27,892 | 25,570 |
| Social security and employee insurance contributions | 3,673 | 2,567 | 293 | 256 |
| Contributions to defined contribution plan | 5,382 | 4,151 | 2,461 | 2,312 |
| Other benefits | 22,830 | 12,531 | - | - |
| | 127,985 | 86,951 | 30,646 | 28,138 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

9. COMPENSATION OF KEY MANAGEMENT PERSONNEL

| | Group | | Company | |
|--------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Directors' remuneration: | | | | |
| Fees | 1,185 | 1,163 | 1,085 | 1,063 |
| Salaries, bonus and other emoluments | 9,174 | 7,226 | 7,188 | 5,333 |
| Benefits-in-kind | 36 | 31 | 28 | 28 |
| | 10,395 | 8,420 | 8,301 | 6,424 |

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 | |
|--------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Interest expenses on: | | | | |
| - Notes payable | 5,265 | 2,300 | - | - |
| - Bank overdraft | 1,258 | 2,141 | 1,258 | 2,141 |
| - Lease liability | 207 | 234 | - | - |
| - Unwinding of discount on tenant deposits | - | 44 | - | - |
| | 6,730 | 4,719 | 1,258 | 2,141 |

11. INCOME TAX

Components of income tax

The components of income tax expense for the years ended 31 December 2022 and 2021 are:

| | Group | | Company | |
|-------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Statement of comprehensive income: | | | | |
| Current income tax: | | | | |
| - Malaysian income tax | 35,838 | 32,054 | 25,234 | 20,335 |
| - Foreign tax | 3,649 | (120) | 151 | 152 |
| | 39,487 | 31,934 | 25,385 | 20,487 |
| Under/(over)provision in prior years: | | | | |
| - Malaysian income tax | 83 | 306 | 67 | 362 |
| - Foreign tax | 10 | 4 | 1 | (1) |
| | 93 | 310 | 68 | 361 |
| Deferred income tax (Note 36): | | | | |
| - Origination and reversal of temporary differences | 8,212 | (8,821) | 327 | (113) |
| - Under/(over)provision in prior years | 12 | (7) | 18 | (16) |
| | 8,224 | (8,828) | 345 | (129) |
| Income tax recognised in statements of comprehensive income | 47,804 | 23,416 | 25,798 | 20,719 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

11. INCOME TAX (cont'd)

Reconciliation between tax 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 2022 and 2021 is as follows:

| | 2022 RM'000 | 2021 RM'000 |
|---------------------------------------------------------------------------------------------------|----------------|----------------|
| Group | | |
| Profit before tax | 257,179 | 98,012 |
| Taxation at Malaysian statutory tax rate of 24% (2021: 24%) | 61,723 | 23,523 |
| Different tax rates in other countries | (1,743) | 987 |
| Income not subject to tax | (30,472) | (10,941) |
| Expenses not deductible for tax purposes | 18,997 | 4,548 |
| Effect of increase of tax rate based on the incremental chargeable income | 337 | - |
| Utilisation of previously unrecognised business losses and other deductible temporary differences | (3,633) | - |
| Deferred tax asset not recognised on unabsorbed capital allowances and unutilised business losses | 2,490 | 4,996 |
| Underprovision of income tax in prior years | 93 | 310 |
| Under/(over)provision of deferred tax in prior years | 12 | (7) |
| Income tax recognised in profit or loss | 47,804 | 23,416 |
| Company | | |
| Profit before tax | 190,305 | 301,629 |
| Taxation at Malaysian statutory tax rate of 24% (2021: 24%) | 45,673 | 72,391 |
| Income not subject to tax | (34,632) | (54,185) |
| Expenses not deductible for tax purposes | 14,567 | 2,398 |
| Effect of increase of tax rate based on the incremental chargeable income | 337 | - |
| Different tax rates in other countries | (233) | (230) |
| Underprovision of income tax in prior years | 68 | 361 |
| Under/(over)provision of deferred tax in prior years | 18 | (16) |
| Income tax recognised in profit or loss | 25,798 | 20,719 |

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2021: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

12. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing profit 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 |
|-----------------------------------------------------------------|------------------------|
| | 2022 2021 |
| Profit net of tax attributable to owners of the parent (RM'000) | 201,573 79,020 |
| Weighted average number of ordinary shares in issue ('000) | 359,303 359,303 |
| Basic earnings per share (sen) | 56.10 21.99 |

No diluted earnings per share have been presented as there were no dilutive potential ordinary shares outstanding as at 31 December 2022 and 31 December 2021.

13. DIVIDENDS

| | Group and Company |
|-------------------------------------------------------------------------|--------------------------|
| | 2022 2021 |
| | RM'000 RM'000 |
| Recognised during the financial year: | |
| Dividends on ordinary shares: | |
| - Final single tier dividend for 2021: 5 sen (2020: Nil) per share | 17,965 - |
| - Interim single tier dividend for 2022: 5 sen (2021: Nil) per share | 17,965 - |
| | 35,930 - |

On 6 April 2023, the Board of Directors approved and declared a single-tier final dividend in respect of the financial year ended 31 December 2022, of 9 sen per share on 359,303,610 ordinary shares, amounting to a dividend of RM32,337,324.90, payable on 18 May 2023.

The financial statements for the current financial year do not reflect the above dividend. This dividends will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 | | | | | |
| At cost | 796,397 | 135,729 | 132,198 | 7,938 | 1,072,262 |
| At deemed cost | 23,410 | - | - | - | 23,410 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 819,807 | 128,315 | 132,198 | 7,938 | 1,088,258 |
| Additions | 2,320 | 2,227 | 2,128 | 6,199 | 12,874 |
| Reclassification | 45 | 6,057 | 740 | (6,842) | - |
| Write offs | (427) | (406) | (349) | - | (1,182) |
| Disposals | - | (138) | (281) | - | (419) |
| Exchange differences | 28,379 | - | 2,682 | 18 | 31,079 |
| At 31 December 2022 | 850,124 | 136,055 | 137,118 | 7,313 | 1,130,610 |
| Representing: | | | | | |
| At cost | 826,852 | 143,469 | 137,118 | 7,313 | 1,114,752 |
| At deemed cost | 23,272 | - | - | - | 23,272 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 850,124 | 136,055 | 137,118 | 7,313 | 1,130,610 |
| Accumulated depreciation and impairment | | | | | |
| At 1 January 2022 | | | | | |
| At cost | 391,576 | 123,453 | 117,248 | - | 632,277 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 391,576 | 116,039 | 117,248 | - | 624,863 |
| Charge for the year (Note 7) | 13,819 | 2,725 | 8,430 | - | 24,974 |
| Write offs | (286) | (397) | (329) | - | (1,012) |
| Disposals | - | (138) | (227) | - | (365) |
| Reversal of impairment loss (Note 7) | (19,636) | - | - | - | (19,636) |
| Exchange differences | 12,491 | - | 2,393 | - | 14,884 |
| At 31 December 2022 | 397,964 | 118,229 | 127,515 | - | 643,708 |
| Representing: | | | | | |
| At cost | 397,964 | 125,643 | 127,515 | - | 651,122 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 397,964 | 118,229 | 127,515 | - | 643,708 |
| Accumulated depreciation | 284,605 | 118,229 | 127,515 | - | 530,349 |
| Accumulated impairment loss | 113,359 | - | - | - | 113,359 |
| | 397,964 | 118,229 | 127,515 | - | 643,708 |
| Net carrying amount | | | | | |
| At 31 December 2022 | | | | | |
| At cost | 428,888 | 17,826 | 9,603 | 7,313 | 463,630 |
| At deemed cost | 23,272 | - | - | - | 23,272 |
| | 452,160 | 17,826 | 9,603 | 7,313 | 486,902 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2021 | | | | | |
| At cost | 771,984 | 135,462 | 128,649 | 6,991 | 1,043,086 |
| At deemed cost | 23,410 | - | - | - | 23,410 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 795,394 | 128,048 | 128,649 | 6,991 | 1,059,082 |
| Additions | 674 | 2,404 | 979 | 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 | 819,807 | 128,315 | 132,198 | 7,938 | 1,088,258 |
| Representing: | | | | | |
| At cost | 796,397 | 135,729 | 132,198 | 7,938 | 1,072,262 |
| At deemed cost | 23,410 | - | - | - | 23,410 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 819,807 | 128,315 | 132,198 | 7,938 | 1,088,258 |
| Accumulated depreciation and impairment | | | | | |
| At 1 January 2021 | | | | | |
| At cost | 354,661 | 121,946 | 103,964 | - | 580,571 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 354,661 | 114,532 | 103,964 | - | 573,157 |
| Charge for the year (Note 7) | 12,824 | 2,569 | 11,230 | - | 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 | 391,576 | 116,039 | 117,248 | - | 624,863 |
| Representing: | | | | | |
| At cost | 391,576 | 123,453 | 117,248 | - | 632,277 |
| Government grant | - | (7,414) | - | - | (7,414) |
| | 391,576 | 116,039 | 117,248 | - | 624,863 |
| Accumulated depreciation | 265,690 | 116,039 | 117,248 | - | 498,977 |
| Accumulated impairment loss | 125,886 | - | - | - | 125,886 |
| | 391,576 | 116,039 | 117,248 | - | 624,863 |
| Net carrying amount | | | | | |
| At 31 December 2021 | | | | | |
| At cost | 404,821 | 12,276 | 14,950 | 7,938 | 439,985 |
| At deemed cost | 23,410 | - | - | - | 23,410 |
| | 428,231 | 12,276 | 14,950 | 7,938 | 463,395 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022 | 29,216 | 110,780 | 16,124 | 903 | 157,023 |
| Additions | 197 | 472 | 692 | 3,539 | 4,900 |
| Write offs | - | (323) | (124) | - | (447) |
| Disposals | - | (115) | (99) | - | (214) |
| At 31 December 2022 | 29,413 | 110,814 | 16,593 | 4,442 | 161,262 |
| Representing: | | | | | |
| At cost | 20,399 | 110,814 | 16,593 | 4,442 | 152,248 |
| At deemed cost | 9,014 | - | - | - | 9,014 |
| | 29,413 | 110,814 | 16,593 | 4,442 | 161,262 |
| Accumulated depreciation | | | | | |
| At 1 January 2022 | 11,024 | 101,051 | 13,669 | - | 125,744 |
| Charge for the year (Note 7) | 416 | 1,798 | 941 | - | 3,155 |
| Write offs | - | (313) | (117) | - | (430) |
| Disposals | - | (115) | (80) | - | (195) |
| At 31 December 2022 | 11,440 | 102,421 | 14,413 | - | 128,274 |
| Net carrying amount | | | | | |
| At 31 December 2022 | | | | | |
| At cost | 8,959 | 8,393 | 2,180 | 4,442 | 23,974 |
| At deemed cost | 9,014 | - | - | - | 9,014 |
| | 17,973 | 8,393 | 2,180 | 4,442 | 32,988 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 |
|-----------------------------|--------------------------------|---------------------------------------|----------------------------------|----------------------------------|
| 2022 | | | | |
| At deemed cost | | | | |
| Freehold estates | 23,272 | - | 23,272 | - |
| At cost | | | | |
| Freehold estates | 3,359 | - | 3,359 | - |
| Golf course | 78,739 | 24,150 | 54,589 | 900 |
| Freehold land and buildings | 744,754 | 373,814 | 370,940 | 12,919 |
| | 826,852 | 397,964 | 428,888 | 13,819 |
| Total | 850,124 | 397,964 | 452,160 | 13,819 |
| 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 | 714,297 | 368,323 | 345,974 | 11,924 |
| | 796,397 | 391,576 | 404,821 | 12,824 |
| Total | 819,807 | 391,576 | 428,231 | 12,824 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 |
|-----------------------------|--------------------------------|---------------------------------------|----------------------------------|----------------------------------|
| 2022 | | | | |
| At deemed cost | | | | |
| Freehold estates | 9,014 | - | 9,014 | - |
| At cost | | | | |
| Freehold estates | 3,146 | - | 3,146 | - |
| Freehold land and buildings | 17,253 | 11,440 | 5,813 | 416 |
| | 20,399 | 11,440 | 8,959 | 416 |
| Total | 29,413 | 11,440 | 17,973 | 416 |
| 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 |

(ii) Property, plant and equipment of certain subsidiaries with net carrying amount of RM308,764,000 (2021: RM280,404,000) are pledged for bank facilities as disclosed in Note 29.

(iii) During the current financial year, a reversal of impairment loss of RM19,636,000 (2021: impairment loss of RM13,825,000) was recognised on certain property, plant and equipment of a subsidiary involved in the hotel segment, KSNY Enterprises Ltd ("KSNY"). This was recognised in the statement of comprehensive income as other income and other expenses in the respective years. The recoverable amount of RM191,459,000 (2021: RM166,840,000) as at 31 December 2022 was determined at the level of the cash-generating unit of KSNY based on fair value less costs of disposal. The fair value less costs of disposal was based on income capitalisation approach which utilises the discounted cash flow technique to measure the present value of projected income flows and the reversion of the property sale. The significant unobservable valuation inputs are as below:

| | 2022 | 2021 |
|----------------------------|--------------------|--------------------|
| Revenue per available room | USD 237 to USD 341 | USD 161 to USD 310 |
| Discount rate | 9.00% | 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 2022

15. INVESTMENT PROPERTIES

| Group | Freehold land and buildings RM'000 | Leasehold land and buildings RM'000 | Total RM'000 |
|---------------------------------|---------------------------------------------|----------------------------------------------|-----------------|
| 2022 | | | |
| Cost | | | |
| At 1 January 2022 | 262,670 | 18,249 | 280,919 |
| Additions | 9,669 | 103 | 9,772 |
| Write offs | (78) | - | (78) |
| Disposals | (2) | - | (2) |
| Exchange differences | - | 735 | 735 |
| At 31 December 2022 | 272,259 | 19,087 | 291,346 |
| Accumulated depreciation | | | |
| At 1 January 2022 | 102,617 | 6,531 | 109,148 |
| Charge for the year (Note 7) | 5,267 | 40 | 5,307 |
| Write offs | (33) | - | (33) |
| Disposals | (2) | - | (2) |
| Exchange differences | - | 411 | 411 |
| At 31 December 2022 | 107,849 | 6,982 | 114,831 |
| Net carrying amount | | | |
| At 31 December 2022 | 164,410 | 12,105 | 176,515 |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. INVESTMENT PROPERTIES (cont'd)

| Company | Freehold land and buildings RM'000 | Leasehold land and buildings RM'000 | Total RM'000 |
|---------------------------------|---------------------------------------------|----------------------------------------------|-----------------|
| 2022 | | | |
| Cost | | | |
| At 1 January 2022 | 85,035 | 6,703 | 91,738 |
| Additions | 9,274 | 103 | 9,377 |
| Write offs | (62) | - | (62) |
| At 31 December 2022 | 94,247 | 6,806 | 101,053 |
| Accumulated depreciation | | | |
| At 1 January 2022 | 11,200 | 80 | 11,280 |
| Charge for the year (Note 7) | 2,107 | 40 | 2,147 |
| Write offs | (19) | - | (19) |
| At 31 December 2022 | 13,288 | 120 | 13,408 |
| Net carrying amount | | | |
| At 31 December 2022 | 80,959 | 6,686 | 87,645 |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

15. INVESTMENT PROPERTIES (cont'd)

As at 31 December 2022, the fair value of investment properties for the Group and Company is approximately RM652,112,000 (2021: RM661,926,000) and RM354,118,000 (2021: RM349,650,000) 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 in year 2021 valued at RM82,198,000 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 | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Within one year | 24,362 | 22,188 | 10,152 | 9,121 |
| Within two to five years | 26,669 | 32,381 | 20,100 | 21,749 |
| After five years | 43,943 | 47,873 | 43,943 | 47,873 |
| | 94,974 | 102,442 | 74,195 | 78,743 |

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 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 and 1 January 2022 | 3,589 | 18,298 | 21,887 |
| Depreciation charge for the year (Note 7) | (927) | (314) | (1,241) |
| Exchange differences | 15 | - | 15 |
| At 31 December 2022 | 2,677 | 17,984 | 20,661 |

The Group has right-of-use over state-owned land which is used for the cultivation of oil palm and a parcel of land which is used as a parking lot. The right-of-use has a remaining tenure of 93 years (2021: 94 years) expiring in 2115 and 3 years (2021: 4 years) expiring in 2025, respectively.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

17. BEARER PLANTS

| | Group | | Company | |
|-----------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Cost/deemed cost | | | | |
| At 1 January | 25,078 | 23,960 | 11,369 | 10,311 |
| Additions | 2,035 | 1,118 | 1,802 | 1,058 |
| Write offs | (252) | - | (165) | - |
| At 31 December | 26,861 | 25,078 | 13,006 | 11,369 |
| Accumulated depreciation | | | | |
| At 1 January | 6,725 | 5,992 | 534 | 385 |
| Charge for the year (Note 7) | 1,055 | 733 | 471 | 149 |
| Write offs | (167) | - | (165) | - |
| At 31 December | 7,613 | 6,725 | 840 | 534 |
| Net carrying amount | | | | |
| At 31 December | 19,248 | 18,353 | 12,166 | 10,835 |
| <u>Analysis of bearer plants:</u> | | | | |
| Immature | 3,415 | 8,545 | 2,653 | 7,934 |
| Matured | 15,833 | 9,808 | 9,513 | 2,901 |
| | 19,248 | 18,353 | 12,166 | 10,835 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

18. INVESTMENT IN SUBSIDIARIES

| | Company | |
|--------------------------|-----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Unquoted shares, at cost | | |
| - In Malaysia | 167,854 | 227,854 |
| - Outside Malaysia | 4 | 4 |
| | 167,858 | 227,858 |
| Less: Impairment losses | (49,191) | (49,191) |
| | 118,667 | 178,667 |

Details of the subsidiaries are as follows:

| Name of subsidiaries | Country of incorporation | Principal activities | Proportion of ownership interest | |
|--------------------------------------------|--------------------------|----------------------------------------------------------------------|----------------------------------|--------|
| | | | 2022 % | 2021 % |
| <u>Held by the Company</u> | | | | |
| 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 2022

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 | |
|---------------------------------------------|--------------------------|----------------------|----------------------------------|-----------|
| | | | 2022 % | 2021 % |
| <u>Held by the Company (cont'd)</u> | | | | |
| 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** |
| <u>Held by K.S.F. Enterprises Sdn. Bhd.</u> | | | | |
| KSD Enterprises Ltd.* | Canada | Operation of hotels | 50+1** | 50+1** |
| <u>Held by Brosna Limited</u> | | | | |
| 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 |
| <u>Held by KSG Enterprises Ltd.</u> | | | | |
| 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

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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:

| | 2022 % | 2021 % |
|-----------------------------------|-----------|-----------|
| 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 |

| | 2022 RM'000 | 2021 RM'000 |
|--|----------------|----------------|
|--|----------------|----------------|

Accumulated balances of material non-controlling interest:

| | | |
|-------------------------------------|----------------|---------|
| - Lusaka Holdings Sdn. Bhd. | 16,585 | 15,435 |
| - K.S.F. Enterprises Sdn. Bhd. | 30,586 | 24,025 |
| - Tanjong Puteri Golf Resort Berhad | 98,197 | 98,197 |
| | 145,368 | 137,657 |

| | | |
|----------------------------------------------------------------------------------------|----------------|---------|
| Attributable to non-controlling interest of subsidiary that is individually immaterial | 50 | 42 |
| | 145,418 | 137,699 |

Total comprehensive loss attributable to material non-controlling interest:

| | | |
|-------------------------------------|--------------|---------|
| - Lusaka Holdings Sdn. Bhd. | 1,149 | 1,284 |
| - K.S.F. Enterprises Sdn. Bhd. | 6,562 | (4,711) |
| - Tanjong Puteri Golf Resort Berhad | - | - |
| | 7,711 | (3,427) |

| | | |
|----------------------------------------------------------------------------------------|--------------|---------|
| Attributable to non-controlling interest of subsidiary that is individually immaterial | 8 | 3 |
| | 7,719 | (3,424) |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 |
|-----------------------------|------------------------------|---------|-----------------------------------------|--------|--------------------------------------|----------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Non-current assets | 45,853 | 47,912 | 47,371 | 53,589 | 74,036 | 76,342 | 177,843 |
| Current assets | 14,924 | 68,851 | 33,200 | 11,481 | 4,736 | 3,505 | 83,837 |
| Total assets | 60,777 | 116,763 | 80,571 | 65,070 | 78,772 | 79,847 | 261,680 |
| Current liabilities | 3,965 | 3,341 | 16,853 | 13,661 | 54,728 | 44,713 | 61,715 |
| Non-current liabilities | 1,530 | 1,971 | 2,537 | 3,351 | - | 1,238 | 6,560 |
| Total liabilities | 5,495 | 5,312 | 19,390 | 17,012 | 54,728 | 45,951 | 68,275 |
| Net assets | 55,282 | 111,451 | 61,181 | 48,058 | 24,044 | 33,896 | 193,405 |
| Equity attributable to: | | | | | | | |
| - owners of the Company | 38,697 | 96,016 | 30,595 | 24,033 | (74,153) | (64,301) | 55,748 |
| - non-controlling interests | 16,585 | 15,435 | 30,586 | 24,025 | 98,197 | 98,197 | 137,657 |
| | 55,282 | 111,451 | 61,181 | 48,058 | 24,044 | 33,896 | 193,405 |

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 2022

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 |
|----------------------------------------------------|------------------------------|--------|-----------------------------------------|----------|--------------------------------------|---------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Revenue | 14,390 | 14,780 | 88,174 | 25,075 | 11,135 | 5,238 | 113,699 |
| Profit/(Loss) for the year attributable to: | | | | | | | |
| - owners of the Company | 4,080 | 4,796 | 6,645 | (5,710) | (7,274) | (6,396) | 3,451 |
| - non-controlling interests | 1,149 | 1,284 | 6,645 | (5,710) | - | - | 7,794 |
| | 5,229 | 6,080 | 13,290 | (11,420) | (7,274) | (6,396) | 11,245 |
| Other comprehensive (loss)/income attributable to: | | | | | | | |
| - owners of the Company | - | - | (84) | 1,000 | - | - | (84) |
| - non-controlling interests | - | - | (83) | 999 | - | - | (83) |
| | - | - | (167) | 1,999 | - | - | (167) |
| Total comprehensive income/(loss) attributable to: | | | | | | | |
| - owners of the Company | 4,080 | 4,796 | 6,561 | (4,710) | (7,274) | (6,396) | 3,367 |
| - non-controlling interests | 1,149 | 1,284 | 6,562 | (4,711) | - | - | 7,711 |
| Total comprehensive income/(loss) for the year | 5,229 | 6,080 | 13,123 | (9,421) | (7,274) | (6,396) | 11,078 |

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 2022

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 | |
|------------------------------------------------------------------|------------------------------|---------|-----------------------------------------|---------|--------------------------------------|---------|----------|---------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 | RM'000 |
| Net cash generated from/(used in) operating activities | 6,441 | 6,483 | 28,780 | (692) | (3,927) | (5,796) | 31,294 | (5) |
| Net cash generated from/(used in) investing activities | 54,907 | (4,855) | (2,429) | (1,355) | (322) | (69) | 52,156 | (6,279) |
| Net cash (used in)/generated from financing activities | (61,398) | (1,800) | (829) | 2,461 | 6,117 | 5,557 | (56,110) | 6,218 |
| Net (decrease)/increase in cash and cash equivalents | (50) | (172) | 25,522 | 414 | 1,868 | (308) | 27,340 | (66) |
| Effects of exchange rate changes on cash and cash equivalents | - | - | (975) | 77 | - | - | (975) | 77 |
| Cash and cash equivalents at beginning of the year | 589 | 761 | 5,568 | 5,077 | 440 | 748 | 6,597 | 6,586 |
| Cash and cash equivalents at end of the year | 539 | 589 | 30,115 | 5,568 | 2,308 | 440 | 32,962 | 6,597 |

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 2022

19. INVESTMENT SECURITIES

| | Group | | Company | |
|--------------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Financial assets at fair value through other comprehensive income | | | | |
| Equity instruments | | | | |
| Quoted in Malaysia | 61,486 | 57,113 | 57,682 | 54,029 |
| Quoted outside Malaysia | 283,550 | 293,371 | 115,074 | 129,797 |
| Unquoted in Malaysia | 3,630 | 3,447 | 3,627 | 3,443 |
| | <u>348,666</u> | <u>353,931</u> | <u>176,383</u> | <u>187,269</u> |
| Financial assets at fair value through profit or loss | | | | |
| Debt instrument | | | | |
| Unquoted outside Malaysia * | 20,540 | 64,757 | - | - |
| Equity instrument | | | | |
| Unquoted outside Malaysia * | 50,295 | - | - | - |
| | <u>70,835</u> | <u>64,757</u> | <u>-</u> | <u>-</u> |
| | <u>419,501</u> | <u>418,688</u> | <u>176,383</u> | <u>187,269</u> |

* 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 2022, the fair value of equity instrument is RM50,824,000 (2021: 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 | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Cost | | | | |
| At 1 January | 1,954 | 1,934 | 1,505 | 1,495 |
| Addition | 3 | 20 | 3 | 10 |
| At 31 December | <u>1,957</u> | <u>1,954</u> | <u>1,508</u> | <u>1,505</u> |
| Accumulated amortisation | | | | |
| At 1 January | 1,871 | 1,845 | 1,497 | 1,494 |
| Amortisation for the year (Note 7) | 22 | 26 | 3 | 3 |
| At 31 December | <u>1,893</u> | <u>1,871</u> | <u>1,500</u> | <u>1,497</u> |
| Net carrying amount | | | | |
| At 31 December | <u>64</u> | <u>83</u> | <u>8</u> | <u>8</u> |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. INVENTORIES

(a) Land held for property development

| Group | Freehold land RM'000 | Leasehold land RM'000 | Development costs RM'000 | Total RM'000 |
|-------------------------------------------------------|-------------------------------------|--------------------------------------|-----------------------------------------|-------------------------|
| 2022 | | | | |
| At 1 January 2022 | 59,714 | 55,601 | 127,061 | 242,376 |
| Additions | 219 | 407 | 12,014 | 12,640 |
| Transfer to property development cost (Note 21(b)) | (133) | (3,056) | (11,106) | (14,295) |
| At 31 December 2022 | 59,800 | 52,952 | 127,969 | 240,721 |
| Representing: | | | | |
| At cost | 59,800 | 52,952 | 127,969 | 240,721 |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. INVENTORIES (cont'd)

(a) Land held for property development (cont'd)

| Company | Freehold land RM'000 | Leasehold land RM'000 | Development costs RM'000 | Total RM'000 |
|-------------------------------------------------------|-------------------------------------|--------------------------------------|-----------------------------------------|-------------------------|
| 2022 | | | | |
| At 1 January 2022 | 50,075 | 55,601 | 127,061 | 232,737 |
| Additions | 219 | 407 | 12,014 | 12,640 |
| Transfer to property development cost (Note 21(b)) | (133) | (3,056) | (11,106) | (14,295) |
| At 31 December 2022 | 50,161 | 52,952 | 127,969 | 231,082 |
| Representing: | | | | |
| At cost | 50,161 | 52,952 | 127,969 | 231,082 |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

21. INVENTORIES (cont'd)

(b) Property development costs

| | Group and Company | |
|---------------------------------------------------------------|-------------------|----------------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| At cost | | |
| At 1 January | | |
| Freehold land | 3,048 | 173 |
| Leasehold land | 1,705 | 748 |
| Development costs | 12,947 | 27,820 |
| | 17,700 | 28,741 |
| Development costs incurred during the year | 23,204 | 32,206 |
| Cost recognised in profit or loss during the year | (30,352) | (38,201) |
| Transfer from land held for property development (Note 21(a)) | 14,295 | 12,441 |
| Transfer to inventory | (2,334) | (17,487) |
| | 11,961 | (5,046) |
| At 31 December | 22,513 | 17,700 |

22. INVENTORIES - OTHERS

| | Group | | Company | |
|-------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| At cost | | | | |
| Refined oil products | 61,761 | 96,409 | 52,822 | 85,901 |
| Crude palm oil, crude palm kernel oil and palm kernel | 27,411 | 38,729 | 27,744 | 38,339 |
| Spare parts and chemicals | 6,615 | 6,411 | 4,822 | 4,587 |
| Completed properties | 34,360 | 50,114 | 34,360 | 50,114 |
| Food, beverage and utensils | 738 | 1,428 | - | - |
| | 130,885 | 193,091 | 119,748 | 178,941 |
| At net realisable value | | | | |
| Refined oil products | 40,558 | 11,686 | 39,702 | 11,686 |
| Completed properties | 1,648 | 1,803 | 1,648 | 1,803 |
| | 42,206 | 13,489 | 41,350 | 13,489 |
| | 173,091 | 206,580 | 161,098 | 192,430 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

23. BIOLOGICAL ASSETS

| | Group | | Company | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| At fair value | | | | |
| At 1 January | 1,194 | 579 | 57 | 39 |
| Changes in fair value (Note 7) | 29 | 615 | 47 | 18 |
| At 31 December | 1,223 | 1,194 | 104 | 57 |

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 | |
|----------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Current | | | | |
| Trade receivables | | | | |
| Third parties | 60,950 | 74,176 | 41,329 | 52,926 |
| Less: Allowance for impairment | (644) | (566) | - | - |
| | 60,306 | 73,610 | 41,329 | 52,926 |
| Other receivables | | | | |
| Amounts due from subsidiaries | - | - | 198,276 | 175,258 |
| Refundable deposits | 2,556 | 3,635 | 2,211 | 2,351 |
| Sundry receivables | 17,055 | 11,342 | 16,597 | 6,158 |
| | 19,611 | 14,977 | 217,084 | 183,767 |
| Total trade and other receivables (current) | 79,917 | 88,587 | 258,413 | 236,693 |
| Non-current | | | | |
| Other receivables | | | | |
| Amounts due from subsidiaries | - | - | 396,507 | 366,763 |
| Less: Allowance for impairment | - | - | (49,880) | (41,535) |
| | - | - | 346,627 | 325,228 |
| Total trade and other receivables (current and non-current) | 79,917 | 88,587 | 605,040 | 561,921 |
| Add: Cash and bank balances (Note 28) | 962,260 | 855,037 | 628,747 | 606,853 |
| Total financial assets at amortised cost | 1,042,177 | 943,624 | 1,233,787 | 1,168,774 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

24. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 0 to 30 days (2021 : 0 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 | |
|------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Neither past due nor impaired | 43,190 | 42,582 | 32,463 | 29,243 |
| 1 to 30 days past due not impaired | 14,965 | 27,779 | 8,309 | 22,590 |
| 31 to 60 days past due not impaired | 1,600 | 1,758 | 321 | 414 |
| 61 to 90 days past due not impaired | 326 | 292 | 66 | 65 |
| 91 to 120 days past due not impaired | 79 | 76 | 24 | - |
| More than 120 days past due not impaired | 146 | 1,123 | 146 | 614 |
| | 17,116 | 31,028 | 8,866 | 23,683 |
| Impaired | 644 | 566 | - | - |
| | 60,950 | 74,176 | 41,329 | 52,926 |

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:

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Trade receivables - nominal amounts | 644 | 566 | - | - |
| Less: Allowance for impairment | (644) | (566) | - | - |
| | - | - | - | - |
| <u>Movement in allowance accounts</u> | | | | |
| At 1 January | 566 | 511 | - | - |
| Charge for the year (Note 7) | 78 | 55 | - | - |
| At 31 December | 644 | 566 | - | - |

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 2022

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 RM198,218,000 (2021: RM175,204,000) 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 (2021: 0.38% to 6.06% per annum) and are not expected to be repaid within the next twelve months.

| | Individually impaired Company | |
|---------------------------------------|-------------------------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| <u>Movement in allowance accounts</u> | | |
| At 1 January | 41,535 | 34,040 |
| Charge for the year (Note 7) | 8,345 | 7,495 |
| At 31 December | 49,880 | 41,535 |

25. OTHER CURRENT ASSETS

| | Group | | Company | |
|-----------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Prepayments | 5,376 | 6,422 | 3,701 | 4,668 |
| Deposits paid | 3,212 | 3,630 | 3,212 | 3,631 |
| Accrued billings in respect of property development costs | 16,955 | 17,572 | 16,955 | 17,572 |
| Consideration paid/payable to customers | 1,943 | 864 | 1,943 | 864 |
| Contract assets (Note 4.1) | 18,898 | 18,436 | 18,898 | 18,436 |
| | 27,486 | 28,488 | 25,811 | 26,735 |

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

26. DERIVATIVES

| | <-----2022-----> | | <-----2021-----> | |
|---------------------------------|-------------------------------------------|---------------------|-------------------------------------------|-----------------|
| | Contract/ Notional Amount RM'000 | Liability RM'000 | Contract/ Notional Amount RM'000 | Asset RM'000 |
| Group and Company | | | | |
| Non-hedging derivatives: | | | | |
| Current | | | | |
| Forward currency contracts | <u>10,517</u> | <u>(490)</u> | <u>29,197</u> | <u>268</u> |

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 | |
|----------------------------------------------------------|----------------|----------------|----------------|---------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Money market funds, at fair value through profit or loss | <u>248,306</u> | <u>164,037</u> | <u>220,583</u> | <u>84,160</u> |

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 1.63% (2021: 1.96%) per annum and 1.52% (2021: 1.83%) per annum respectively. The maturities of the investments as at the reporting date for the Group and the Company were 1 to 31 days (2021: 1 to 31 days) and 1 day (2021: 1 day) respectively.

28. CASH AND BANK BALANCES

| | Group | | Company | |
|----------------------------------------|-----------------------|----------------|-----------------------|----------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| Cash at banks and on hand | 344,435 | 276,581 | 214,473 | 209,201 |
| Deposits with: | | | | |
| Licensed banks | 291,015 | 272,248 | 154,802 | 144,804 |
| Foreign financial institutions | 326,810 | 306,208 | 259,472 | 252,848 |
| Total cash and bank balances (Note 24) | <u>962,260</u> | <u>855,037</u> | <u>628,747</u> | <u>606,853</u> |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

28. CASH AND BANK BALANCES (cont'd)

Included in cash and bank balances of the Group and of the Company is an amount of RM109,245,000 (2021: RM133,090,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, and 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 2022 for the Group and the Company were 2.48% (2021: 0.37%) per annum and 3.09% (2021: 0.44%) 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 | |
|-------------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Cash and bank balances | 962,260 | 855,037 | 628,747 | 606,853 |
| Less: | | | | |
| Bank overdrafts (Note 29) | (3,493) | (32,193) | (3,493) | (32,193) |
| Deposits with licensed banks with maturity more than three months | (170,090) | (188,225) | (154,802) | (182,913) |
| Cash and cash equivalents | 788,677 | 634,619 | 470,452 | 391,747 |

29. LOANS AND BORROWINGS

| | | Group | | Company | |
|--------------------------------------|-----------|----------------|----------------|----------------|----------------|
| | Maturity | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Current | | | | | |
| Unsecured: | | | | | |
| Bank overdrafts (Note 28) | On demand | 3,493 | 32,193 | 3,493 | 32,193 |
| Secured: | | | | | |
| Notes payable | 2023 | 173,967 | 18,330 | - | - |
| | | 177,460 | 50,523 | 3,493 | 32,193 |
| Non-Current | | | | | |
| Secured: | | | | | |
| Notes payable | 2023 | - | 172,773 | - | - |
| Total loans and borrowings (Note 30) | | 177,460 | 223,296 | 3,493 | 32,193 |

The remaining maturities of the loans and borrowings as at 31 December 2022 and 2021 are as follows:

| | Group | | Company | |
|----------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| On demand or within 1 year | 177,460 | 50,523 | 3,493 | 32,193 |
| More than 1 year and less than 5 years | - | 172,773 | - | - |
| | 177,460 | 223,296 | 3,493 | 32,193 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

29. LOANS AND BORROWINGS (cont'd)

Bank overdrafts

Bank overdrafts are denominated in RM and bear interest at BLR + 0.75% (2021: BLR + 0.75%) per annum.

Notes payable

In 2021, included in current notes payables were amounts of RM10,982,000 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. In 2022, the outstanding loans were forgiven and were recognised in the statement of comprehensive income as other income.

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% (2021: LIBOR + 1.03% to 1.30%) 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 RM308,764,000 (2021: RM280,404,000) as disclosed in Note 14.

30. TRADE AND OTHER PAYABLES

| | Group | | Company | |
|-------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Current | | | | |
| Trade payables | | | | |
| Third parties | 72,544 | 50,718 | 56,932 | 46,480 |
| Amount due to subsidiaries | - | - | 20,118 | 13,318 |
| | 72,544 | 50,718 | 77,050 | 59,798 |
| Other payables | | | | |
| Accruals | 24,010 | 22,882 | 8,813 | 8,951 |
| Sundry payables | 29,480 | 21,404 | 16,694 | 8,471 |
| Refundable deposits | 5,697 | 4,538 | 1,280 | 890 |
| Amount due to a director related company | 1,600 | 3,058 | 1,600 | 3,058 |
| Amount due to a subsidiary | - | - | 1 | - |
| | 60,787 | 51,882 | 28,388 | 21,370 |
| Total trade and other payables (current) | 133,331 | 102,600 | 105,438 | 81,168 |
| Non-current | | | | |
| Trade payables | | | | |
| Retention sum | 4,043 | 6,319 | 4,043 | 6,319 |
| Other payables | | | | |
| Refundable deposits | 2,992 | 4,347 | 2,653 | 2,770 |
| Total trade and other payables (non-current) | 7,035 | 10,666 | 6,696 | 9,089 |
| Total trade and other payables (current and non-current) | 140,366 | 113,266 | 112,134 | 90,257 |
| Add: Loans and borrowings (Note 29) | 177,460 | 223,296 | 3,493 | 32,193 |
| Add: Lease liability (Note 32) | 3,334 | 3,953 | - | - |
| Total financial liabilities carried at amortised cost | 321,160 | 340,515 | 115,627 | 122,450 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 (2021: 30 to 45 days) terms.

(b) Other payables

Other payables are non-interest bearing and are normally settled on 30 to 60 days (2021: 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 | |
|--------------------------------------------------------------|----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Contract liability (Note 4.1) | | | | |
| - Progress billings in respect of property development costs | 3,267 | 3,622 | 3,267 | 3,622 |
| Deposits received from tenants | 371 | 408 | 156 | 270 |
| | <u>3,638</u> | <u>4,030</u> | <u>3,423</u> | <u>3,892</u> |

32. LEASE LIABILITY

| | Group | |
|------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Car park land | | |
| Lease liability | | |
| Current | 797 | 602 |
| Non-current | 2,537 | 3,351 |
| | <u>3,334</u> | <u>3,953</u> |

The movement of lease liability during the financial year is as follows:

| | Group | |
|-----------------------------------------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| At 1 January | 3,953 | - |
| Additions | - | 4,533 |
| Interest expense on lease liability (Note 10) | 207 | 234 |
| Payments of: | | |
| - Principal | (622) | (539) |
| - Interest | (207) | (234) |
| Exchange differences | 3 | (41) |
| At 31 December | <u>3,334</u> | <u>3,953</u> |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

33. SHARE CAPITAL

| | Number of ordinary shares | | Amount | |
|------------------------------|------------------------------|--------------|----------------|----------------|
| | 2022 '000 | 2021 '000 | 2022 RM'000 | 2021 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 2022, 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 repurchase plan can be applied in the best interests of the Company and its shareholders. The shares repurchase 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 (2021: 361,477,000) issued and fully paid ordinary shares, 2,174,000 (2021: 2,174,000) are held as treasury shares by the Company. The number of outstanding ordinary shares after set-off is 359,303,000 (2021: 359,303,000).

35. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2022 may be distributed as dividends under the single tier system.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. DEFERRED TAXATION

Deferred income tax as at 31 December relates to the following:

| Group | As at 1 January 2021 RM'000 | Recognised in profit or loss (Note 11) RM'000 | Exchange differences RM'000 | As at 31 December 2021 RM'000 | Recognised in profit or loss (Note 11) RM'000 | Exchange differences RM'000 | As at 31 December 2022 RM'000 |
|-----------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------|-----------------------------------|----------------------------------------|-----------------------------------------------------------|-----------------------------------|----------------------------------------|
| Deferred tax liabilities: | | | | | | | |
| Property, plant and equipment and investment properties | 18,196 | (593) | 492 | 18,095 | (400) | 797 | 18,492 |
| Bearer plants | 4,312 | 92 | - | 4,404 | 215 | - | 4,619 |
| Biological assets | 140 | 148 | - | 288 | 7 | - | 295 |
| Right-of-use assets | 2,055 | (43) | - | 2,012 | (43) | - | 1,969 |
| Inventories - land held for property development | 1,244 | (39) | - | 1,205 | (23) | - | 1,182 |
| Receivables | 1,755 | (508) | 60 | 1,307 | 77 | 76 | 1,460 |
| Derivatives | 21 | 44 | - | 65 | (65) | - | - |
| Others | 84 | (39) | - | 45 | 29 | - | 74 |
| | 27,807 | (938) | 552 | 27,421 | (203) | 873 | 28,091 |
| Deferred tax assets: | | | | | | | |
| Property, plant and equipment | (31,102) | (3,974) | (1,114) | (36,190) | 5,645 | (2,044) | (32,589) |
| Unutilised business losses and unabsorbed capital allowances | (2,200) | (3,203) | (88) | (5,491) | 3,161 | (292) | (2,622) |
| Provisions | (2,535) | (387) | (10) | (2,932) | (215) | (25) | (3,172) |
| Inventories - others | (1,456) | (20) | - | (1,476) | (266) | - | (1,742) |
| Derivatives | - | - | - | - | (118) | - | (118) |
| Inventories - land held for property development | (17,525) | - | - | (17,525) | - | - | (17,525) |
| Other payables | (560) | (8) | (14) | (582) | (60) | (26) | (668) |
| Others | - | (298) | - | (298) | 280 | - | (18) |
| | (55,378) | (7,890) | (1,226) | (64,494) | 8,427 | (2,387) | (58,454) |
| Deferred tax liabilities/(assets) | (27,571) | (8,828) | (674) | (37,073) | 8,224 | (1,514) | (30,363) |

| Group | 2022 RM'000 | 2021 RM'000 |
|-----------------------------------------------------------|-----------------|-----------------|
| Presented after appropriate offsetting as follows: | | |
| Deferred tax assets | (34,994) | (41,830) |
| Deferred tax liabilities | 4,631 | 4,757 |
| | (30,363) | (37,073) |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. DEFERRED TAXATION (cont'd)

| Company | As at 1 January 2021 RM'000 | Recognised in profit or loss (Note 11) RM'000 | As at 31 December 2021 RM'000 | Recognised in profit or loss (Note 11) RM'000 | As at 31 December 2022 RM'000 |
|--------------------------------------------------|--------------------------------------|-----------------------------------------------------------|----------------------------------------|-----------------------------------------------------------|----------------------------------------|
| Deferred tax liabilities: | | | | | |
| Property, plant and equipment | 2,553 | (12) | 2,541 | (154) | 2,387 |
| Bearer plants | 2,382 | 218 | 2,600 | 319 | 2,919 |
| Biological assets | 10 | 4 | 14 | 12 | 26 |
| Inventories - land held for property development | 1,244 | (39) | 1,205 | (22) | 1,183 |
| Derivatives | 21 | 44 | 65 | (65) | - |
| Others | 40 | (39) | 1 | 29 | 30 |
| | 6,250 | 176 | 6,426 | 119 | 6,545 |
| Deferred tax assets: | | | | | |
| Provisions | (2,467) | (238) | (2,705) | 28 | (2,677) |
| Inventories - others | (615) | 199 | (416) | 36 | (380) |
| Derivatives | - | - | - | (118) | (118) |
| Inventories - land held for property development | (17,525) | - | (17,525) | - | (17,525) |
| Unabsorbed capital allowances | (32) | 32 | - | - | - |
| Others | - | (298) | (298) | 280 | (18) |
| | (20,639) | (305) | (20,944) | 226 | (20,718) |
| Deferred tax liabilities/(assets) | (14,389) | (129) | (14,518) | 345 | (14,173) |

| | Company | |
|---------------------|-----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 |
| Deferred tax assets | (14,173) | (14,518) |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

36. DEFERRED TAXATION (cont'd)

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

| | Group | |
|------------------------------------------|----------------|----------------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Unutilised business losses, expiring in: | | |
| - 2028 | 8,276 | 8,276 |
| - 2029 | 2,948 | 2,948 |
| - 2030 | 5,344 | 5,344 |
| - 2031 | 6,428 | 6,428 |
| - 2032 | 7,583 | - |
| - 2034 | - | 2,004 |
| - 2035 | - | 1,438 |
| - 2037 | - | 5,519 |
| - 2040 | 10,087 | 14,081 |
| - 2041 | 9,697 | 9,737 |
| | 50,363 | 55,775 |
| Unabsorbed capital allowances | 68,932 | 66,139 |
| Other deductible temporary differences | 6,818 | 8,959 |
| | 126,113 | 130,873 |

Deferred tax assets have not been recognised because it is not probable that future taxable profit will be available against which the Group 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 | |
|---------------------------------|---------------|--------------|--------------|--------------|
| | 2022 | 2021 | 2022 | 2021 |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| (a) Capital expenditures | | | | |
| Approved and contracted for | | | | |
| - property, plant and equipment | 11,727 | 2,348 | 937 | 2,051 |
| - investment properties | 350 | 151 | 350 | - |
| | 12,077 | 2,499 | 1,287 | 2,051 |

(b) Management and franchise license agreement

- 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.
- 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.
- 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 | |
|---------------------------|---------|---------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| With subsidiaries: | | |
| Purchases | 92,582 | 73,809 |
| Sales | 97,750 | 77,910 |
| Rental income | 1,266 | 684 |
| Gross dividends | 23,281 | 189,716 |
| Interest income | 7,530 | 5,761 |
| Management fees | 1,146 | 1,146 |

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 | |
|-----------------------------------|-------------------|--------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Commission on sales and purchases | 13,626 | 10,431 |

During the year, consultancy fees amounting to RM989,000 (2021: RM636,000) 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 |
| Lease liability (current and non-current) | 32 |
| 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 equity and 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 equity and 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% (2021: 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% (2021: 5%) on the underlying asset values would have increased/decreased the Group's profit by RM3,542,000 (2021: RM3,238,000). 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% (2021: 1%) would have increased/decreased the Group's profit by RM708,000 (2021: RM648,000).

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 -----> | | |
|----------------------------------------------------|-----------------|--------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
| | | Quoted prices in active markets (Level 1) RM'000 | Significant observable inputs (Level 2) RM'000 | Significant unobservable inputs (Level 3) RM'000 |
| | Total RM'000 | | | |
| At 31 December 2022 | | | | |
| Group | | | | |
| Assets/(liabilities) measured at fair value | | | | |
| Fair value through other comprehensive income | | | | |
| - Equity instruments | | | | |
| (quoted in Malaysia) | 61,486 | 61,486 | - | - |
| (quoted outside Malaysia) | 283,550 | 283,550 | - | - |
| (unquoted in Malaysia) | 3,630 | - | - | 3,630 |
| Fair value through profit or loss | | | | |
| - Debt instrument | | | | |
| (unquoted outside Malaysia) | 20,540 | - | - | 20,540 |
| - Equity instrument | | | | |
| (unquoted outside Malaysia) | 50,295 | - | - | 50,295 |
| - Short term funds | | | | |
| (money market funds) | 248,306 | - | 248,306 | - |
| - Derivatives | (490) | - | (490) | - |
| | 667,317 | 345,036 | 247,816 | 74,465 |
| Company | | | | |
| Assets/(liabilities) measured at fair value | | | | |
| Fair value through other comprehensive income | | | | |
| - Equity instruments | | | | |
| (quoted in Malaysia) | 57,682 | 57,682 | - | - |
| (quoted outside Malaysia) | 115,074 | 115,074 | - | - |
| (unquoted in Malaysia) | 3,627 | - | - | 3,627 |
| Fair value through profit or loss | | | | |
| - Short term funds | | | | |
| (money market funds) | 220,583 | - | 220,583 | - |
| - Derivatives | (490) | - | (490) | - |
| | 396,476 | 172,756 | 220,093 | 3,627 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 -----> | | |
|-----------------------------------------------|-----------------|--------------------------------------------------------------|------------------------------------------------------------|--------------------------------------------------------------|
| | | Quoted prices in active markets (Level 1) RM'000 | Significant observable inputs (Level 2) RM'000 | Significant unobservable inputs (Level 3) RM'000 |
| | Total 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 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 2022. 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.

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 | 2022 RM'000 | 2021 RM'000 |
|-----------------------------------------------------------------|------|------------------|----------------|
| Group | | | |
| Fixed rate instruments | | | |
| Deposits with licensed banks and foreign financial institutions | 28 | 617,825 | 578,456 |
| Floating rate instruments | | | |
| Money market funds | 27 | 248,306 | 164,037 |
| Bank overdrafts | 29 | (3,493) | (32,193) |
| Notes Payable | 29 | (173,967) | (191,103) |
| | | 70,846 | (59,259) |
| Company | | | |
| Fixed rate instruments | | | |
| Deposits with licensed banks and foreign financial institutions | 28 | 414,274 | 397,652 |
| Floating rate instruments | | | |
| Money market funds | 27 | 220,583 | 84,160 |
| Bank overdrafts | 29 | (3,493) | (32,193) |
| | | 217,090 | 51,967 |

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 RM2,000 (2021: RM32,000) and RM206,000 (2021: RM61,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The net unhedged financial assets and liabilities of the Group and Company that are not denominated in their functional currencies are as follows:

| Group | China Yuan Renminbi ("CNY") RM'000 | 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 |
|------------------------------------------|------------------------------------------------|-------------------------------------|-----------------------------------------|------------------------------------------|-------------------------------------------------|---------------------------------------------|-----------------|
| 2022 | | | | | | | |
| Financial assets | | | | | | | |
| Trade receivables | - | - | - | - | 22,835 | - | 22,835 |
| Cash and bank balances | 22,177 | 22 | 15,276 | 341,986 | 354,555 | 85 | 734,101 |
| Financial liabilities | | | | | | | |
| Trade and other payables | - | - | - | (191) | (6,762) | - | (6,953) |
| Net financial assets | 22,177 | 22 | 15,276 | 341,795 | 370,628 | 85 | 749,983 |
| Less : Forward currency contracts | - | - | - | - | (11,029) | - | (11,029) |
| Net exposure | 22,177 | 22 | 15,276 | 341,795 | 359,599 | 85 | 738,954 |
| | China Yuan Renminbi ("CNY") RM'000 | 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 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 | China Yuan Renminbi ("CNY") RM'000 | Singapore Dollar ("SGD") RM'000 | United States Dollar ("USD") RM'000 | Hong Kong Dollar ("HKD") RM'000 | Total RM'000 |
|-------------------------------------------|------------------------------------------------|------------------------------------------|-------------------------------------------------|---------------------------------------------|------------------|
| 2022 | | | | | |
| Financial assets | | | | | |
| Trade receivables | - | - | 21,822 | - | 21,822 |
| Due from subsidiaries | - | - | 198,218 | 347,537 | 545,755 |
| Cash and bank balances | 22,177 | 332,197 | 145,710 | 85 | 500,169 |
| Financial liabilities | | | | | |
| Trade and other payables | - | (191) | (6,762) | - | (6,953) |
| Net financial (liabilities)/assets | 22,177 | 332,006 | 358,988 | 347,622 | 1,060,793 |
| Less : Forward currency contracts | - | - | (11,029) | - | (11,029) |
| Net exposure | 22,177 | 332,006 | 347,959 | 347,622 | 1,049,764 |
| | China Yuan Renminbi ("CNY") 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 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

| | 2022 strengthened/(weakened) % | 2021 % | Profit net of tax | | | |
|--------|--------------------------------------|-----------|-------------------|----------------|----------------|----------------|
| | | | Group | | Company | |
| | | | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| USD/RM | 0.69 | 0.55 | 1,886 | 1,378 | 1,825 | 1,302 |
| SGD/RM | 0.99 | 0.26 | 2,572 | 622 | 2,498 | 604 |
| HKD/RM | 0.07 | 0.36 | - | 2 | 243 | 1,162 |
| EUR/RM | 0.64 | (0.47) | - | - | - | - |
| CNY/RM | 1.25 | 0.00 | 211 | - | 211 | - |
| CAD/RM | 0.78 | 1.16 | 91 | 20 | - | - |
| Total | | | 4,760 | 2,022 | 4,777 | 3,068 |

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 2022 | | | |
| Group | | | |
| Financial liabilities: | | | |
| Trade and other payables | 133,331 | 7,035 | 140,366 |
| Loans and borrowings | 178,916 | - | 178,916 |
| Lease liability | 995 | 2,791 | 3,786 |
| Total undiscounted financial liabilities | 313,242 | 9,826 | 323,068 |
| Company | | | |
| Financial liabilities: | | | |
| Trade and other payables | 105,438 | 6,696 | 112,134 |
| Loans and borrowings | 3,493 | - | 3,493 |
| Total undiscounted financial liabilities | 108,931 | 6,696 | 115,627 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 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 |
| | <hr/> | <hr/> | <hr/> |
| Total undiscounted financial liabilities | 155,840 | 188,188 | 344,028 |
| | <hr/> | <hr/> | <hr/> |
| Company | | | |
| Financial liabilities: | | | |
| Trade and other payables | 81,168 | 9,089 | 90,257 |
| Loans and borrowings | 32,193 | - | 32,193 |
| | <hr/> | <hr/> | <hr/> |
| Total undiscounted financial liabilities | 113,361 | 9,089 | 122,450 |
| | <hr/> | <hr/> | <hr/> |

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments 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 90% (2021: 89%) 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.

Exposure to credit risk

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 | |
|-------------------------------------------------------------------------------------------------|----------------|---------|
| | 2022 | 2021 |
| | RM'000 | RM'000 |
| Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries | 173,967 | 191,103 |
| | <hr/> | <hr/> |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 | | | |
|-------------------------------------|---------------|------------|---------------|------------|
| | 2022 | | 2021 | |
| | RM'000 | % of total | RM'000 | % of total |
| By country: | | | | |
| Malaysia | 28,098 | 46 | 58,290 | 78 |
| Singapore | 11,063 | 18 | 4,132 | 6 |
| Other countries | 21,789 | 36 | 11,754 | 16 |
| | 60,950 | 100 | 74,176 | 100 |
| By industry sectors: | | | | |
| Manufacturing | 40,705 | 67 | 39,283 | 53 |
| Property development and investment | 9,551 | 16 | 24,890 | 34 |
| Hotel and resort | 10,694 | 17 | 10,003 | 13 |
| | 60,950 | 100 | 74,176 | 100 |
| | | | | |
| | Company | | | |
| | 2022 | | 2021 | |
| | RM'000 | % of total | RM'000 | % of total |
| By country: | | | | |
| Malaysia | 19,505 | 47 | 48,581 | 92 |
| Singapore | 11,062 | 27 | 4,132 | 8 |
| Other countries | 10,762 | 26 | 213 | - |
| | 41,329 | 100 | 52,926 | 100 |
| By industry sectors: | | | | |
| Manufacturing | 32,536 | 79 | 28,752 | 54 |
| Property development and investment | 8,793 | 21 | 24,174 | 46 |
| | 41,329 | 100 | 52,926 | 100 |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 7%, 4%, 15%, 10%, and 2% (2021: 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 | |
|------------------------------------|-----------------|----------------|----------------|----------------|
| | 2022 RM'000 | 2021 RM'000 | 2022 RM'000 | 2021 RM'000 |
| Other comprehensive income | | | | |
| Listed in Malaysia | | | | |
| - increased by | 4,304 | 1,713 | 4,038 | 1,621 |
| - decreased by | (4,304) | (1,713) | (4,038) | (1,621) |
| Listed in Singapore | | | | |
| - increased by | 4,733 | 15,266 | 3,690 | 12,411 |
| - decreased by | (4,733) | (15,266) | (3,690) | (12,411) |
| Listed in Hong Kong | | | | |
| - increased by | 23,361 | 35,967 | 2,001 | 3,816 |
| - decreased by | (23,361) | (35,967) | (2,001) | (3,816) |
| Listed in United States of America | | | | |
| - increased by | 674 | 449 | 674 | 449 |
| - decreased by | (674) | (449) | (674) | (449) |
| Listed in France | | | | |
| - increased by | 55 | 269 | 55 | 269 |
| - decreased by | (55) | (269) | (55) | (269) |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (cont'd)

(f) Changes in liabilities arising from borrowings

| | 2022 RM'000 | Group 2021 RM'000 |
|----------------------------------------|----------------|-------------------------|
| At 1 January ** | 191,103 | 181,039 |
| Interest expense on borrowings | 5,265 | 2,300 |
| Cash flows: | | |
| - Repayments of loans and borrowings | (16,468) | (7,323) |
| - Drawdown of loans and borrowings | - | 10,945 |
| - Waiver of loans and borrowings | (11,527) | - |
| - Interest paid | (5,265) | (2,300) |
| Deferred loan costs amortised (Note 7) | 54 | 25 |
| Foreign exchange movement | 10,805 | 6,417 |
| At 31 December ** | 173,967 | 191,103 |

** Excludes 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 this requirement was waived for the years ended 31 December 2022 and 2021. 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 2022 and at 31 December 2021 were as follows:

| | 2022 RM'000 | Group 2021 RM'000 |
|----------------------------------------|----------------|-------------------------|
| Total loans and borrowings (Note 29) | 177,460 | 223,296 |
| Lease liability (Note 32) | 3,334 | 3,953 |
| Less: Cash and bank balances (Note 28) | (962,260) | (855,037) |
| Net surplus | (781,466) | (627,788) |
| Total equity | 2,581,284 | 2,397,311 |
| Debt-to-equity ratio (times) | N/A | N/A |

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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.

| | 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 |
|-----------------------------|-------------------------|-----------------------------------|--------------------------------------------------------|-----------------------|------------------------------------------|------------------|------------------------|------------------------|
| 2022 | | | | | | | | |
| REVENUE AND EXPENSES | | | | | | | | |
| Revenue | | | | | | | | |
| - External sales | 1,438,939 | 256,015 | 124,969 | - | 7,649 | - | - | 1,827,572 |
| - Intra/inter-segment sales | 147,274 | - | 1,266 | 46,033 | 23,281 | - | (217,854) | - |
| Total revenue | 1,586,213 | 256,015 | 126,235 | 46,033 | 30,930 | - | (217,854) | 1,827,572 |
| Results | | | | | | | | |
| Operating results | 90,499 | 60,060 | 45,874 | 17,943 | 27,140 | 1,433 | (16,197) | 226,752 |
| Foreign exchange gain | - | - | - | - | - | 22,886 | 73 | 22,959 |
| Finance costs | (29) | (857) | - | - | (6,594) | (6,730) | 7,480 | (6,730) |
| Interest income | - | - | - | - | - | 21,728 | (7,530) | 14,198 |
| Profi before tax | 90,470 | 59,203 | 45,874 | 17,943 | 20,546 | 39,317 | (16,174) | 257,179 |
| Income tax | | | | | | | | (47,804) |
| Profit net of tax | | | | | | | | 209,375 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. SEGMENT INFORMATION (cont'd)

| | 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 |
|-----------------------------|-------------------------|-----------------------------------|--------------------------------------------------------|-----------------------|------------------------------------------|------------------|------------------------|------------------------|
| 2021 | | | | | | | | |
| 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 |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

42. SEGMENT INFORMATION (cont'd)

| 2022 | 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 | | | | | | | |
| <i>Segment assets</i> | 532,972 | 436,259 | 727,199 | 75,540 | 1,037,326 | 69,111 | 2,878,407 |
| Unallocated assets | | | | | | | 41,567 |
| Consolidated total assets | | | | | | | 2,919,974 |
| <i>Segment liabilities</i> | 54,842 | 213,465 | 52,885 | 4,310 | (4) | 251 | 325,749 |
| Unallocated liabilities | | | | | | | 12,941 |
| Consolidated total liabilities | | | | | | | 338,690 |
| OTHER INFORMATION | | | | | | | |
| Capital expenditure | 6,500 | 5,485 | 10,512 | 2,187 | - | - | 24,684 |
| Depreciation | 3,869 | 21,488 | 5,666 | 1,554 | - | - | 32,577 |
| Amortisation | 3 | 73 | - | - | - | - | 76 |
| (Reversal of)/allowance for impairment on trade receivables | - | (67) | 145 | - | - | - | 78 |
| Reversal of impairment loss on property, plant and equipment | - | (19,636) | - | - | - | - | (19,636) |
| Fair value loss on financial assets at fair value through profit or loss | - | (5,631) | - | - | - | - | (5,631) |

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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 | | | | | | | |
| <i>Segment assets</i> | 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 |
| <i>Segment liabilities</i> | 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 |
| (Reversal of)/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 2022

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 | |
|---------------------|------------------|---------------|------------------|---------------|------------------|---------------|---------------|---------------|---------------------------------|---------------|---------------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| | 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 | 1,580,841 | 1,210,668 | 1,601 | 1,342 | 250 | 2,897 | 82,752 | 25,074 | 162,128 | 71,997 | 1,827,572 | 1,311,978 |
| Segment assets | 1,976,062 | 1,950,581 | 220,194 | 194,857 | 250,030 | 241,951 | 80,571 | 65,059 | 393,117 | 303,625 | 2,919,974 | 2,756,073 |
| Capital expenditure | 19,522 | 5,423 | - | - | - | - | 2,805 | 1,358 | 2,357 | 631 | 24,684 | 7,412 |

43. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2022 were authorised for issue in accordance with a resolution of the directors on 6 April 2023.

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 3 APRIL 2023

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

A. SIZE OF SHAREHOLDINGS

| Holdings | No. of Holders | % | No. of Shares | % |
|---------------------------------------|-----------------------|----------------|----------------------|----------------|
| Less than 100 | 172 | 2.395 | 5,806 | 0.001 |
| 100 to 1,000 | 900 | 12.533 | 719,403 | 0.200 |
| 1,001 to 10,000 | 4,393 | 61.175 | 18,069,519 | 5.029 |
| 10,001 to 100,000 | 1,518 | 21.139 | 45,044,280 | 12.537 |
| 100,001 to less than 5% issued shares | 193 | 2.688 | 85,352,287 | 23.755 |
| 5% and above of issued shares | 5 | 0.070 | 210,112,315 | 58.478 |
| | 7,181 | 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.

B. 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) | 76,954,778 | 21.418 |
| 2. | HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Hong Kong Branch) | 69,483,589 | 19.338 |
| 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) | 21,790,786 | 6.065 |
| 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. | Ang Teow Cheng & Sons Sdn Bhd | 4,300,000 | 1.197 |
| 8. | UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients) | 4,297,325 | 0.918 |
| 9. | Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483) | 2,970,000 | 0.827 |
| 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 | 2,110,866 | 0.587 |
| 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) | 1,370,552 | 0.381 |
| 17. | HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-Asing) | 1,300,000 | 0.362 |

ANALYSIS OF SHAREHOLDINGS [cont'd]

B. THIRTY (30) LARGEST SHAREHOLDERS (cont'd)

| No. | Name | No. of Shares Held | % [^] |
|-----|-------------------------------------------------------------------------------------------------------|--------------------|----------------|
| 18. | Thong Weng Tim | 1,145,100 | 0.319 |
| 19. | Wong Yu @ Wong Wing Yu | 1,083,500 | 0.302 |
| 20. | Key Development Sdn. Berhad | 1,024,050 | 0.285 |
| 21. | Lim Peng Jin | 1,000,000 | 0.278 |
| 22. | Maybank Securities Nominees (Asing) Sdn Bhd Maybank Securities Pte Ltd for Ho Chung Kain | 1,000,000 | 0.278 |
| 23. | Tan Kien Leng | 957,000 | 0.266 |
| 24. | Kenanga Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte Ltd (Client Account) | 926,650 | 0.258 |
| 25. | Firmstead Realty Sendirian Berhad | 835,312 | 0.232 |
| 26. | RHB Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte. Ltd. (A/C Clients) | 807,525 | 0.225 |
| 27. | Eu Lee Chuan Enterprise Sdn Berhad | 750,000 | 0.209 |
| 28. | UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients) | 742,500 | 0.207 |
| 29. | Gooi Seow Mee | 740,250 | 0.206 |
| 30. | Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund | 732,600 | 0.204 |
| | | 259,241,167 | 72.151 |

[^] Excluding a total of 2,173,500 shares bought back by the Company and retained as treasury shares.

C. SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 3 April 2023

| Name | Direct Interest | | Indirect Interest | |
|---------------------------------------|-----------------|-------|--------------------------|-------|
| | No. of Shares | (%)* | No. of Shares | (%)* |
| Ho Yeow Koon And Sons Private Limited | 58,381,589 | 16.25 | 21,920,512 ¹ | 6.10 |
| Dato' Ho Cheng Chong @ Ho Kian Hock | 24,899,687 | 6.93 | 103,114,373 ² | 28.70 |
| Ho Kim Swee @ Ho Kian Guan | 24,395,538 | 6.79 | 103,114,373 ² | 28.70 |
| 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:

* Excluding a total of 2,173,500 shares bought back by the Company and retained as treasury shares.

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]

D. DIRECTORS' SHAREHOLDINGS

According to the Register of Directors' Shareholdings as at 3 April 2023

| | Name of Directors | Direct Interest | | Indirect Interest | |
|-----|---------------------------------------------------------------------------------------------|-----------------|------|--------------------------|-------|
| | | No. of Shares | %* | No. of Shares | %* |
| 1. | Dato' Ho Cheng Chong @ Ho Kian Hock | 24,899,687 | 6.93 | 103,114,373 ¹ | 28.70 |
| 2. | Ho Kim Swee @ Ho Kian Guan | 24,395,538 | 6.79 | 103,114,373 ¹ | 28.70 |
| 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] | 1,000,000 | 0.28 | — | — |
| 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:

* Excluding a total of 2,173,500 shares bought back by the Company and retained as treasury shares.

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

| | Name of Directors | Direct Interest | | Indirect Interest | |
|----|-------------------------------------|-----------------|------|-------------------|---|
| | | 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. | – | 81,846 | 18-04-1980 # |
| Bandar Baru Kangkar Pulai | 27 km Pontian Road immediately after Kangkar Pulai Village. | Freehold/ Leasehold | 2,470,212 sq metres (Development area) | Development of residential & commercial units including area planted with oil palm. The 99 year lease expires in 2102. | – | 175,612 | 18-04-1980 # |
| Tanjong Puteri Resort | 35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate. | Freehold | 3,646,995 sq metres (Development area) | Development of residential & commercial units including area planted with oil palm. | – | 42,264 | 18-04-1980 # |
| Bukit Chantek, Tong Hing & Tanjong Langsat Estate | 10 km east of Ulu Tiram and 30 km from Johor Bahru. | Freehold/ Leasehold | 2,382 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. | – | 30,144 | 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. | 51 | 115,582 | 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. | 9 | 189,121 | 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. | 27 | 42,151 | 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. | 58 | 41,041 | 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. | 32 | 46,197 | 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 | 3 | 54,984 | 01-03-2020 |

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Third Annual General Meeting ("53rd AGM") of the Company will be conducted entirely 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, 26 May 2023** 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 2022 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 RM1,085,000 for the financial year ended 31 December 2022. *(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 pursuant to Clause 76(3) of the Constitution of the Company:-
 - (a) Mr Tai Lam Shin *(Ordinary Resolution 3)*
 - (b) Mr Liew Foong Yuen *(Ordinary Resolution 4)*
5. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 5)*

AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions, with or without modification(s):

6. **Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016** *(Special Resolution)*

"**THAT** pursuant to Section 85 of the Companies Act 2016 read together with Clause 12(3) of the Constitution of the Company, approval be and is hereby given for the waiver of the statutory pre-emptive rights of the shareholders of the Company to be offered new shares in the Company ranking equally to the existing issued shares in the Company arising from any issuance of new shares in the Company to the allottees subject to the passing of Ordinary Resolution 6 – Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016."
7. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** *(Ordinary Resolution 6)*

"**THAT** contingent upon the passing of the Special Resolution on waiver of pre-emptive rights under Section 85 of the Companies Act 2016 and 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."

NOTICE OF ANNUAL GENERAL MEETING [Cont'd]

8. Proposed Renewal of Shareholders' Mandate for Share Buy-Back

(Ordinary Resolution 7)

"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."

9. 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

TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)
FONG SOK YEE (MAICSA 7066501) (SSM PC NO. 202008001180)

Company Secretaries
Kuala Lumpur

27 April 2023

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 53rd 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 53rd 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 18 May 2023**. 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 53rd 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, Tricor 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, Tricor 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 53rd 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, Tricor 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 with 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 53rd 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 day, date and time for lodging the proxy form is **Wednesday, 24 May 2023 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 53rd 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 2022

This item is meant for discussion only. The provisions of Sections 248(2) and 340(1)(a) of the Companies Act 2016 require the audited financial statements and the reports of the Directors and Auditors thereon be laid before the Company at its AGM. Hence, this Agenda item is not a business which requires a motion to be put forward to vote by shareholders.

(ii) **Ordinary Resolution 1**

Payment of Directors' fees

The payment of Directors' fees of RM1,085,000 for the financial year ended 31 December 2022 will only be made if the proposed Ordinary Resolution 1 has been passed at the 53rd 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 or 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 and 4**

Re-election of Directors

Mr Tai Lam Shin and Mr Liew Foong Yuen are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the forthcoming 53rd AGM.

Their profiles are disclosed in the Directors' Profile of the Annual Report 2022.

Mr Chan Lui Ming Ivan ("Ivan") has expressed his intention not to seek for re-election as Director of the Company at the forthcoming 53rd AGM. Hence, he will retain office until the conclusion of the 53rd AGM. Mr Ho Chung Tao, the alternate to Ivan, shall vacate office on the same day in accordance with the Constitution of the Company.

Saved as disclosed, the retiring Directors have no conflict of interest with the Company and its subsidiaries. The Nominating Committee ("NC") has considered the performance and contribution, time and commitment, calibre and personality, and fit and properness of the retiring Directors as well as their independence. Based on the recommendation of the NC, the Board is supportive of their re-election based on the following justifications:-

(i) **Ordinary Resolution 3 – Re-election of Tai Lam Shin as Independent Non-Executive Director**

Tai Lam Shin exercised due care and carried out his duties professionally and proficiently during his tenure as an Independent Non-Executive Director of the Company. He remains objective and independent in expressing his view and participating in Board's deliberation and decision-making process.

(ii) **Ordinary Resolution 4 – Re-election of Liew Foong Yuen as Independent Non-Executive Director**

Liew Foong Yuen has demonstrated his independence through his engagement in Board and Board Committee meetings. He also exercised due care and carried out his duties professionally and proficiently during his tenure as Independent Non-Executive Director of the Company.

(v) **Ordinary Resolution 5**

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) **Special Resolution**

Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016

The provision of Section 85 of the Companies Act 2016 requires all new shares or other convertible securities of the Company be first offered to shareholders in proportion to their existing holdings.

The purpose of this Special Resolution is to seek waiver from the shareholders on their statutory pre-emptive rights pursuant to Section 85 of the Companies Act 2016. This Special Resolution, if passed, will allow the Directors to issue and allot new shares in the Company from time to time without making a pre-emptive offer to the existing shareholders.

NOTICE OF ANNUAL GENERAL MEETING [cont'd]

(vii) **Ordinary Resolution 6**

Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016

Subject to the passing of the Special Resolution on the waiver of pre-emptive rights under Section 85 of the Companies Act 2016, 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.

This is a renewal of the mandate contained from shareholders at the 52nd AGM held on 27 May 2022. 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.

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.

As at the date of this Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the 52nd AGM held on 27 May 2022 and the mandate will lapse at the conclusion of the 53rd AGM.

(viii) **Ordinary Resolution 7**

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 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 27 April 2023 which is available at https://my.keckseng.com/statementtosh/AnnualReport2022/Statement_to_Shareholder.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-Third Annual General Meeting ("53rd AGM") of the Company to be conducted entirely 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, 26 May 2023 at 10.00 a.m.** or at any adjournment thereof, and to vote as indicated below:

| Ordinary Resolutions | | For | Against |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|---------|
| Ordinary Resolution 1 | To approve the payment of Directors' Fees of RM1,085,000 for the financial year ended 31 December 2022. | | |
| Ordinary Resolution 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. | | |
| Ordinary Resolution 3 | To re-elect Mr Tai Lam Shin as Director. | | |
| Ordinary Resolution 4 | To re-elect Mr Liew Foong Yuen as Director. | | |
| Ordinary Resolution 5 | To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. | | |
| Special Resolution | Waiver of Pre-emptive Rights pursuant to Section 85 of the Companies Act 2016. | | |
| Ordinary Resolution 6 | Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016. | | |
| Ordinary Resolution 7 | 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).

[* Delete if not applicable.]

Signed this _____ day of _____ 2023.

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.

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 53rd 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 53rd 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.
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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

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Website: <https://my.keckseng.com>