



激成(馬來西亞)有限公司
KECK SENG (MALAYSIA) BERHAD

196801000565 (8157-D)

2023

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

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ABOUT KECK SENG (MALAYSIA) BERHAD

Keck Seng (Malaysia) Berhad (“KSM”) 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 KSM, 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, 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

KSM 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	26 km north-west of Johor Bahru. Alongside of Jalan Skudai-Pontian road.
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).
Taman Bukit Cahaya	10 km east of Ulu Tiram and about 30 km north-east of Johor Bahru.

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

We own hotels in the USA and Canada.

Hotels	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

Resort

Resort	Location	Description
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.

We ceased operating the golf resort at Tanjong Puteri Golf Resort on 31 October 2023.

FINANCIAL HIGHLIGHTS

(RM'000) Revenue by business segments	2019	2020	2021	2022	2023
Plantations and Manufacturing	525,883	627,665	1,057,706	1,438,939	850,104
Property	184,184	176,152	142,903	124,969	206,580
Hotels and Resort	256,375	63,870	102,309	256,015	305,318
Dividend income	12,164	6,776	9,060	7,649	8,630
Total revenue	978,606	874,463	1,311,978	1,827,572	1,370,632
Profit/(Loss) before tax	101,766	(85,230)	98,012	257,179	297,292
Profit/(Loss) net of tax	91,641	(71,974)	74,596	209,375	258,859
Profit/(Loss) attributable to owners of the parent	88,317	(64,561)	79,020	201,573	240,702
Earnings/(Loss) per share (sen)	25	(18)	22	56	67
Dividend per share (sen)	4	0	5	14	15
Equity attributable to owners of the parent	2,244,760	2,154,137	2,259,612	2,435,866	2,735,957
Total assets	2,795,928	2,655,231	2,756,073	2,926,288	3,044,976
Loans and borrowings	235,563	229,857	223,296	177,460	80,759

Share Price (RM)	2019	2020	2021	2022	2023
Highest daily close	4.98	4.69	4.01	3.99	4.78
Lowest daily close	4.07	3.41	3.32	3.36	3.40
Year-end closing	4.70	3.84	3.44	3.58	4.78

CHAIRMAN'S STATEMENT

Dear Shareholders,

It was an eventful year as major central banks across the globe escalated interest rates in a concerted effort to curb inflation, the financial landscape experienced heightened stress, culminating in a succession of bank failures in the United States in early 2023. These events underscored the intricate interplay between monetary policy and economic stability. However, with inflation beginning to recede in numerous countries, there is an anticipatory easing on the horizon, with expectations for a reduction in interest rates that should alleviate the strains on both corporates and consumers.

Performance Overview

The global landscape in 2023 remained complex, influenced by geopolitical conflicts, stringent monetary policies, and fluctuating commodity prices.

The Plantations and Manufacturing Segments encountered significant challenges due to intense competition and fluctuating commodity prices, which influenced our overall performance. Despite an increase in crop production, these segments were impacted by market volatilities, affecting financial outcomes.

The Property Division saw a significant uplift in sales, buoyed by improved consumer sentiment and the launch of strategic projects. The build-to-lease model, in particular, proved effective, contributing to a steady stream of recurring income. This approach has enhanced our portfolio's resilience, demonstrating the division's ability to navigate market fluctuations.

Our Hotels' operations experienced a remarkable turnaround, signalling a robust recovery in the travel sector. This recovery allowed some of our properties to achieve record results, underpinned by strategic management and an agile response to improving market conditions.

As a result, profit net of tax increased to RM259 million in 2023.

Outlook and Strategy

Looking ahead to 2024, we remain cautiously optimistic. Our focus will continue to be on agility in operations, strategic investment in growth areas, and maintaining our commitment to sustainability and community enrichment. We anticipate that the global economic environment will remain uncertain; however, our diversified portfolio and robust management strategies position us well to navigate these challenges.

As we move forward, we will continue to leverage opportunities in our Property Division, spurred by development projects and market recovery. In our Plantations and Manufacturing operations, we will focus on efficiency and competitive positioning to mitigate market volatility. Our Hotels Segment will continue to capitalise on market recoveries, enhancing our offerings to meet evolving consumer expectations.

While we are satisfied with our achievements this year, we must prudently temper expectations for the forthcoming period, given the persisting uncertainties of the external environment that may impact our financial performance in 2024.

CHAIRMAN'S STATEMENT [cont'd]

Dividend

The Board has approved a final single-tier dividend of 5 sen per share and special dividend of 5 sen per share. Together with an interim dividend of 5 sen per share that was paid on 26 October 2023, we have declared a total dividend of 15 sen per share for the financial year 2023.

Acknowledgement

I extend my deepest gratitude to our management and staff across all segments for their resilience, innovation, and unwavering commitment to excellence. Your efforts have been instrumental in navigating the year's challenges. To our shareholders, business partners, and stakeholders, thank you for your continued faith and support in our journey. Together, we look forward to a future of growth, sustainability, and shared success.

Yours sincerely,

Ho Kim Swee @ Ho Kian Guan
Chairman
5 April 2024

MANAGEMENT DISCUSSION AND ANALYSIS

FINANCIAL REVIEW

For the financial year ended 31 December 2023, the Group reported a diversified performance across its segments, with total revenue reaching RM1,370.6 million, a decrease of 25% compared to the previous year. This change is primarily attributed to varied segment performances, particularly in Manufacturing and Hotels & Resort, alongside significant activities in Property Development.

The Manufacturing Segment saw a decline in revenue to RM850.1 million, down from the previous year, mainly due to a decrease in the selling price and quantity of refined palm oil sold. Despite the challenges, the segment remained a substantial contributor to the Group's revenue.

The Hotels & Resort Segment experienced a positive shift, generating revenue of RM305.3 million, supported by a rebound in demand as travel restrictions eased further and pandemic concerns diminished. Enhanced occupancy and average room rates, particularly for our overseas hotels, bolstered this segment's performance.

Property Development reported a revenue increase to RM206.6 million, driven by higher average selling prices and an increase in the number of residential units sold. This segment benefited from sustained demand in the property market, reflecting the Group's strategic development projects' success.

The Group's profit before tax surged to RM297 million, up 16% from the previous year, highlighting improved operational efficiencies and strategic market positioning. The increase was significantly supported by higher profits in the Hotels and Property Development Segments, underpinned by better occupancy rates, average room rates, and sales of residential units.

Operating results were bolstered by a substantial foreign exchange gain, interest income improvements, and a strategic focus on cost management across all segments. The reversal of impairment losses on an overseas hotel also contributed positively to the profit before taxation.

OPERATIONS REVIEW

Manufacturing

The Manufacturing Segment is operated as an integrated complex, and continues to provide advantages such as economies of scale, shared resources, improved product quality control, efficient renewable energy management and more environmentally friendly waste treatment processes.

As demand for oils with limits of 2.5ppm max 3-MCPD and 1ppm max GE is expected to rise in the near future, the Refinery has developed a process to produce these oils.

The overall downtrend in the market for Roundtable on Sustainable Palm Oil ("RSPO")-certified oils impacted the Refinery's performance in 2023. There were 2 major investments in 2023, to upgrade the fractionation plant, and to install a pollution control electrostatic precipitator.

We aim to tap into the expanding International Sustainability and Carbon Certification ("ISCC") waste oil market by investing in a pre-treatment plant at our new Ester Plant. Already ISCC certified, along with our Palm Oil Refinery and Mill, we are well-prepared for Malaysia potentially mandating the use of B20 or B30 diesel blends.

Given the highly competitive refining industry we continue to adopt a conservative approach in our marketing strategy to mitigate our exposure to foreign exchange volatility, while operationally, we constantly adjust our buying strategy of inputs such as fresh fruit bunches (FFB).

The manufacturing complex leverages a unique source of renewable energy: methane gas captured from the Palm Oil Mill's effluent treatment plant is utilised to generate energy to reduce reliance on fossil fuels and power from the national power grid. With RSPO & Malaysian Sustainable Palm Oil ("MSPO") certifications, the complex demonstrates its commitment to sustainability, reflected in the positive image of its edible oil products.

MANAGEMENT DISCUSSION AND ANALYSIS [cont'd]

OPERATIONS REVIEW (cont'd)

Plantations

FFB production increased in 2023 due mainly to an increase in the labour force and production from young mature palms.

In 2022, CPO prices soared to RM5,000-RM7,000 per tonne before falling by 20% in 2023. This surge was driven by several factors, including Russia's invasion of Ukraine, Indonesia's export ban, and a global shortage of soybean oil. Prices peaked at RM7,104 in April 2022 and gradually declined as supply improved. In 2023, Indonesia restricted exports, causing a temporary price increase in March 2023. Concerns over sunflower oil supply in the Black Sea region also impacted prices, with CPO prices reaching RM4,000 per tonne in July.

The primary expense for the Plantations Segment is the cost of fertiliser. In 2022, fertiliser prices surged due to various factors including the conflict between Russia and Ukraine, and export restrictions imposed by China. This trend continued into early 2023. However, by the latter half of 2023, fertiliser prices dropped substantially.

The Plantations Segment has been certified by RSPO and MSPO since 2013 and 2018, respectively. These certifications are recognised globally for sustainable palm oil production. They ensure that palm oil production takes into consideration environmental, social, and economic factors. This certification encourages responsible practices, such as protecting forests, reducing greenhouse gas emissions, respecting rights of local communities, and promoting transparency in the palm oil supply chain.

Property

The growth of Malaysia's economy in 2023 was affected by global monetary policies and geopolitical conflicts, which impacted exports, the Malaysian Ringgit, and the property sector's costs and sales margins. The government and Bank Negara Malaysia introduced measures to support the property market and manage inflation, although higher interest rates had an impact on property sales.

Our Property Division capitalised on improved consumer sentiment and the anticipation of major infrastructure projects such as the JB-Singapore Rapid Transport System Link, achieving an 80% sales increase in 2023 with four new launches, despite broader economic challenges.

In Bandar Baru Kangkar Pulai, we introduced two housing projects in 2023 and plan further residential and commercial launches in 2024, anticipating strong demand.

Tanjong Puteri Resort saw successful launches of terrace houses, reflecting continued interest in our developments.

Our commercial properties, TD Central and TD Point, secured high occupancy rates in 2023, with new brands expected in 2024, ensuring a stable income stream.

In Taman Daya, we launched the Greenwoods Residence in early 2024, and in Masai, the new Taman Bukit Cahaya township will begin with a phase of terrace houses.

Regency Tower completed the first phase of retrofitting units in 2023, and this has improved the occupancy rate in 2023. Management will continue to retrofit more units in year 2024 to increase the number of upgraded units.

The occupancy rate at Menara Keck Seng rose from 81% in 2022 to 87% by the close of 2023, bolstered by its prime location which continues to attract tenants, alongside steady enquiries as more companies transition back to office settings. Upcoming renovations are set to enhance the building's entrance and lobby area, prioritising the use of eco-friendly materials to advance our commitment to environmental sustainability.

MANAGEMENT DISCUSSION AND ANALYSIS [cont'd]

OPERATIONS REVIEW (cont'd)

Hotels

The New York market was one of the fastest growing major markets in the United States in 2023 and benefited from strong leisure demand. Spring Hill Suites was able to leverage this demand to drive its average room rate to USD296, an 8.5% year-over-year improvement. The hotel's occupancy also improved by 6.5 percentage points over 2022. This combination helped propel the hotel to achieve one of its best Gross Operating Profits (GOP) on record. The hotel was also able to outperform its comparative set, achieving a Revenue per Available Room (RevPar) Index of 105.2% in a very dynamic market in 2023.

The Delta Hotels by Marriott-Toronto Airport ("DTA") was able to successfully leverage its natural strengths in the Group market segment to achieve its highest GOP results in the hotel's history, at CAD8.99 million. The Group market segment RevPar Index came in at 116.4%, significantly outperforming its comparative set. This strong market segment was critical in driving DTA's overall results, with more than CAD6 million in Banquet F&B revenues and an additional CAD2.3 million in ancillary revenues being achieved. The strong demand experienced in peak convention months also allowed the hotel to grow its year-end average rate by 11.9% over last year.

In 2023, Hawaii's hotel sector achieved a notable increase in RevPAR of 4.2%, surpassing the US national average of 3.2%. Despite a 7% decline in total visitor arrivals compared to 2019, there was a commendable year-over-year improvement of 4% from 2022. Visitor numbers from the Far East remained subdued, with those from Japan experiencing the most significant downturn. Nonetheless, total visitor spending for the year soared beyond USD20 billion, registering a 17% increase from 2019, despite the wildfires in Maui during August, which adversely affected tourism and the broader economy. Based on current airline schedules, analysts maintain an optimistic outlook for Hawaii's tourism sector, expecting stability in US domestic markets and a marked increase in international markets in 2024. Management remains dedicated to prioritising revenue, profit margins, and the optimisation of office building tenancy, especially as the major façade renovation project approaches 90% completion. Moreover, there is great anticipation for the return of RIMPAC, the world's largest biennial international maritime warfare exercise, to Hawaii in the summer of 2024.

CORPORATE INFORMATION

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>
Ho Chung Kain (He ChongJing)	<i>Executive Director</i> (Appointed on 27.11.2023) Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock (Resigned as Alternate Director to Dato' Ho Cheng Chong @ Ho Kian Hock on 27.11.2023)
Chan Lui Ming Ivan	<i>Executive Director</i> (Retired on 26.05.2023)
Lee Huee Nan @ Lee Hwee Leng (f)	<i>Executive Director</i>
Liew Foong Yuen	<i>Executive Director</i> (Redesignated from Independent Non-Executive Director to Executive Director on 17.07.2023)
Too Hing Yeap @ Too Heng Yip	<i>Non-Independent Non-Executive Director</i> (Redesignated from Independent Non-Executive Director to Non-Independent Non-Executive Director on 26.05.2023)
Tai Lam Shin	<i>Independent Non-Executive Director</i>
Mahathir Bin Mohamed Ismail	<i>Independent Non-Executive Director</i>
Dato' Dr. Zaha Rina Binti Zahari (f)	<i>Independent Non-Executive Director</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> (Ceased to act as Alternate Director to Chan Lui Ming Ivan on 26.05.2023)
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)
(Resigned on 30.11.2023)
Kuan Hui Fang
(SSM PC No. 202008001235)
(MIA 16876)
(Appointed on 30.11.2023)

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

CORPORATE INFORMATION [cont'd]

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
Email: info@my.tricorglobal.com

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
Email: is.enquiry@my.tricorglobal.com

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 78/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 53 years successfully steering the Group.

OTHER DIRECTORSHIP

Listed Issuers : Nil.

Public Companies : Tanjong Puteri Golf Resort Berhad (In Creditors' Voluntary Winding Up) 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 uncle of 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 76/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 (In Creditors' Voluntary Winding Up) 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. 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 74/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. Ho Chung Kain (He ChongJing) and Mr. Ho Chung Hui.

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)

HO CHUNG KAIN (HE CHONGJING)

Executive Director

(Appointed on 27 November 2023)

Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock
(Resigned as Alternate Director on 27 November 2023)

AGE/GENDER

Age 49/Male

NATIONALITY

Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Business Administration, Murdoch University, Perth, Australia.

DATE APPOINTED/WORK EXPERIENCE

Mr. Ho was Alternate Director to Dato' Ho Cheng Chong @ Ho Kian Hock from 24 February 2011 to 26 November 2023, before being appointed as an Executive Director on 27 November 2023. He has more than 20 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.

OTHER DIRECTORSHIP

Listed Issuers : Nil.

Public Companies : Tanjong Puteri Golf Resort Berhad (In Creditors' Voluntary Winding Up) 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. 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

There were no Board meetings held since his appointment to the Board on 27 November 2023.

DIRECTORS' PROFILE [cont'd]

LEE HUEE NAN @ LEE HWEE LENG

Executive Director

AGE/GENDER NATIONALITY

Age 72/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 (In Creditors' Voluntary Winding Up) and Lim & Lim Plantations Berhad.
[Both companies are subsidiaries of the Company]

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.

LIEW FOONG YUEN

Executive Director

(Redesignated on 17 July 2023)

AGE/GENDER NATIONALITY

Age 53/Male Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Laws (Hons.), 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 as Independent Non-Executive Director 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. He was in practise for 19 years before taking on a senior management role in a multi-disciplinary professional services group. Mr. Liew was redesignated as an Executive Director with effect from 17 July 2023.

OTHER DIRECTORSHIP

Listed Issuers : Nil.

Public Companies : Nil

FAMILY RELATIONSHIP

None.

DIRECTORS' PROFILE [cont'd]

LIEW FOONG YUEN (cont'd)

Executive Director
(Redesignated on 17 July 2023)

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.

TOO HING YEAP @ TOO HENG YIP

Non-Independent Non-Executive Director
(Redesignated on 26 May 2023)

Member of the Audit Committee (Redesignated as member on 26 May 2023)

Member of the Nominating Committee (Redesignated as member on 26 May 2023)

Member of the Remuneration Committee

AGE/GENDER	NATIONALITY
Age 76/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Laws, 2nd Class Honours (Upper Division), University of Singapore.

DATE APPOINTED/WORK EXPERIENCE

Mr. Too was appointed to the Board as an Independent Non-Executive Director on 27 April 2010. He was redesignated as Non-Independent Non-Executive Director on 26 May 2023.

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

Chairman of the Audit Committee (Redesignated as Chairman on 26 May 2023)

Member of the Nominating Committee

Member of the Remuneration Committee

AGE/GENDER

Age 66/Male

NATIONALITY

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

Chairman of the Nominating Committee (Redesignated as Chairman on 17 July 2023)

Chairman of the Remuneration Committee

AGE/GENDER

Age 74/Male

NATIONALITY

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

Chairman of the Nominating Committee (Redesignated as Chairman on 17 July 2023)

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.

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
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Age 62/Female

Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

Doctorate in Business Administration, University of Hull, United Kingdom;

MBA, University of Hull, United Kingdom; and

Bachelor of Accounting and Finance, Leeds Metropolitan University, United Kingdom.

DATE APPOINTED/WORK EXPERIENCE

Dato' Dr. Zaha Rina was appointed to the Board on 26 August 2021. She has more than 30 years of working 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 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.

DIRECTORS' PROFILE [cont'd]

DATO' DR. ZAHA RINA BINTI ZAHARI (cont'd)

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

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 HUI

Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng

AGE/GENDER

Age 48/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 to Ms. Lee Huee Nan @ Lee Hwee Leng 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 (In Creditors' Voluntary Winding Up) 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 Kain (He ChongJing).

Mr. Ho is the cousin of 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 40/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 to Mr. Ho Eng Chong @ Ho Kian Cheong 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. Ho Chung Kain (He ChongJing) and Mr. Ho Chung Hui.

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

TEO AIK CHONG

Deputy General Manager, Plantation and Mill
Johor, Malaysia

AGE/GENDER **NATIONALITY**
Age 43/Male Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Mechanical Engineering, Wichita State University.

DATE APPOINTED/WORK EXPERIENCE

Mr. Teo commenced his career at KSM's Palm Oil Mill Division on 1 April 2006. In May 2023, he was concurrently assigned to manage KSM's Plantation Division and was subsequently promoted to his current position on 1 December 2023.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

MANUFACTURING

CHUA TECK NGIN

General Manager
Johor, Malaysia

AGE/GENDER **NATIONALITY**
Age 71/Male Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Chemical Engineering, University Malaya; and
P. Eng (Malaysia).

DATE APPOINTED/WORK EXPERIENCE

Mr. Chua has been with KSM 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]

PROPERTY DEVELOPMENT

DATO' DR. ABDUL RAHIM BIN RAMLI

Senior Advisor to Keck Seng (Malaysia) Berhad
Johor, Malaysia

AGE/GENDER **NATIONALITY**
Age 82/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 KSM effective from 12 September 2018.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Tanjong Puteri Golf Resort Berhad (In Creditors' Voluntary Winding Up).
[A subsidiary of the Company]

PROPERTY DEVELOPMENT

KENNY KOH GUAN KAI

General Manager
Johor, Malaysia

AGE/GENDER **NATIONALITY**
Age 45/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 KSM – Property Division as a Project Manager on 1 June 2015 to oversee the planning and construction of development projects. He later assumed the role of Deputy General Manager from 1 January 2022 until 1 March 2023 before being appointed to his current position on 2 March 2023.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

KEY SENIOR MANAGEMENT'S PROFILE [cont'd]

PROPERTY INVESTMENT

PAULINE TAN

General Manager
Kuala Lumpur, Malaysia

AGE/GENDER **NATIONALITY**
Age 67/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.

PROPERTY INVESTMENT

SIM YOKE KENG

General Manager
Kuala Lumpur, Malaysia

AGE/GENDER **NATIONALITY**
Age 47/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.

HOTEL

COLIN WANG

Director of Asset Management
New York, USA

AGE/GENDER **NATIONALITY**
Age 53/Male Singaporean

ACADEMIC/PROFESSIONAL QUALIFICATION

Higher Diploma in Hotel, Catering & Tourism Management – IMI
International Management Institute, Switzerland;
General Managers Program; and Cornell-Nanyang Institute of
Hospitality Management (Singapore).

DATE APPOINTED/WORK EXPERIENCE

Colin has over 30 years of international experience in the hotel
industry (Hong Kong, London, Abu Dhabi, Dubai, various states
in the USA and Singapore). He was previously the Vice President,
Operations and General Manager based out of Los Angeles under
the Millennium & Copthorne Group of Hotels. He has been with
KSM Group since 2018.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

HOTEL

ROBERT ROY

Regional Vice President (RVP)
New York, USA

AGE/GENDER **NATIONALITY**
Age 60/Male Canadian

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Commerce Honors, University of Ottawa; and
Baccalaureate in Administration.

DATE APPOINTED/WORK EXPERIENCE

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

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

KEY SENIOR MANAGEMENT'S PROFILE [cont'd]

HOTEL

WOLFGANG BOETTCHER

Director of Global Hotel Operations

AGE/GENDER NATIONALITY

Age 55/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 experiences included appointments as an Area Vice President, Area Managing Director and other various General Manager roles in Southeast Asia and Greater China. Mr Boettcher was appointed to his current role in October 2023.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

HOTEL

GRACE LOK

Vice President, Finance
San Francisco, USA

AGE/GENDER NATIONALITY

Age 52/Female American

ACADEMIC/PROFESSIONAL QUALIFICATION

Master of Science Taxation, San Jose State University;
Master of Business Administration, University of Hawaii;
Bachelor of Business Administration Honors in Accounting;
Distinction in Finance, University of Hawaii; and
Affiliate member, American Institute of Certified Public Accountants.

DATE APPOINTED/WORK EXPERIENCE

Grace was appointed as Senior Corporate Controller in September 2021. She was promoted to her current position on 1 July 2023. She was in the capacity of Financial Controller/Director of Finance for 20 years. She was previously the Market Director of Finance-Hong Kong with Marriott International and Area Director of Finance-Hong Kong, Macau and Taiwan with Starwood Hotels & Resorts.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

INVESTMENT HOLDING

PAUL TSE SEE FAN

Director
Hong Kong

AGE/GENDER NATIONALITY

Age 69/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 of KSM's investment holding subsidiaries on 30 January 1981 and 27 December 1984 respectively.

OTHER DIRECTORSHIP

Listed Issuers : Nil.
Public Companies : Nil.

GROUP FINANCE

REUSON SEET

Group Accountant
Johor, Malaysia

AGE/GENDER NATIONALITY

Age 51/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 KSM 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.

KEY SENIOR MANAGEMENT'S PROFILE [cont'd]

GROUP FINANCE

GAN KIM BUAN

Financial Consultant
Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 75/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION

Bachelor of Accountancy, University of Singapore.

DATE APPOINTED/WORK EXPERIENCE

Mr. Gan was appointed as KSM'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 2023.*

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (“the Board”) of Keck Seng (Malaysia) Berhad (the “Company”) and its subsidiaries (collectively referred to as “the Group”) acknowledges that good corporate governance (“CG”) is in shareholders’ interest and promotes sustainable long-term success, growth, and value. 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 approach, practices, and areas of emphasis for the financial year ended 31 December 2023 (“FY 2023”) 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 (“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 best practices under the CG Code for FY 2023.

The CGR explains the extent 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. An effective Board is imperative in establishing and achieving the Group’s strategies.

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.

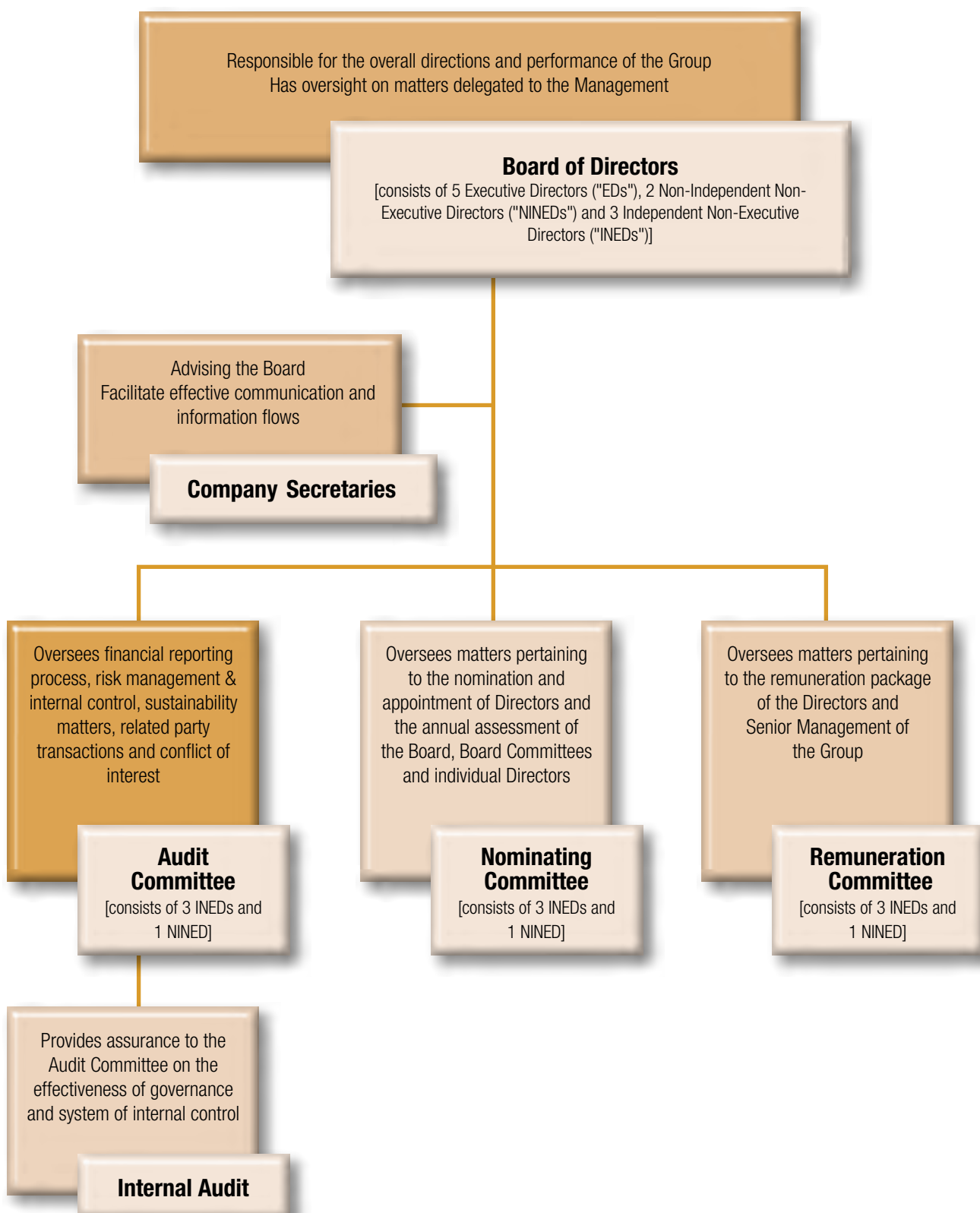
The Board has constituted 3 Board Committees, namely Audit Committee (“AC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) to which it has delegated its authorities in certain matters to support the Board. The Board is informed of the activities of the Board Committees by the respective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

EDs' and INEDs'/NINEDs' roles:

ED	INED / NINED
<ul style="list-style-type: none"> Plan the business directions of the Group. 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 and objective judgement, scrutiny, and experience. Ensure the effectiveness of the system of risk management and internal control. Involved in various Board Committees.

Key matters considered by the Board in FY 2023 are:

Strategic matters	Governance matters	Financial and other matters
<ul style="list-style-type: none"> Business strategies and performance Succession planning Dividend decisions Manpower and business rationalisation exercise Winding up of subsidiary's operations 	<ul style="list-style-type: none"> Audit Committee Charter Corporate statements and reports for inclusion in the AR Risk management, internal control, and sustainability framework Internal audit reports, risk assessment analysis and sustainability matters reports Incident or suspicion of fraud updates, if any Annual evaluation on Board, Board Committees, and individual Director Adapting the use of digital tools for communications and shareholders' engagement 	<ul style="list-style-type: none"> Quarterly unaudited financial results and annual audited financial statements of the Group including announcements thereof Related party transactions and /or recurrent related party transactions External Auditors' reports on audit findings and updates

CG in FY 2024 and beyond:

- Monitor business strategies and performance.
- Promote and enhance the Group's Environmental, Social and Governance ("ESG") practices and disclosures.
- Explore new business opportunities.
- 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.

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 division of responsibilities between the EC and MD is as follows:

EC Mr. Ho Kim Swee @ Ho Kian Guan	MD Dato' Ho Cheng Chong @ Ho Kian Hock
<ul style="list-style-type: none"> Leads and ensures 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 their duties effectively. Acts as a facilitator during Board meetings. Ensures that the Board Committees function properly and that open, healthy and effective debates are conducted. Encourages constructive and respectful relations between the Board members and between the Board and Management. Ensures that sufficient time is given on deliberation of issues. 	<ul style="list-style-type: none"> Fulfills the Chief Executive Officer's role. Oversees the Group's day-to-day operations. Is overall responsible for the financial performance and development of the Group's strategies. Ensures principal risks and sustainability matters of the Group are monitored. Ensures that internal control and management information systems are in place. Ensures effective implementation of policies and strategies adopted by the Board throughout the entire organisation.

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

Company Secretaries

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

All Directors have unfettered access to the advice and services of the Company Secretary. The Company Secretary attends all Board meetings and is responsible to ensure that meeting procedures at all Board and Board Committee meetings 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 Secretary provides advice on the Company's Constitution and periodic updates on governance matters and the latest regulatory developments including Directors' disclosure obligations as well as assisting in the induction of new Directors and providing suggestions for continuing professional development as required. She also facilitates the effective flow of information between the Board, Board Committees, and relevant management parties.

Together with the Board, the Company Secretary ensures 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 was satisfied with the support rendered by the Company Secretary to the Board during FY 2023 in discharging their duties.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

I. Board Responsibilities (cont'd)

Access to Information and Advice

The Board has unrestricted access to timely and accurate information 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 agendas and Board papers at least 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.

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 matters listed above are not exhaustive 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 Charter was last reviewed on 25 November 2022 whilst the AC Charter was reviewed and approved by the Board on 27 November 2023. The Board and Board Committee Charters 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

The Group's 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.

The Code, ABAC, Whistleblowing and COI Policies are available on the Company's corporate website.

Sustainable Practices

As the Board is accountable to its shareholders and stakeholders for the conduct and long-term success of the Group, 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 Management's various engagements with relevant stakeholders, sustainability risks and opportunities are identified, reviewed, and assessed prior to any decision-making and implementation of plans and strategies.

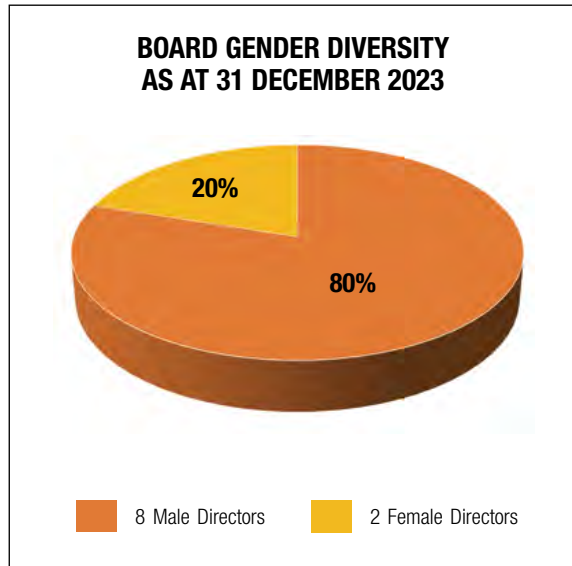
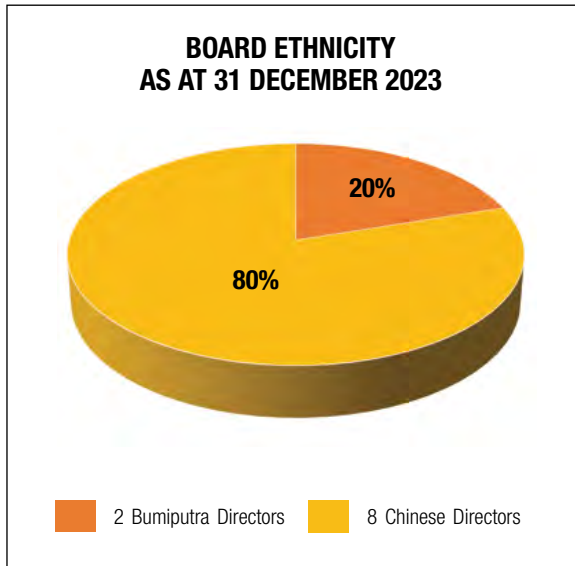
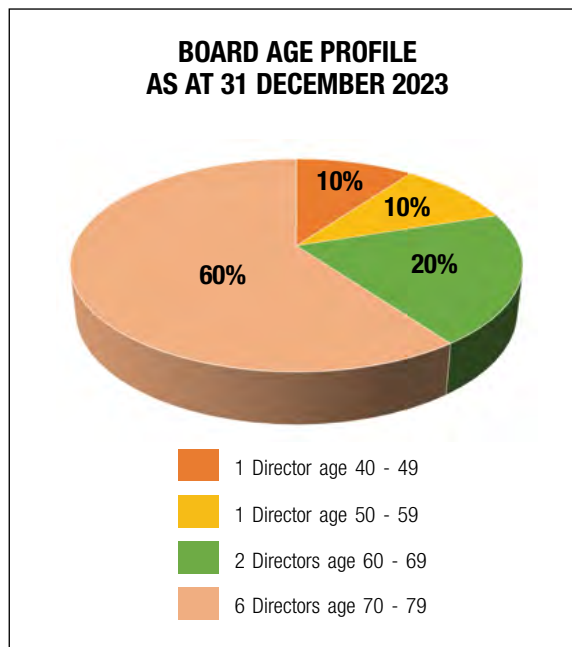
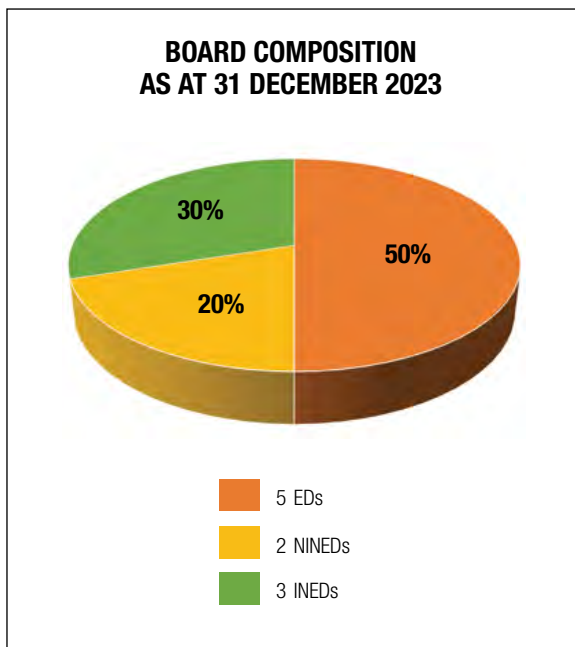
Shareholders and other stakeholders can find details on the Group's initiatives on sustainable practices in the Sustainability Statement featured on pages 57 to 104.

The Board stays updated on sustainability issues through discussions with Senior Management, reviewing sustainability-related articles, and participating in professional development updates and programmes. Details of the Directors' training and professional development during FY 2023 can be found on pages 37 to 39.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition



Independent Directors

During FY 2023, the number of INEDs on the board was reduced from 5 INEDs to 3 INEDs. This resulted from the redesignation of (i) Mr. Too Hing Yeap @ Too Heng Yip to NINED in view that his tenure as independent director of the Company had exceeded a cumulative period of 12 years; and (ii) Mr. Liew Foong Yuen to an ED.

The composition of the current Board complies with Paragraph 15.02 of the MMLR of Bursa Securities which requires at least 2 directors or 1/3 of the Board of the Company, whichever is the higher to be independent directors and with at least 1 female director. In the event of any vacancy on the Board which results in non-compliance with this requirement, the Board will ensure that such vacancy be filled within 3 months. None of the Directors are active politicians.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition (cont'd)

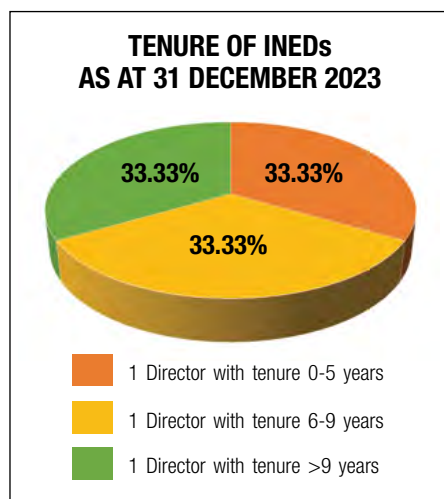
Independent Directors (cont'd)

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.

The Board together with the NC have performed an annual assessment on 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. The INEDs have declared that they have no business or other relationships with the Group or substantial shareholders which are likely to affect their independence.

Further to the annual assessment, each 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.

Practice 5.2 of the CG Code states that at least half of the Board comprises independent directors. Although the Board is aware that its current position departs from the recommended practice, it believes that the goal of independence and objectivity in such practice is not compromised as a result of such composition.



The Board is aware of the amendments to the MMLR that the tenure of an INED shall not exceed a cumulative term of 12 years effective 1 June 2023. Consequently, Mr. Too Hing Yeap @ Too Heng Yip was redesignated from INED to NINED on 26 May 2023.

The Board is simultaneously mindful that the exit of long-serving Board members may result in a significant loss of experience and expertise available to the Group.

Premised on the above, the Board has taken the decision that it will not seek shareholders' approval at each Annual General Meeting (“AGM”) for the re-appointment of independent directors who have served the Board for more than nine years and conduct the two-tier voting process.

Save for Mr. Tai Lam Shin, none of the other two INEDs have held office for more than nine years.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition (cont'd)

Diversity

The Board recognises the value of a diverse board. The NC annually reviews the size, composition, skills mix and experience 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.

KSM's Directors are professionals in the following fields:



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 Group is committed to appointing female directors to make up at least 30% of its Board composition, underscoring its support for gender diversity and inclusivity. 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).

The Group has traditionally had a largely male-dominated workforce as certain works in the Plantations and Manufacturing segments were felt more suitable for men due to the heavy physical nature of the tasks.

However, the Group acknowledges changing social attitudes towards gender-specified roles and jobs, and is committed to promoting 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 current workforce encompasses a wide age range and represents a diverse mix of nationalities, genders, cultural background, skills, and experiences. This diversity grants the Group a competitive advantage, fostering access to new ideas, improved decision-making, and the capacity to connect with a diverse set of cultures. The Group promotes workplace diversity through:

- Merit and experience-based recruitment;
- Developing potential through training and mentoring; and
- Promoting an inclusive and supportive culture.

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.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

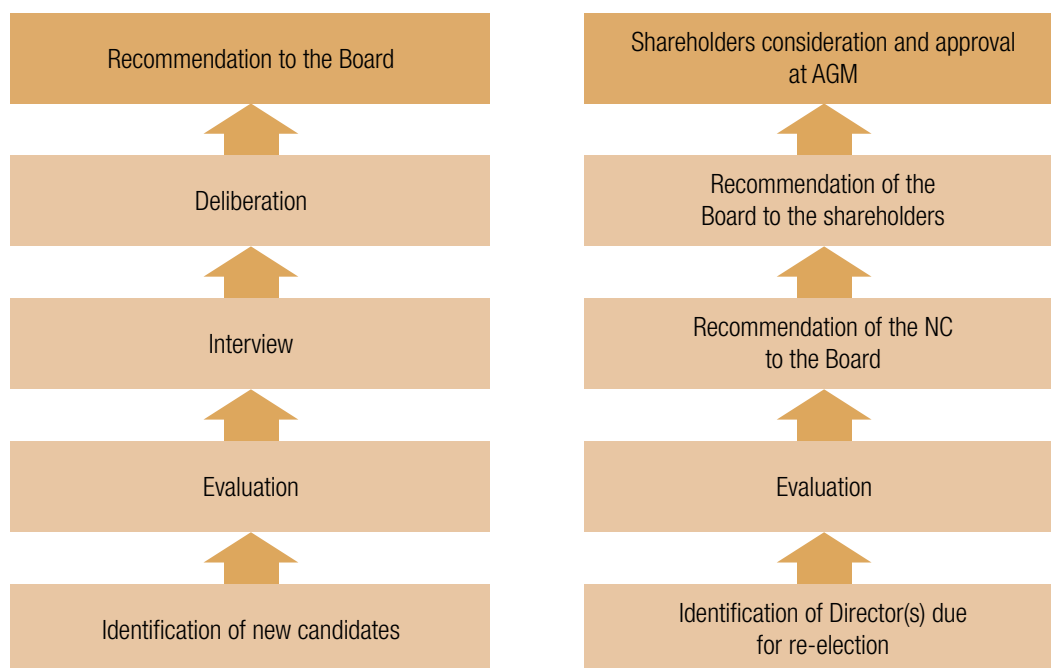
PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

II. Board Composition (cont'd)

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 processes for Board appointments and the re-election of Directors are outlines in the following flow charts:



The Board had adopted a Directors' Fit and Proper Policy for the appointment and re-election of Directors of the Group, a copy of which is available on the Company's website. The NC will evaluate the suitability of a candidate for appointment or re-election as Director of the Board based on the following 4 main criteria: -

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

Existing Directors and potential candidates are required prior to their appointment to declare any conflict of interest that may arise from their current or future activities. Any existing or future conflict of interest must be identified, reviewed, and reported to the AC, with measures taken to resolve, eliminate or mitigate the situation. The Directors are frequently reminded of their obligations in relation to conflict of interest situations.

The NC is tasked with reviewing the composition of the Board and is authorised to recommend the appointment of new executive or non-executive directors to the Board. In formulating these recommendations, the Chairman of the NC must consult with all Directors, ensuring that their input is reflected in the recommendations presented to the Board. Candidates for appointment as directors may be identified through recommendations from Directors, Management, advisors, business associates and any other external parties and professional bodies.

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 is obtained and documented.

During FY 2023, Mr. Ho Chung Kain (He ChongJing) was appointed as ED of the Company on 27 November 2023. He was the Alternate Director to Dato' Ho Cheng Chong @ Ho Kian Hock since 24 February 2011. Although his candidacy was recommended by the Board members, the Board fully supports his appointment as the new ED after considering his expertise and experience in property development and plantation management.

All newly appointed Directors undergo induction programmes to familiarise them with the Group's business activities. The programmes are designed to help the new Director understand the Group's operational environment and the distinct operations across various divisions, through discussions with management and/or participation in relevant training programmes. Additionally, all Directors will receive regular updates on the Group's business, the competitive and regulatory environments in which it operates and other significant changes, through briefings and meetings. Directors will also be thoroughly briefed on 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 1/3 of the Board including the MD is subject to re-election at each AGM and at least once in every 3 years.

All Directors are expected to devote sufficient time in discharging their duties and responsibilities in the best interest of the Company. Consequently, each Director is restricted to holding not more than 5 directorships in listed issuers. Directors must consult the Chairman of the Board prior to accepting any new directorship in other listed issuers and inform the Board of any changes to their external appointments. The Directors are required to disclose and update their directorships and shareholding details in other companies as and when necessary. For details of the Directors' other directorships, please refer to Directors' Profile on pages 12 to 20 of this AR.

Meetings for each financial year are scheduled in advance, enabling Directors to plan their schedules. The Board convenes at least four meetings 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, although it is acknowledged that exceptional circumstances such as personal commitments or health-related reasons may preclude their attendance.

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 procures fit and proper declarations from retiring directors before recommending their re-election to the Board.

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 2023, 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]) – Resigned as Alternate Director on 27 November 2023 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. Ho Chung Kain (He ChongJing) Executive Director (Appointed on 27 November 2023) [N1]	N/A			
Mr. Chan Lui Ming Ivan (Alternate: Mr. Ho Chung Tao – Ceased as Alternate Director on 26 May 2023) Executive Director (Retired on 26 May 2023)	2/2			
Ms. Lee Huee Nan @ Lee Hwee Leng (Alternate: Mr. Ho Chung Hui) Executive Director	5/5			
Mr. Liew Foong Yuen Executive Director (Redesignated from INED to ED on 17 July 2023) [N2]	5/5	3/3	1/1	
Mr. Too Hing Yeap @ Too Heng Yip Non-Independent Non-Executive Director (Redesignated from INED to NINED on 26 May 2023) [N3]	5/5	2/2	1/1	1/1
		3/3	1/1	
Mr. Tai Lam Shin Independent Non-Executive Director (Redesignated as Chairman of the AC on 26 May 2023)	5/5	3/3	2/2	1/1
		2/2		
Encik Mahathir Bin Mohamed Ismail Independent Non-Executive Director (Redesignated as Chairman of the NC on 26 May 2023)	5/5	5/5	1/1	1/1
			1/1	
Dato' Dr. Zaha Rina Binti Zahari Independent Non-Executive Director	5/5	5/5	2/2	1/1

 Chairman of the Board / Chairman of Board Committees

 Member

N1: There were no Board meetings held since Mr. Ho Chung Kain (He ChongJing)'s appointment to the Board as ED on 27 November 2023 until 31 December 2023.

N2: Mr. Liew Foong Yuen resigned as a member of the AC, NC, and RC respectively upon his redesignation as ED on 17 July 2023.

N3: Mr. Too Hing Yeap @ Too Heng Yip was Chairman of the AC and NC until his redesignation to NINED on 26 May 2023. He was also redesignated as a member of the said committees after the conclusion of the 53rd AGM on 26 May 2023.

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 2023:

- 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.
- Noted the retirement of Mr. Chan Lui Ming Ivan as ED and the cessation of Mr. Ho Chung Tao as his alternate.
- 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 12 years and redesignated Mr. Too Hing Yeap @ Too Heng Yip as NINED and member of the AC, NC, from chairman position.
- Reviewed the redesignation of Mr. Liew Foong Yuen as ED of the Company.
- Reviewed the redesignation of Mr. Tai Lam Shin and Encik Mahathir Bin Mohamed Ismail as Chairman of the AC and NC respectively upon the redesignation of Mr. Too Hing Yeap @ Too Heng Yip as a NINED and Mr. Liew Foong Yuen as ED.
- Reviewed, evaluated, and recommended Mr. Ho Chung Kain (He ChongJing) as an ED of the Company to the Board for approval.

Directors' Professional Development

To address the challenges encountered by the Board and to effectively fulfill their roles and responsibilities, the Directors recognise the necessity of staying current with pertinent regulatory developments. This is achieved by attending webinars, seminars, conferences, or dialogues organised by relevant regulatory authorities, professional bodies, commercial training providers or through sessions organised by the in-house tax department. During the financial year under review, the Directors have attended the following webinars/seminars/conferences/dialogues.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Board Composition (cont'd)

Directors' Professional Development (cont'd)

Topic Reference	1-3	4	5-6	7	8-9	10	11-12	13	14	15-16	17	18	19	20	21	22	23-24
Members																	
Mr. Ho Kim Swee @ Ho Kian Guan											✓		✓				
Dato' Ho Cheng Chong @ Ho Kian Hock									✓		✓		✓			✓	
Mr. Ho Eng Chong @ Ho Kian Cheong (Alternate: Mr. Ho Chung Kiat, Sydney [He ChongJie, Sydney])											✓						
Mr. Ho Chung Kain (He ChongJing)											✓		✓			✓	
Ms. Lee Huee Nan @ Lee Hwee Leng (Alternate: Mr. Ho Chung Hui)									✓		✓		✓			✓	
Mr. Liew Foong Yuen								✓	✓		✓		✓			✓	
Mr. Too Hing Yeap @ Too Heng Yip											✓						
Mr. Tai Lam Shin		✓		✓		✓		✓			✓	✓		✓			✓
Encik Mahathir Bin Mohamed Ismail											✓						
Dato' Dr. Zaha Rina Binti Zahari	✓		✓		✓		✓			✓	✓				✓		
Mr. Ho Chung Hui											✓		✓			✓	
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. Digital Economy and Capital Market Series <ul style="list-style-type: none"> Financial Technology (Fintech) and Big Data Artificial Intelligence (AI) and Internet of Things (IOTs) 	30/01/2023
2. AMLA, Market Misconduct and Compliance Requirements	31/01/2023
3. Code of Ethics, Anti-Bribery and Anti-corruption Policy & Managing of Customer Information	01/02/2023
4. TCFD 102 – Building experience and expertise on climate related financial disclosure	03/03/2023
5. Reshaping Malaysia's Narrative Series 1: Strengthening Resilience & Sustaining Growth	08/03/2023
6. Networking Discussion with President of Singapore	20/03/2023
7. Deloitte TaxMax – The 48th Series	22/03/2023
8. Digital Malaysia – Tomorrow's Infrastructure, Today	07/06/2023
9. Environmental, Social and Governance (ESG) Training	12/06/2023
10. A Guide to ESG	20/07/2023
11. S3 Restructuring and Financing Workshop	07/08/2023
12. Further Offshore Emergency Training (FOET) and Travel Safely by Boat (TSBB) Further Offshore Emergency Training (FOET) and Compressed Air Emergency Breathing System (CA-EBS)	18/08/2023
13. Advocacy Sessions for Directors and CEOs of Main Market Listed Issuers	22/08/2023
14. FTSE4 Good ESG Ratings for all PLCs	24/08/2023
15. Sustainability in the Digital Age	14/09/2023
16. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	19/09/2023-20/09/2023
17. New LR on Conflict of Interest	25/09/2023
18. Seminar on Company Constitution in Malaysia	26/09/2023
19. Executive Training – Investments, Market and Technology Trends	29/09/2023
20. Mandatory Accreditation Programme Part II: Leading for Impact (LIP)	25/10/2023 – 26/10/2023
21. The Path to Viability	02/11/2023
22. 2024 Budget Highlights Implementation of e-Invoicing in Malaysia	15/11/2023
23. Deloitte TaxMax – The 49th Series	23/11/2023
24. Directors' Interest in Contracts and Conflict of Interests	12/12/2023

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 objective and independent judgement to Board and Board Committee meetings.

The remuneration in the form of Directors' fees and meeting allowances paid is tailored to reflect the individual Director's engagement, encapsulating their attendance, responsibilities, and the extent of their contributions across various Board and Board Committees. This approach takes into account the statutory and fiduciary duties each Director undertakes, alongside considerations of the risk, the intensity and complexity of the work involved, and the requisite time commitment and effort. Such a remuneration strategy ensures that the compensation is equitable and commensurate with each Director's role and input to the governance and strategic direction of the organisation.

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 on 25 November 2022 and is available on the Company's website.

The RC has carried out the following activities in discharging its duties and responsibilities for FY 2023:

- 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 the RC.
- Reviewed and recommended the remuneration package of Mr. Ho Chung Kain (He ChongJing) as ED of the Company.

The remuneration packages, including Directors' fees and meeting allowances, undergo a thorough review, discussion, and approval process at both 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 2023 is as follows:

	Fees per annum (RM)			
Appointment	Board	AC	NC	RC
Chairman	135,000	25,000	20,000	20,000
Member	105,000	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 2023 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	1,545	139	678	75	2,437
Dato' Ho Cheng Chong @ Ho Kian Hock	3,540	121	1,506	300	5,467
Mr. Ho Chung Kain (He ChongJing)	595	25	201	102	923
Mr. Chan Lui Ming Ivan	-	60	(152)	(10)	(102)
Ms. Lee Huee Nan @ Lee Hwee Leng	420	121	202	91	834
Mr. Liew Foong Yuen	115	127	-	25	267
Mr. Ho Chung Hui	595	16	201	102	914
Non-Executive					
Mr. Ho Eng Chong @ Ho Kian Cheong	-	105	-	7	112
Mr. Too Hing Yeap @ Too Heng Yip	-	148	-	16	164
Mr. Tai Lam Shin	-	146	-	16	162
Encik Mahathir Bin Mohamed Ismail	-	154	-	16	170
Dato' Dr. Zaha Rina Binti Zahari	-	140	-	16	156
Mr. Ho Chung Tao	-	-	-	-	-
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney)	-	-	-	-	-
Total	6,810	1,302	2,636	756	11,504

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	1,295	135	678	65	2,173
Dato' Ho Cheng Chong @ Ho Kian Hock	2,877	105	1,506	267	4,755
Mr. Ho Chung Kain (He ChongJing) [N1]	420	9	201	102	732
Mr. Chan Lui Ming Ivan [N2]	-	44	(152)	(9)	(117)
Ms. Lee Huee Nan @ Lee Hwee Leng	420	105	202	91	818
Mr. Liew Foong Yuen [N3]	115	127	-	25	267
Non-Executive					
Mr. Ho Eng Chong @ Ho Kian Cheong	-	105	-	7	112
Mr. Too Hing Yeap @ Too Heng Yip	-	148	-	16	164
Mr. Tai Lam Shin	-	146	-	16	162
Encik Mahathir Bin Mohamed Ismail	-	154	-	16	170
Dato' Dr. Zaha Rina Binti Zahari	-	140	-	16	156
Mr. Ho Chung Hui (Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng) [N4]	420	-	201	102	723
Mr. Ho Chung Tao (Alternate to Mr. Chan Lui Ming Ivan) [N5]	-	-	-	-	-
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney) (Alternate to Mr. Ho Eng Chong @ Ho Kian Cheong)	-	-	-	-	-
Total	5,547	1,218	2,636	714	10,115

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

[N1] – Remuneration paid by virtue of his position as General Manager of KSM from 1 January 2023 to 27 November 2023. Appointed as ED and resigned as Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock on 27 November 2023.

[N2] – On unpaid sabbatical leave during the financial year under review and retired on 26 May 2023. The negative remuneration amount resulted from a reversal of prior year's overprovision of bonus and EPF on bonus.

[N3] – Remuneration paid by virtue of his position as KSM's ED. Redesignated as ED on 17 July 2023.

[N4] – Remuneration paid by virtue of his position as Commercial/Corporate Director of KSM.

[N5] – Ceased as Alternate to Mr. Chan Lui Ming Ivan on 26 May 2023.

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 Board has determined that the remuneration details for Senior Management will not be disclosed on an individual basis. The decision is based on the belief that such disclosure could potentially not serve the Group's best interests, particularly in the light of the competitive market environment. The remuneration of the top 5 Senior Management is as follows:

Remuneration Band	No. of Person
RM0 to RM500,000	-
RM500,001 to RM550,000	1
RM550,001 to RM600,000	1
RM600,001 to RM650,000	-
RM650,001 to RM700,000	1
RM700,001 to RM750,000	-
RM750,001 to RM800,000	1
RM800,001 to RM1,150,000	-
RM1,150,001 to RM1,200,000	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 3 INEDs and 1 NINED. The AC is chaired by Mr. Tai Lam Shin, an INED, who is distinct from the Chairman of the Board. None of the current AC member is an alternate director nor was a former audit partner of the Company's external audit firm or corporation.

External Auditors' Independence

The AC is established to support the Board in maintaining the integrity of the Group's financial statements. Its roles include 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;

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

I. AC (cont'd)

External Auditors' Independence (cont'd)

- ensure that the Company observes a cooling off period of at least 3 years before appointing any former audit partner to be a member of the AC;
- 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 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. In assessing the financial statements and the disclosures made, the Board relies on management's information and the structures and processes maintained within the Group that supports the maintenance of proper records.

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 2023 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 that is designed to provide reasonable assurance regarding the effectiveness and efficiency of operations, as well as compliance with applicable laws and regulations. A well-structured risk management framework and internal control system are fundamental in protecting the investments of shareholders, the interest of stakeholders, and the assets of the Group. Additionally, it guides the Group in identifying, assessing, and managing risks, while also establishing the level of risk the Group is prepared to accept in the pursuit of its business activities.

The AC supports the Board in overseeing the Group's risk management and internal control function, assessing the adequacy and efficacy of the Group's risk management framework and internal control system, ensuring that appropriate measures are established to mitigate those risks and continuously monitor such risks.

Throughout FY 2023, the Board actively engaged in evaluating the effectiveness of the Group's risk management framework and internal control system, ensuring that the frameworks and systems established by the Risk and Sustainability Committees ("RSC") were effectively implemented. The activities of the AC in relation to the Group and the Company's risk management, material sustainability and internal control matters for FY 2023 are set out in the AC Report on pages 49 to 51, 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 53 to 56.

Internal Audit Function

The Group's Internal Audit Department ("IAD") executes its internal audit function with a team of dedicated professional. Operating with direct reporting lines to the AC, the IAD enhances the AC's ability to fulfill its responsibilities by providing independent and unrestricted access to the Group's operations, records, property, and personnel.

The AC has oversight over appointments and resignations of internal auditors. The IAD is staffed by a mix of professional and accounting graduates and is led by the Head of Internal Audit, who is a qualified Accountant registered with the Malaysian Institute of Accountants, a Fellow member of the Chartered Certified Accountants, UK and a member of the Institute of Internal Auditors, Malaysia.

All members of the internal audit team maintain independence from any relationship with any Director and/or major shareholder of the Company, as well as from any conflict of interests, which could impair their objectivity and independence.

The internal audit is conducted using a risk-based approach and in accordance with the International Professional Practice Framework (IPPF). The activities of the IAD for FY 2023 are guided by the Internal Audit Charter and annual audit plan. These activities are separately set out in the AC Report on page 52.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

I. Engagement with Stakeholders

Guided by the MMLR's Continuing Disclosure Requirements and the Company's Corporate Disclosure Policy, the Company commits to ensuring timely dissemination of corporate announcements, quarterly financial reports, AR and AGM minutes to all stakeholders through announcements to Bursa Securities and/or publication on 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 is available to the public on the Company's website.

The Group's investor relations activities are aimed at developing, foster and sustain a positive relationship with all its stakeholders. The Group undertakes active two-way communications with stakeholders, underscoring a commitment to a high standard of integrity and transparency through timely, accurate and comprehensive disclosure of material information, and in the process to enhancing stakeholders' understanding of the Group's core businesses and operations, allowing them to make informed decision.

In line with the Group's efforts to promote sustainability and efficiency, the Company encourages its shareholders to adopt electronic communication. As at 16 April 2024, 64.4% of the shareholders of the Company had opted to receive notices electronically.

II. Conduct of General Meetings

The AGM serves as the principal forum for meaningful engagement between the Board, Management, and shareholders of the Company. It provides a platform for the Board and Management to directly hear and understand the perspectives and feedback of shareholders, which are invaluable to the Board and Management's decision-making process.

In ensuring shareholders have sufficient time to prepare, the Notice of AGM is issued at least 28 days prior to the date of the AGM. For instance, the Notice of 53rd AGM was sent to the shareholders on 27 April 2023, with the AGM itself conducted on 26 May 2023. This Notice was also published on the Company's website and advertised in The New Straits Times.

Embracing the benefits of digital communication, the Board successfully engaged with shareholders during virtually conducted AGMs. The Company's 53rd AGM was held on 26 May 2023 and live streamed from a designated broadcast venue, in line with the Securities Commission Guidance Note on the Conduct of General Meetings for Listed Issuers.

To foster informed decision-making by shareholders, explanatory notes accompany each agenda item at the AGM. Shareholders are encouraged to post questions, clarify facts, and provide feedback to the Board and Management using the 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://tiah.online>. Tricor has put in place information security measures to prevent cyber threats and data breaches.

Provisions are in place for appointed proxies to participate and vote on behalf of the shareholders. Shareholders are also encouraged to forward their questions in advance of the AGM to the Board. All the Directors, Senior Management and External Auditors are present at the AGM to provide meaningful responses to questions raised by the shareholders during the AGM. During the 53rd AGM, ample time was allocated to 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 a step-by-step video guide beforehand. The poll results were verified by the Independent Scrutineers appointed by the Company and announced on the same day of the AGM.

CORPORATE GOVERNANCE OVERVIEW STATEMENT [cont'd]

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

II. Conduct of General Meetings (cont'd)

During the 53rd 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 is 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 scrutineer to validate the votes cast at the AGM.

The minutes of the 53rd AGM together with the responses to questions raised by shareholders were made available on the Company's website on 11 July 2023.

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 2023 are disclosed in the AC Report on page 50 and Note 7 of the Financial Statements on pages 139 to 140 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 2023 are disclosed on Note 39 of the Financial Statements on pages 175 to 176 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 2023 ("FY 2023").

COMPOSITION AND MEETINGS

Composition

All Audit Committee ("AC") members are Non-Executive Directors, with a majority being Independent Directors. This resultant from the redesignation of (i) Mr. Too Hing Yeap @ Too Heng Yip to Non-Independent Non-Executive Director in view of his tenure as independent director of the Company had exceeded a cumulative period of 12 years; and (ii) Mr. Liew Foong Yuen to an Executive Director.

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

Chairman:

- **Mr. Tai Lam Shin**
(Independent Non-Executive Director)
(Redesignated from member to Chairman on 26 May 2023)

Members:

- **Encik Mahathir Bin Mohamed Ismail**
(Independent Non-Executive Director)
- **Dato' Dr. Zaha Rina Binti Zahari**
(Independent Non-Executive Director)
- **Mr. Too Hing Yeap @ Too Heng Yip**
(Non-Independent Non-Executive Director)
(Redesignated from Chairman to member on 26 May 2023)

The biography of each AC member is set out in the Directors' Profile on pages 12 to 20. None of the current AC member is an alternate director nor was a former key audit engagement partner of the external auditors of the Company.

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 has carried out their duties in accordance with the AC Charter.

Meetings

During FY 2023, the AC met on 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, where 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 on 27 November 2023.

ANNUAL PERFORMANCE REVIEW OF THE AC

An annual assessment and evaluation on the performance and effectiveness of the AC for FY 2023 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 adequacy and effectiveness of the risk management framework.

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 2023, 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 with applicable laws, standards and regulations.

The activities carried out by the AC for FY 2023 are as follows:

1. Financial Reporting

- reviewed the unaudited quarterly financial results and annual audited financial statements for FY 2023 and recommended to the Board for approval and announcement to Bursa Securities. It focuses on:
 - financial reporting process;
 - integrity of the Group's financial reporting;
 - 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 or transactions and financial treatment of these matters; 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 2023 to ensure that the scope of work adequately covers the activities of the Group and the Company;
- discussed Key Audit Matters ("KAM") presented during the audit review session. The identification of KAM was based on materiality and the extent of management's judgements or estimates;
- 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 Code of Ethics for Professional Accountants (including International Independence Standards);
- briefed by the EA on their 2023 Transparency Report;
- reviewed and discussed with the Management and the EA the key audit areas in relation to the annual audited financial statements including KAM and internal control observations, recommendations and management responses. The AC was informed that the Management is responsive and receptive to audit findings and recommendation made by the EA;

AUDIT COMMITTEE REPORT (cont'd)

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

2. External Audit (cont'd)

- reviewed unadjusted misstatement identified by the EA during their course of audit;
- held 2 private meetings with the EA on 28 August 2023 and 5 April 2024 respectively without the presence of the Management to discuss on audit-related matters. No major issues were raised during the private 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 AR;
- reviewed audit fees; and
- reviewed non-audit services rendered by the EA as part of its independence assessment. These fees constituted approximately 8.51% of the total audit fees and do not compromise the independence of the EA.

The amount of audit and non-audit fees incurred for FY 2023 were as follows:

	Audit Fee RM'000	Non-Audit Fee RM'000
The Company - Current	235	20
The Group - Current - Under provision in prior year	*1,150 47	20 -

* includes audit fees amounting to RM645,000 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 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.

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 are adequately identified and covered in the internal audit plan;
- reviewed the adequacy of the scope, functions, resources and competencies of the internal audit function;
- reviewed the internal audit reports encompassing audit findings, recommendations, and 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 are properly addressed;
- reviewed the adequacy of the Internal Audit Department's ("IAD") resources, placing emphasis on employing a replacement Internal Auditor ("IA") staff that is of calibre and experience;
- reviewed the findings on investigative case(s) and recommendations including management's responses and resolutions thereon; and
- held 1 private meeting with the IA on 5 April 2024, without the presence of the Management to discuss any issues, significant matters arose during the audit and to ensure that there is proper corporate accountability, and no restrictions were place on the IA. 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.

AUDIT COMMITTEE REPORT (cont'd)

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

3. Internal Audit (cont'd)

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;
- work conducted were balanced in terms of focus, objectives and means utilised;
- IAD's resources are adequate;
- IAD can access information to undertake its duties effectively; and
- IA's independence has been maintained to ensure effective governance and oversight.

4. Risk Management

- reviewed the Risk Assessment Analysis ("RAA") dashboards/reports and the Sustainability Matters ("SM") dashboards/reports;
- 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 and Material Sustainability Matters identified by the Risk and Sustainability Committees and monitored the achievability of the sustainability targets.

The AC has considered the current risk management and sustainability framework and opined that it is adequate in identifying, assessing, and monitoring the Group's risks and sustainability matters.

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 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 the extent of the Group's application of the best practices set out in the Malaysian Code on Corporate Governance.

6. Related Party Transactions

- reviewed the Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") entered 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 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 2023, 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 to include to review the conflict of interest situation as one of the functions of the AC and recommended the same to the Board for approval on 27 November 2023.

TRAINING

During the financial year, the AC members had attended webinars and kept abreast of relevant developments in accounting and auditing standards, practices and rules. The AC's training and professional development details are available on pages 37 to 39 of this AR.

AUDIT COMMITTEE REPORT [cont'd]

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 a systematic, disciplined, and credible manner in accordance with the International Professional Practices Framework (IPPF).

The IAD consists of 4 independent associates and is headed by Ms. Suenitha Chupaya. The IAD associates consist of 2 qualified professionals and 2 accounting 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 are 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 2023, the IAD performed the following:

- operational and financial audits and reviews based on the approved risk-based annual audit plan for FY 2023;
- 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, highlighting any recurring issues that have yet to be resolved satisfactorily; 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. During FY 2023, a total of 27 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)
Plantations	2
Manufacturing	7
Property Development and Investment	6
Hotels and Resort	7
Share Investment	5
Total	27

The IAD held a meeting with the EA without the presence of the Board or Management on 27 October 2023, to discuss on its audit coverage during the year, issues arose during 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 2023 was RM612,700 (RM512,600 in 2022). The increase was mainly due to the travelling expenses and allowances incurred during their overseas audit trip in July 2023.

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 2023 ("FY 2023"), 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 to establish and maintain a sound risk management framework and internal control system, including its role in providing risk oversight, setting the tone and culture towards managing risks. 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 support the Board in maintaining the integrity of the Group's financial statements including 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. The AC conducts its risk reviews based on the annually approved work schedule, which provided for 3 risk reviews in FY 2023.

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 to the AC.

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

KSM has established the following Code and Policies for the Group to guide its Directors and employees in upholding high standards of integrity and ethics:

- Code of Conduct and Ethics ("Code") – To assist the Directors, management, employees, business associates and external providers in defining ethical standards and conduct at work;
- Anti-Bribery & Anti-Corruption Policy – To prevent acts of bribery and corruption;
- Whistleblowing Policy – To provide a dedicated and confidential channel to individuals to raise genuine concerns without fear and retaliation;
- Directors' Fit and Proper Policy – To assess the fit and proper criteria of a candidate before appointment and/or re-election as Director of KSM and its subsidiaries; and
- Conflict of Interest Policy – 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.

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

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 2023, 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 8 Risk Assessment Analysis ("RAA") reports had been tabled before the AC and the Board for deliberation during FY 2023. The following RAA reports had been communicated to the respective risk owners for monitoring and implementation:-

- Strategic – risks that affect business directions.
 - market shifts.
 - consumer trends.
 - competitors.
 - governmental policy changes.
 - geo-political issues.

Note: Strategic risks are monitored closely by senior management.

- 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.

Note: The management of operational risks are decentralised and managed by the respective BUs and guided by their respective policies and procedures.

- Compliance – risks that affect legal, statutory and governance.
 - maintaining certifications and accreditations due to changes in laws and regulations.
 - adherence to legal and other regulatory bodies' timelines and requirements.

Note: Each BU is governed by the relevant laws and regulations. Professionals such as in-house tax department, legal advisors and company secretary guide the Company and its subsidiaries in meeting the necessary regulatory compliance requirements.

- Information Technology ("IT") – risks that affect data storage, cybersecurity and accessibility of the IT system to users.

Note: Adequate security infrastructure such as firewalls and antivirus software are in place to defend the Group's IT network system.

- Financial – risks that affect financial processes and reporting.
 - credit exposure.
 - cash management.
 - interest rates and market fluctuations.
 - foreign currency exchange fluctuations.

Note: The Group's financial risks management objectives and policies are reflected on pages 180 to 188 of this Annual Report.

- Code of Conduct and Corruption – risks that affect human rights, diversity, ethical standing, company reputation, bribery and corruption.

Note: Policies are in place to guide employees in upholding ethical value.

- Climate-Related (NEW) – risks associated with the transition to a lower carbon economy in the future and/or risks arising from climate change.

Note: Action plan will be taken to assess and reduce carbon emissions.

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.

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

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 2023.

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 2023. 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 statement, 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 5 April 2024.

SUSTAINABILITY STATEMENT

This Sustainability Statement ("Statement") is prepared in accordance with Paragraph 29, Part A of Appendix 9C and Practice Note 9 of the Main Market Listing Requirements of Bursa Securities ("Bursa Securities") and has also considered the Sustainability Reporting Guide (3rd edition), its accompanying Toolkits and the Illustrative Sustainability Report published by 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 mainly unchanged during the financial year ended 31 December 2023 ("FY 2023") except for (i) the creditors' voluntary winding up of its subsidiary, Tanjong Puteri Golf Resort Berhad ("TPGR") (*), whose principal activity is to operate a golf club; and (ii) a selective capital reduction exercise carried out on Lusaka Holdings Sdn. Bhd., whose principal activity is property investment, resulting in it being a wholly-owned subsidiary of KSM. Activities of the Company and Business Units ("BU") that fall under the main 4 business segments namely Plantations, Manufacturing, Property Development & Investment, and Hotels are covered in this Statement.

Details of the respective BU and the Group's segmental information can be found on pages 188 to 193 of this Annual Report ("AR").

(*) TPGR has been excluded from this Statement, relevant previous years' data have been restated to exclude the said entity.

GOVERNANCE STRUCTURE

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

Board of Directors ("Board")

- Responsible for:
 - establishing sustainability strategies, priorities and targets;
 - the governance of Material Sustainable Matters ("MSM"); and
 - the Sustainability Statement.

Audit Committee ("AC")

- Oversees the:
 - management of identified MSM; and
 - preparation of the Sustainability Statement.
- Reviews the Sustainability Matters ("SM") Report and recommends to the Board for approval.

Managing Director ("MD")

- Reviews and approves the SM Report prior to the AC's review, deliberation and approval.

Risk and Sustainability Committees ("RSC")

- The RSC are led by the respective Senior Management personnel.
- Assist the MD to:
 - identify, evaluate, monitor, manage and report on SM; and
 - categorise and prioritise SM to identify MSM, at least on an annual basis.

Department Managers

- Manage the identified SM and ensure that objectives and targets are achieved through policies and action plans.
- Monitor and report on sustainability performance to the RSC.

During FY 2023, 7 SM Reports 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

Through Management's various engagements with relevant stakeholders, the Group can identify groups that may be significantly impacted by the Company or BU. These 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 can identify the SM that impact their respective operations.

Stakeholders Group	Mode of engagement	Topics	Solutions / Actions
Board	Board Meetings	<ul style="list-style-type: none"> Performance. Dividend payouts. Risk Management and Sustainability risks, opportunities and strategies. Manpower and business rationalisation exercise. Winding up of a subsidiary's operations. 	<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. Include Risk Management and Sustainability Matters as a Board agenda. Curb further losses incurred by undertaking a creditors' voluntary winding up of a subsidiary.
Shareholders	Annual General Meetings Announcements Company Website	<ul style="list-style-type: none"> Investment in A2I Holdings S.A R.L ("A2I") and its returns. Return on equity via higher dividend payouts or bonus issue. Outlook and margins for its Plantations and Property Development segments. 	<ul style="list-style-type: none"> Monitor the A2I investment's and future returns. The Board maintains a reasonable and prudent dividend policy. The impacts of climate change on the Plantations Segment's production and and inflationary factors on the Property Development Segment's operating expenses necessitate mitigative measures. Management's mitigating plan involves moderating the construction costs and adopting economical housing designs.
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. Improving governmental and regulatory ties. Product quality and food safety. Certifications. 	<ul style="list-style-type: none"> Ensure compliance with legal, regulatory, trade industry and listing requirements and keep all counterparts updated and aligned with the latest laws and regulations. Joint patrolling exercise. 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 and foster positive social and environmental impact on communities.

SUSTAINABILITY STATEMENT [cont'd]

SUSTAINABILITY MATTERS (cont'd)

Stakeholders' Engagements and Prioritisation (cont'd)

Stakeholders 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. • Refinement on 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 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	<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, human rights and quality of life. 	<ul style="list-style-type: none"> • Annual performance appraisal and assessment. • Hold briefing and training sessions. • Hold meetings with workers' representative to discuss and resolve 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 Corporate Social Responsibility ("CSR") activities. • Close interaction with local communities via social media exchanges, feedbacks and participate in community events. • Source quality operators for the Group's 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 oil palm, palm oil mill & refinery industries and through SM assessments and ratings. The respective segment's MSM are indicated High (H) under each Segment's performance data table.

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

ENVIRONMENT

Plantations Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C4	Energy Management						E1
C4(a)	Total energy consumption	MW	8.06	Not available	Not available	Improve energy usage efficiency	
C9	Water Management (H)						E2
C9(a)	Total volume of water used	ML	Not applicable	Not applicable	Not applicable		
C10	Waste Management (H)						E3
C10(a)	Total waste generated	MT	21.48	0.00	0.86		
C10(a)(i)	Total waste diverted from disposal	MT	21.48	0.00	0.86	90.00% diversion	
		%	100.00%	0.00%	100.00%		
C10(a)(ii)	Total waste directed to landfill	MT	0.00	0.00	0.00		
-	Total scheduled waste disposed	MT	3.34	1.66	2.27		
-	Number of summons or penalties from regulators	Number	0	0	0	Zero summon or penalty	
C11	Emission Management (H)						E3
C11(a)	Scope 1 emissions in tonnes of CO2e	tCO2e	Not available	Not available	Not available		
C11(b)	Scope 2 emissions in tonnes of CO2e	tCO2e	Not available	Not available	Not available		
C11(c)	Scope 3 emissions in tonnes of CO2e (business travel and employee commuting)	tCO2e	Not available	Not available	Not available		
-	GHG: CO2e/Hectare	tCO2e	1.86	1.70	Not available	<2.0tCO2e /Hectare	

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Plantations Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Biodiversity (H)						E4
S1(a)	Percentage of existing operations or projects assessed for biodiversity risks	%	100.00%	100.00%	100.00%	100.00%	
S1(b)	Development on Peat land and High Conservation Value ("HCV") land / Size and location of all habitat areas protected or restored	Hectare	52.00	52.00	52.00	To maintain at 52.00 Hectares	
S1(c)	Total number of International Union for Conservation of Nature ("IUCN") Red List of Threatened Species and national conservation list of species with habitats in areas affected by the operations of the Segment/Division/Company	Number	0	0	0		
	Land Conservation (H)						E4
-	Soil erosion incidents	Number	0	0	0	Zero soil erosion incident	
	Pest Control and Chemical Usage (H)						E5
-	Pesticides used per hectare	Litre / Hectare	0.014	0.050	0.250	<2.00 litres of pesticides	
-	Active ingredients					- Active ingredient /hectare	

Initiatives:

E1. Energy Management

The Plantations Segment's energy consumption is deemed negligible, as such no monitoring was conducted in prior years. However, as of July 2023, a separate electricity meter has been installed for monitoring purposes. This will assist the Plantations Segment to assess and reduce its future GHG emissions. Since FY 2023 has been selected as its base year, no energy consumption target has been determined.

E2. Water Management

The water consumption incurred by our Plantations Segment is deemed insignificant, as such no consumption monitoring has and will be carried out. Even though, we will not carry out any consumption monitoring, 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, reusing gray water for gardening and ensuring all taps, pipes and toilets are properly maintained to avoid leakages.

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Plantations Segment (cont'd)

E3. Waste Management and Emission Management

Plantations' domestic wastes are mainly managed through recycling, where staff and workers are encouraged to recycle plastic, aluminium, paper and glass. Its scheduled waste is monitored and controlled following a scheduled waste management guideline and the disposal of these waste are made 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.

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, a fungus responsible for basal stem rot disease.

All forms of open burnings by our workers, staff and contractors are prohibited within our premises. Plantation employees and workers are trained to respond to fire emergency situations and frequent patrols 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 these vehicles. Since our fertiliser supplier had moved to a further location, the computed carbon emissions per hectare had increased in 2023 [N1].

GHG emissions Scope 1, 2 and 3 (business travel and employee commuting) ("GHG emissions") data are not available for FY 2023. Plantations Segment is committed to reducing its carbon footprint and has taken measures to ensure that its GHG emissions will be computed and assessed by 31 December 2024.

N1: Emission factor source: Roundtable Sustainable Palm Oil (RSPO).

E4. Biodiversity and Land Conservation

We are aware that negligence towards preserving HCV areas and buffer zones will result in significant negative impacts towards the environment. Thus, our conservation efforts involved the following:

- 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; and
 - handing over any endangered wildlife species found on our premises to the Department of Wildlife and National Parks.
- 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 is 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 zones or riparian reserves.

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Plantations Segment (cont'd)

E4. Biodiversity and Land Conservation (cont'd)



Buffer zone maintained at replanting area



Buffer zone at water stream

- 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 areas vulnerable to 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.
- Peatland Development:
 - prohibit the planting of palms on peatland.

E5. Integrated Pest Management ("IPM") and Chemical Usage

Pest management is an important process in which we can successfully grow palm trees that produces high-quality yield. To address pest problems, Plantations Segment has adopted IPM methods. IPM's aim is to maintain a delicate equilibrium between the destructive insect pests and the natural biological agents, whilst its strategies are to:

- Maintain good ground cover, preserve beneficial plants and have a thorough knowledge of pests, its benefits and enemies.
- 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;

SUSTAINABILITY STATEMENT (cont'd)

ENVIRONMENT (cont'd)

Plantations Segment (cont'd)

E5. Integrated Pest Management ("IPM") and Chemical Usage (cont'd)

- ensure 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;
- ensure standard operating procedures ("SOPs") are in place for weed management;
- brief workers on work safety before commencement of work and ensure that they are subjected to annual medical check-ups; and
- routinely undergo Chemical Health Risk Assessments to ensure workers understand chemical hazards to health.



Prevention management – Preservation of Beneficial Plants (*Antigonon leptopus*)



Biological control – Barn Owl

Manufacturing Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C4	Energy Management (H)						M1
C4(a)	Total energy consumption	MW	27,030.39	27,082.66	24,248.74	3.00% reduction in power used	
-	Total purchased energy consumed	MW	16,150.72	15,955.39	13,211.87	3.00% reduction in purchased energy	
-	Total renewable energy consumed	MW	10,879.67	11,127.27	11,036.87		
-	Total energy consumed to process per tonne of fresh fruit bunches ("FFB")	KWh	60.26	61.60	54.40		
C9	Water Management (H)						M2
C9(a)	Total volume of water used	ML	449.05	564.95	563.57		
-	Total volume of water used used to process one MT of FFB	m ³ /MT	1.90	2.38	2.55	<3m ³ per tonne of FFB	

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Manufacturing Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C10	Waste Management (H)						M3
C10(a)	Total waste generated	MT	10.23	Not available	Not available	<15MT	
C10(a)(i)	Total waste diverted from disposal	MT	0	Not available	Not available		
C10(a)(ii)	Total waste directed to landfill	MT	10.23	Not available	Not available	<15MT	
-	Total scheduled waste disposed	MT	14.93	11.25	8.85		
-	Number of summons or penalties from regulators	Number	0	0	0	Zero summon or penalty	
S8(a)	Total volume of water (effluent) produced over the reporting period	ML	431,047.27	298,889.28	437,831.28		
-	Total volume of water (effluent) treated & discharged over the reporting period	ML	454,440.00	462,480.00	463,200.00		
C11	Emission Management (H)						M3
C11(a)	Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	7,722.40	Not available	Not available		
C11(b)	Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	10,842.95	Not available	Not available		
C11(c)	Scope 3 emissions in tonnes of CO ₂ e (business travel and employee commuting)	tCO ₂ e	Not available	Not available	Not available		
-	GHG: CO ₂ e per tonne of product (CPO, PK, PKO & PKE)	tCO ₂ e	0.60-0.73	0.59-0.64	0.70-0.72	<3.50tCO ₂ e /Product	
S4(a)	Amount of air pollutants and particulate matter: Dark smoke: Sum of SO ₂ Sum of NO ₂ Carbon monoxide (CO)	Shade Mg/m ³ Mg/m ³ Mg/m ³	Shade 1 234.00 185.00 125.00	Shade 1 230.00 179.00 124.00	Shade 1 201.00 179.00 131.00	Shade 1 400mg/m ³ 400mg/m ³ 1000mg/m ³	
S4(a)	Dust particulate emission limit	Mg/Nm ³	110.00	97.00	109.00	<150mg/Nm ³	

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Manufacturing Segment (cont'd)

Initiatives:

M1. Energy Management

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 its anaerobic digester tanks can treat its Palm Oil Mill Effluent (POME). At the same time the methane gas produced 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 for annual savings of more than 85% and 40% of fossil fuel and power cost respectively.

The volume of energy purchased co-relates to the amount of 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. In spite of a drop in total energy consumption in 2023, consumption from purchased energy had increased by 0.84%. This was mainly due to a breakdown in our steam turbine which is used to generate our renewable energy. Energy consumption per tonne had reduced with the increase in production quantity.

POM will commence the installation of a new biomass boiler to further improve on the efficiency of its older boilers. The new boiler is expected to be commissioned by June 2024.

M2. Water Management

POM's uses water to process its FFB as well as generate steam to supply to Palm Oil Refinery and the vitamin extraction plant. A faulty water meter resulted in an inaccurate reading of the quantity of water consumed in 2023. The water meter is scheduled to be rectified.

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 processing 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, water usage in the mill, maintaining of buffer zones and effluent water analysis.

M3. Waste Management and Emission Management

Effluent treatment is a process of removing pollutants in the wastewater before it is discharged into the environment, thus minimising the impact of the wastewater to the ecosystems. 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.

Due to a faulty flow meter, the effluent produced in 2022 showed a lower quantity. Scheduled wastes are properly stored in the Scheduled Waste Store prior to its disposal through a licensed contractor. The scheduled wastes in 2023 has increased as 3 new categories of waste has been added to the list of scheduled wastes.

Even though there has been an increase in carbon emissions in producing its Crude Palm Oil (CPO), Palm Kernel (PK), Palm Kernel Oil (PKO) and Palm Kernel Expeller (PKE), the carbon emissions per product remain within the target of less than 3.5tCO₂e per product [N1]. Manufacturing Segment has commenced computing its Scope 1 & 2 emissions [N1] for 2023. It will ensure that its Scope 3 emissions will be computed and assessed by 31 December 2024.

As part of the monitoring process, stack emission analysis is conducted and submitted to the Department of Environment ("DOE") annually. The amount of air emissions of pollutants remain within DOE's specification limits. To ensure that our boilers' dust particulate emission readings remain below the target reading of 150mg/Nm³, we have installed and commissioned a new dust particulate arrester system in April 2023.

N1: Emission factor source: RSPO, GHG Protocol or/and Global Warming Potential (GWP).

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Property Development ("PD") and Investment ("PI") Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
C4	Energy Management							P1
C4(a)	Total energy consumption	MW	PD	355.98	Not available	Not available	3.00% reduction	
			PI (H)	3,434.57	3,307.94	2,981.08	2.00%-5.00% reduction	
C9	Water Management							P2
C9(a)	Total volume of water used	ML	PD	34.16	Not available	Not available	3.00% reduction	
			PI	30.32	26.91	22.65	5.00%-10.00% reduction	
C10	Waste Management							P3
C10(a)	Total waste generated	MT	PD (H)	344.79	Not available	Not available		
			PI	9.38	0.37	0.13		
C10(a)(i)	Total waste diverted from disposal	MT	PD	0	Not available	Not available		
		%	PD	0.00%	Not available	Not available		
		MT	PI	9.38	0.37	0.13		
		%	PI	100.00%	100.00%	100.00%		
C10(a)(ii)	Total waste directed to landfill	MT	PD	344.79	Not available	Not available		
			PI	0	0	0		
S8(a)	Total volume of water (effluent) discharged over the reporting period	ML	PD	Not available	Not available	Not available		
-	Total volume of water (effluent) treated over the reporting period	ML	PD	Not available	Not available	Not available		
C11	Emission Management							P3
C11(a)	Scope 1 emissions in tonnes of CO2e	tCO2e	PD (H)	263.39	Not available	Not available		
			PI	Not available	Not available	Not available		
C11(b)	Scope 2 emissions in tonnes of CO2e	tCO2e	PD (H)	221.42	Not available	Not available		
			PI	Not available	Not available	Not available		
C11(c)	Scope 3 emissions in tonnes of CO2e (business travel and employee commuting)	tCO2e	PD (H)	824.94	Not available	Not available		
			PI	Not available	Not available	Not available		

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Property Development ("PD") and Investment ("PI") Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
	Biodiversity							P4
S1(a)	Percentage of existing operations or projects assessed for biodiversity risks	%	PD	Not available	Not available	Not available		
S1(b)	Development on Peat land and High Conservation Value ("HCV") land / Size and location of all habitat areas protected or restored	Hectare	PD	Not available	Not available	Not available		
S1(c)	Total number of International Union for Conservation of Nature ("IUCN") Red List of threatened species and national conservation list of species with habitats in areas affected by the operations of the Segment/Division/Company	Number	PD	0	0	0		

Initiatives:

P1. Energy Management

KSM's Property Division ("PD") has elected FY 2023 to commence its ESG initiatives, and as part of its initiative to reduce its carbon footprint, it has commenced:

- monitoring the energy consumption of its main/site offices and commercial properties/areas leased out;
- spreading awareness among its employees on ways to conserve energy;
- sourcing and replacing energy saving equipment and appliances, where needed;
- encourage its current tenants to adopt green energy where possible; and
- studying the availability of alternative energy sources.

Our commercial and residential properties' energy consumption for FY2023 have increased, as occupancy rates and tenant viewing frequencies are on the rise. We remain committed to conserving energy and our efforts include carrying out regular maintenance on our plant and equipment or replacing non-efficient equipment, ensuring air-conditioning and lighting to vacant units are switched off, shutting down the chiller when the weather is cooler, converting to LED light fittings or lightings/equipment with motion sensors or timer, responding quickly to any repairs required and educating users on ways to conserve energy. We also believe that with the installation of repeaters and smart meters made at our commercial building by Tenaga Nasional Berhad, users would be able to identify, control usage, reduce wastage and respond to outages far quicker than before. This in turn will lead to a reduction of future carbon emissions.

P2. Water Management

PD has also commenced monitoring the water consumption of its main/site offices and commercial properties/areas leased out in FY 2023 with the objective of reducing wastage of this scarce and critical resource.

Water consumption of our commercial and residential properties have also increased during the year due to the increase in occupancy rates and tenant viewing frequencies. Besides ensuring that leakages are prevented, PD and the properties are looking at ways to encourage or educate its tenants to conserve water.

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Property Development ("PD") and Investment ("PI") Segment (cont'd)

P3. Waste Management and Emission Management

PD is committed to ensuring that its property development projects do not materially affect the environment. We ensure that all relevant environmental rules, regulations and guidelines pertaining to waste and emissions are complied with. Waste from our project development sites is disposed at designated and regulated landfills and not burned or disposed irresponsibly.

Effluent data is unavailable as at 31 December 2023 as PD is currently in the preliminary stages of addressing this matter. PD's employees are encouraged to participate in recycling initiatives. Recycling bins will be made available at its main and site offices in 2024.

PD's GHG emissions [N1] computed are primarily from:

Scope 1 – office/site air-conditioners and company vehicles;

Scope 2 – purchased electricity; and

Scope 3 – business travel and employee commuting.

No emission reduction target has been determined since FY 2023 is the elected base year. However, PD is determined to reduce its carbon footprint for the coming years and has commenced upskilling its employees on the matter. Management of the Property Investment Segment has taken measures to ensure that its GHG emissions will be computed and assessed by 31 December 2024.

N1: Emission factor source:

Scope 1 & 2's calculations are computed using emission factors extracted from

<https://ghgprotocol.org/calculation-tools-and-guidance> and

<https://www.worldbenchmarkingalliance.org/publication/electric-utilities/companies/tenaga-nasional/#:~:text=TNB's%20emissions%20intensity%20is%20expected,and%20gas%20electricity%20generation%20plants>

Scope 3's calculation is computed using emission factors from

Emission_Factors_from_Cross_Sector_Tools_March_2017.xlsx (live.com)

P4. Biodiversity

Even though PD does not carry out any assessment on biodiversity risks or evaluate the size and location of habitat areas affected by its operations, PD is pleased to report that its development projects are not carried out on peat land or HCV areas and have not impacted any species listed under the IUCN red list of threatened species.

Hotels Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C4	Energy Management (H)						H1
C4(a)	Total energy consumption	MW	17,641.05	17,345.31	15,024.65		
-	Total energy consumed per room	KWh	57.56	62.81	111.37	86.33KWh per room	
C9	Water Management (H)						H1
C9(a)	Total volume of water used	ML	158.70	136.73	96.44		
-	Total volume of water used per room	m ³	0.53	0.51	0.70	0.65m ³ per room	

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Hotels Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C10	Waste Management (H)						H2
C10(a)	Total waste generated	MT	1,049.08	805.78	354.42		
C10(a)(i)	Total waste diverted from disposal	MT	619.14	478.79	66.31	18.40% - 60.00% diversion rate	
C10(a)(ii)	Total waste directed to landfill	MT	429.94	326.99	288.11		
C11	Emission Management (H)						H2
C11(a)	Scope 1 emissions in tonnes of CO ₂ e	tCO ₂ e	2,374.10	Not available	Not available		
C11(b)	Scope 2 emissions in tonnes of CO ₂ e	tCO ₂ e	41,088.60	Not available	Not available		
C11(c)	Scope 3 emissions in tonnes of CO ₂ e (business travel and employee commuting)	tCO ₂ e	623.10	Not available	Not available		

Initiatives:

H1. Energy Management and Water Management

Our Hotels 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 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 feasible replacing equipment with energy and water efficient alternatives;
- Equipment such as air-conditioners (temperature control), thermostats and washers (set at cold wash) are set to conserve energy;
- 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;
- Refrain from letting water run for extended periods while defrosting frozen food or washing; and
- Plant draught resistant plants and use drip irrigation that is time controlled.

H2. Waste Management and Emission Management

Our respective Hotels 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;
- Manage overages on employee meals or switching to made-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;
- The amount of food prepared should commensurate with the occupancy rates, event guest count or need-to basis;
- Food products are cross utilised to minimise waste;
- Use environmentally friendly cleaning agents and chemicals;

SUSTAINABILITY STATEMENT [cont'd]

ENVIRONMENT (cont'd)

Hotels Segment (cont'd)

H2. Waste Management and Emission Management (cont'd)

- Use latex paint to eliminate the use of thinners; and
- Recycle used computer paper for office use.

Since FY 2023 is the elected base year, no emission reduction target has been determined. However, the hotels are determined to reduce its carbon footprint for the coming years by using high efficiency equipment and is also looking at the possibility of installing solar panels on the roof top of its hotel located in Hawaii.

SOCIAL

Plantations Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C2	Community / Society						E6
C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	24,430.90	18,850.80	26,202.93		
C2(b)	Total number of beneficiaries of the investment in communities	Number	>900 pax	>600 pax	>500 pax		
-	Stakeholders' engagement	Number	Annually	Annually	Annually	Annually	
C3	Diversity (H)						E7
C3(a)	Employees by employee category	%				15.00% Female	
	Management		3.51%	3.96%	2.66%		
	Executive		5.26%	5.94%	5.31%		
	Non-Executive		91.23%	90.10%	92.03%		
	Employees by gender group	%					
	Management - Male		75.00%	50.00%	33.00%		
	Management - Female		25.00%	50.00%	67.00%		
	Executive - Male		33.00%	33.00%	33.00%		
	Executive - Female		67.00%	67.00%	67.00%		
	Non-Executive - Male		87.00%	87.00%	89.00%		
	Non-Executive - Female		13.00%	13.00%	11.00%		
C3(a)	Employees by age group	%					
	Management						
	18-30		0.00%	0.00%	0.00%		
	31-40		25.00%	50.00%	33.33%		
	41-50		50.00%	0.00%	0.00%		
	51-60		0.00%	25.00%	33.33%		
	61-70		25.00%	25.00%	33.34%		
	>70		0.00%	0.00%	0.00%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Plantations Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Executive						
	18-30		33.33%	33.33%	0.00%		
	31-40		33.33%	33.33%	50.00%		
	41-50		16.67%	16.67%	33.33%		
	51-60		16.67%	16.67%	16.67%		
	61-70		0.00%	0.00%	0.00%		
	>70		0.00%	0.00%	0.00%		
	Non-Executive						
	18-30		44.23%	14.28%	31.73%		
	31-40		23.08%	34.06%	30.77%		
	41-50		20.19%	21.98%	21.15%		
	51-60		7.69%	12.09%	11.54%		
	61-70		3.85%	13.19%	0.96%		
	>70		0.96%	4.40%	3.85%		
C3(b)	Directors by gender group [N1]	%					
	Male		83.87%	83.87%	83.87%		
	Female		16.13%	16.13%	16.13%		
C3(b)	Directors by age group	%					
	Male						
	18-30		0.00%	0.00%	0.00%		
	31-40		0.00%	0.00%	0.00%		
	41-50		32.26%	32.26%	32.26%		
	51-60		12.90%	12.90%	12.90%		
	61-70		6.45%	16.13%	16.13%		
	>70		32.26%	22.58%	22.58%		
	Female						
	18-30		0.00%	0.00%	0.00%		
	31-40		0.00%	0.00%	0.00%		
	41-50		0.00%	0.00%	0.00%		
	51-60		0.00%	0.00%	0.00%		
	61-70		0.00%	0.00%	0.00%		
	>70		16.13%	16.13%	16.13%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Plantations Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C5	Health and Safety (H)						E8
C5(a)	Number of work-related fatalities	Number	0	0	0	Zero work-related fatalities	
-	Number of non-life threatening cases	Number	31	1	1	Zero non-life threatening cases	
C5(b)	Lost time incident rate ("LTIR") [N2]	Rate	16.67	0.99	0.96	Zero LTIR	
C5(c)	Number of employees trained on health and safety standards	Number	149	70	75		
C6	Labour Practices and Standards (H)						E9
C6(a)	Training by employee categories	Hours					
	Management		46	8	8		
	Executive		200	232	248		
	Non-Executive		1,109	420	324		
C6(b)	Employees that are contractors or temporary staff	%	38.00%	22.00%	24.00%		
C6(c)	Employee turnover by employee category	Number					
	Management		2	0	0		
	Executive		1	2	0		
	Non-Executive		11	5	1		
C6(d)	Substantiated complaints concerning human rights violations	Number	0	0	0	Zero complaint	

Initiatives:

E6. Community / Society

A stakeholders' engagement meeting is held annually together with Manufacturing Segment's management team and representatives from the local communities to address concerns and requests.

In June 2023, an independent and competent assessor was engaged to conduct a Social Impact Assessment ("SIA") for Plantations Segment, aiming to guide the management and improve operations. The SIA report was received in November 2023 and an action plan has been established to rectify any shortcomings.

CSR activities engaged during FY 2023, involved contributions or donations to both external and internal beneficiaries. These CSR activities can be found on pages 88 to 92 of this AR.

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Plantations Segment (cont'd)

E7. Diversity

Due to the nature of the plantation industry, an overall 30% female demographic is unlikely to be achieved. We continue to advocate that equal opportunity be given to all interested persons when recruiting and that fair remuneration and promotion be given to all deserving parties. Kindly refer to our manpower analysis charts on pages 84 to 86 of this AR.

N1: The "Directors by Gender and Age Group" have been computed based on the total number of directors in each plantation based subsidiary, where certain directors are common directors.

E8. Health and Safety

Management is pleased to report that there were no fatalities for FY 2023. However, the number of non-life threatening cases have increased as the basis of recognising such cases has changed to include cases where medical leave of less than four (4) days is granted.

Kindly refer to page 87 of this AR for the Group's general health and safety initiatives. Apart from the general initiatives, Plantations Segment had adopted mechanisation to reduce their field employees' exposure to fertilisers and chemical usage. To safeguard our local communities' health, anti-malaria / dengue spraying and fogging are regularly conducted around our plantations.

N2: LTIR – Number of reported cases / Total number of hours worked X 200,000.

E9. Labour Practices and Standards

Kindly refer to page 87 of this AR for the Group's general labour practices and standards.

Manufacturing Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C2	Community / Society						M4
C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	510.00	0	7,756.00		
C2(b)	Total number of beneficiaries of the investment in communities	Number	13 pax	0	80 pax		
-	Stakeholders' engagement	Number	Annually	Annually	Annually	Annually	
C3	Diversity						M5
C3(a)	Employees by employee category [N1]	%				15.00% Female	
	Management		6.17%	6.26%	7.58%		
	Executive		8.65%	9.40%	10.44%		
	Non-Executive		85.18%	84.34%	81.98%		
	Employees by gender group	%					
	Management – Male		80.00%	81.00%	83.00%		
	Management - Female		20.00%	19.00%	17.00%		
	Executive - Male		60.00%	56.00%	55.00%		
	Executive - Female		40.00%	44.00%	45.00%		
	Non-Executive - Male		88.00%	89.00%	87.00%		
	Non-Executive - Female		12.00%	11.00%	13.00%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Manufacturing Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C3(a)	Employees by age group	%					
	Management						
	18-30		0.00%	0.00%	0.00%		
	31-40		20.00%	23.08%	24.14%		
	41-50		40.00%	38.46%	34.48%		
	51-60		12.00%	15.38%	13.79%		
	61-70		8.00%	7.69%	3.45%		
	>70		20.00%	15.39%	24.14%		
	Executive						
	18-30		28.57%	28.21%	32.50%		
	31-40		25.71%	20.51%	15.00%		
	41-50		2.86%	2.56%	2.50%		
	51-60		14.29%	23.08%	22.50%		
	61-70		28.57%	23.08%	20.00%		
	>70		0.00%	2.56%	7.50%		
	Non-Executive						
	18-30		35.65%	36.57%	31.85%		
	31-40		24.35%	27.14%	24.84%		
	41-50		22.90%	21.43%	25.16%		
	51-60		11.59%	10.57%	12.74%		
	61-70		4.93%	4.29%	4.46%		
	>70		0.58%	0.00%	0.95%		
C3(b)	Directors by gender group [N2]	%					
	Male		77.78%	78.95%	80.00%		
	Female		22.22%	21.05%	20.00%		
C3(b)	Directors by age group	%					
	Male						
	18-30		0.00%	0.00%	0.00%		
	31-40		0.00%	0.00%	0.00%		
	41-50		11.11%	10.53%	10.00%		
	51-60		5.56%	10.53%	10.00%		
	61-70		16.67%	15.79%	15.00%		
	>70		44.44%	42.10%	45.00%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Manufacturing Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Female						
	18-30		0.00%	0.00%	0.00%		
	31-40		0.00%	0.00%	0.00%		
	41-50		0.00%	0.00%	0.00%		
	51-60		0.00%	0.00%	5.00%		
	61-70		5.56%	5.26%	0.00%		
	>70		16.66%	15.79%	15.00%		
C5	Health and Safety (H)						M6
C5(a)	Number of work-related fatalities	Number	0	0	0	Zero work-related fatalities	
-	Number of non-life threatening cases	Number	34	12	9	Zero non-life threatening cases	
C5(b)	LTIR <i>[N3]</i>	Rate	7.19	2.62	2.54	Zero LTIR	
C5(c)	Number of employees trained on health and safety standards	Number	163	68	175		
C6	Labour Practices and Standards (H)						M7
C6(a)	Training by employee categories	Hours				2000 hours	
	Management		817	56	1		
	Executive		1,193	1,189	161		
	Non-Executive		2,082	790	7		
C6(b)	Employees that are contractors or temporary staff	%	0.00%	0.00%	0.00%		
C6(c)	Employee turnover by employee category	Number				<20 pax	
	Management		1	0	0		
	Executive		6	4	8		
	Non-Executive		47	57	78		
C6(d)	Substantiated complaints concerning human rights violations	Number	1	1	0	Zero complaint	

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Manufacturing Segment (cont'd)

Initiatives:

M4. Community / Society

A stakeholders' engagement meeting is held annually together with Plantations Segment's management team and representatives from the local communities to address concerns and requests.

In June 2023, an independent and competent assessor was engaged to conduct a SIA for Manufacturing Segment, aiming to guide the management and improve operations. CSR activities engaged by the Manufacturing Segment during FY 2023, mainly involved internal beneficiaries and consisted of activities such as upkeeping the staff recreation clubhouse, upkeeping the estate mosque and kuil, holding zumba classes and bread making classes for employees, festive dinners, sports carnival, etc. can be found on pages 88 to 92 of this AR.

M5. Diversity

Due to the nature of the palm oil industry, an overall 30% female demographic is unlikely to be achieved. We continue to advocate that equal opportunity be given to all interested persons when recruiting and that fair remuneration and promotion be given to all deserving parties. Kindly refer to our manpower analysis charts on pages 84 to 86 of this AR.

N1: Past years' headcount has been revised to account for an omission made.

N2: The "Directors by Gender and Age Group" have been computed based on the total number of directors in each manufacturing based subsidiary, where certain directors are common directors.

M6. Health and Safety

Management is pleased to report that there were no fatalities for FY 2023. However, the number of non-life threatening cases have increased as the basis of recognising such cases has changed to include cases where medical leave of less than four (4) days is granted. Kindly refer to page 87 of this AR for the Group's general health and safety initiatives.

Apart from the general initiatives, Manufacturing Segment had carried out more awareness training and engineering improvements to minimise the occurrence of its non-life threatening incidences, which arose mainly due to employees' negligence.

N3: LTIR – Number of reported cases / Total number of hours worked X 200,000.

M7. Labour Practices and Standards

Kindly refer to page 87 of this AR for the Group's general labour practices and standards. The violation reported in 2023 relate to a sexual harassment incident. Appropriate mediation action has been taken by the Human Resource Department to address the issue.

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Property Development ("PD") and Investment ("PI") Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
C2	Community / Society							P5
C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	PD	40,293.20	24,000.00	3,000.00		
			PI (H)	1,000.00	0	0		
C2(b)	Total number of beneficiaries of the investment in communities	Number	PD	>500 pax	Not available	Not available		
			PI	10 pax	0	0		
C3	Diversity		PD & PI (H)					P6
C3(a)	Employees by employee category [N1]	%						
	Management			25.96%	22.77%	22.68%		
	Executive			28.84%	30.69%	29.90%		
	Non-Executive			45.20%	46.54%	47.42%		
	Employees by gender group	%						
	Management - Male			70.00%	65.00%	68.00%		
	Management - Female			30.00%	35.00%	32.00%		
	Executive - Male			27.00%	26.00%	21.00%		
	Executive - Female			73.00%	74.00%	79.00%		
	Non-Executive - Male			62.00%	64.00%	63.00%		
	Non-Executive - Female			38.00%	36.00%	37.00%		
C3(a)	Employees by age group	%						
	Management							
	18-30			7.41%	0.00%	0.00%		
	31-40			22.22%	17.39%	9.09%		
	41-50			29.63%	26.09%	31.82%		
	51-60			11.11%	17.39%	18.18%		
	61-70			25.93%	34.78%	36.36%		
	>70			3.70%	4.35%	4.55%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Property Development ("PD") and Investment ("PI") Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
	Executive							
	18-30			10.00%	29.03%	27.59%		
	31-40			20.00%	9.68%	10.34%		
	41-50			33.33%	25.81%	27.59%		
	51-60			23.33%	22.58%	24.14%		
	61-70			13.34%	12.90%	10.34%		
	>70			0.00%	0.00%	0.00%		
	Non-Executive							
	18-30			0.00%	4.26%	4.35%		
	31-40			29.79%	25.53%	21.74%		
	41-50			19.15%	12.77%	23.91%		
	51-60			34.04%	40.43%	34.78%		
	61-70			17.02%	17.01%	15.22%		
	>70			0.00%	0.00%	0.00%		
C3(b)	Directors by gender group [N2]	%						
	Male			60.00%	60.00%	60.00%		
	Female			40.00%	40.00%	40.00%		
C3(b)	Directors by age group	%						
	Male							
	18-30			0.00%	0.00%	0.00%		
	31-40			0.00%	0.00%	0.00%		
	41-50			20.00%	20.00%	20.00%		
	51-60			20.00%	20.00%	20.00%		
	61-70			0.00%	0.00%	0.00%		
	>70			20.00%	20.00%	20.00%		
	Female							
	18-30			0.00%	0.00%	0.00%		
	31-40			0.00%	0.00%	0.00%		
	41-50			0.00%	0.00%	0.00%		
	51-60			0.00%	0.00%	0.00%		
	61-70			20.00%	20.00%	40.00%		
	>70			20.00%	20.00%	0.00%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Property Development ("PD") and Investment ("PI") Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
C5	Health and Safety (H)		PD & PI					P7
C5(a)	Number of work-related fatalities	Number		0	0	0	Zero work-related fatalities	
-	Number of non-life threatening cases	Number		0	0	0	Zero non-life threatening cases	
C5(b)	LTIR	Rate		0	0	0	Zero LTIR	
C5(c)	Number of employees trained on health and safety standards	Number		22	0	0		
C6	Labour Practices and Standards		PD & PI (H)					P8
C6(a)	Training by employee categories	Hours					PI-180 hours	
	Management			687	250	Not available		
	Executive			508	24	Not available		
	Non-Executive			357	49	Not available		
C6(b)	Employees that are contractors or temporary staff	%		50.00%	30.00%	34.00%		
C6(c)	Employee turnover by employee category	Number						
	Management			3	1	1		
	Executive			5	4	0		
	Non-Executive			7	1	0		
C6(d)	Substantiated complaints concerning human rights violations	Number		0	0	0	Zero complaint	

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Property Development ("PD") and Investment ("PI") Segment (cont'd)

Initiatives:

P5. *Community / Society*

CSR activities for FY 2023 consisted of donations to promote tourism on local culture, support law enforcement agency's family event, upgrading of school facilities, celebration of cultural events, food donation drive and donation to a home for the abandoned/aged. PD continues to support the local communities and promote socio-economic growth surrounding our townships.

P6. *Diversity*

The Property Development and Investment Segment gender workforce stands at approximately 54% male and 46% female employees. We uphold the gender equality principle in our recruitment and remuneration practices. Recruitment and remuneration are based on the person's qualification, experience and merit. Employees are treated with mutual respect regardless of gender, race or age.

N1: Past year's headcount has been revised to account for an omission made.

N2: The "Directors by Gender and Age Group" have been computed based on the total number of directors in the property investment subsidiaries, where certain directors are common directors.

P7. *Health and Safety*

To safeguard our local communities' health, anti-malaria / dengue spraying and fogging are regularly conducted around our property development worksites and investment properties. PD's management is updated through monthly Safety, Health and Environment Report submitted by the main contractor. 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. Relevant health and safety trainings are organised and attended by the relevant employees.

Kindly refer to page 87 of this AR for the Group's general health and safety initiatives.

P8. *Labour Practices and Standards*

Kindly refer to page 87 of this AR for the Group's general labour practices and standards.

Hotels Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C2	Community / Society (H)						H3
C2(a)	Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	26,584.02	0.00	0.00		
C2(b)	Total number of beneficiaries of the investment in communities	Number	>1000 pax	0	0		
C3	Diversity (H)						H4
C3(a)	Employees by employee category	%					
	Management		7.99%	8.01%	10.08%		
	Executive		3.89%	4.37%	4.63%		
	Non-Executive		88.12%	87.62%	85.29%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Hotels Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Employees by gender group	%					
	Management - Male		66.00%	64.00%	57.00%		
	Management - Female		34.00%	36.00%	43.00%		
	Executive - Male		53.00%	56.00%	53.00%		
	Executive - Female		47.00%	44.00%	47.00%		
	Non-Executive - Male		47.00%	48.00%	50.00%		
	Non-Executive - Female		53.00%	52.00%	50.00%		
C3(a)	Employees by age group	%					
	Management						
	18-30		8.57%	6.06%	18.92%		
	31-40		31.43%	27.27%	45.95%		
	41-50		20.00%	33.33%	18.92%		
	51-60		14.29%	24.24%	13.51%		
	61-70		20.00%	9.10%	2.70%		
	>70		5.71%	0.00%	0.00%		
	Executive						
	18-30		0.00%	0.00%	0.00%		
	31-40		29.41%	22.22%	11.76%		
	41-50		11.76%	33.33%	52.94%		
	51-60		29.41%	27.78%	23.53%		
	61-70		23.53%	16.67%	11.77%		
	>70		5.89%	0.00%	0.00%		
	Non-Executive						
	18-30		19.95%	16.34%	16.29%		
	31-40		15.03%	19.11%	14.38%		
	41-50		22.54%	20.50%	29.07%		
	51-60		21.76%	21.88%	26.20%		
	61-70		17.36%	18.56%	13.74%		
	>70		3.36%	3.61%	0.32%		
C3(b)	Directors by gender group	%					
	Male		80.00%	91.67%	91.67%		
	Female		20.00%	8.33%	8.33%		

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Hotels Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C3(b)	Directors by age group	%					
	Male						
	18-30		0.00%	0.00%	0.00%		
	31-40		0.00%	0.00%	0.00%		
	41-50		60.00%	50.00%	50.00%		
	51-60		10.00%	25.00%	25.00%		
	61-70		0.00%	8.33%	8.33%		
	>70		10.00%	8.34%	8.34%		
	Female						
	18-30		0.00%	0.00%	0.00%		
	31-40		0.00%	0.00%	0.00%		
	41-50		20.00%	0.00%	0.00%		
	51-60		0.00%	0.00%	0.00%		
	61-70		0.00%	8.33%	8.33%		
	>70		0.00%	0.00%	0.00%		
C5	Health and Safety (H)						H5
C5(a)	Number of work-related fatalities	Number	0	0	0	Zero work-related fatalities	
-	Number of non-life threatening cases	Number	10	2	4	Zero non-life threatening cases	
C5(b)	LTIR <i>[N1]</i>	Rate	6.03	4.18	2.69	Zero LTIR	
C5(c)	Number of employees trained on health and safety standards	Number	269	224	183		
C6	Labour Practices and Standards (H)						H6
C6(a)	Training by employee categories	Hours					
	Management		889	665	65		
	Executive		232	164	128		
	Non-Executive		2579	1136	575		
C6(b)	Employees that are contractors or temporary staff	%	0.00%	0.00%	0.00%		
C6(c)	Employee turnover by employee category	Number					
	Management		14	11	4		
	Executive		3	1	1		
	Non-Executive		59	89	14		
C6(d)	Substantiated complaints concerning human rights violations	Number	0	0	0	Zero complaint	

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

Hotels Segment (cont'd)

Initiatives:

H3. Community / Society

The overseas hotels' CSR activities for FY 2023, consisted of donations made to the New York Business Council, Children's Miracle Network annual outing, annual bake sale and the coldest night of the year event. The staff have also participated and volunteered in beach clean-ups, charity walks, community projects, make a wish foundation gift and foodbank donation drives.

H4. Diversity

The Hotels Segment gender workforce stands at approximately 49% male and 51% female employees. Employee recruitment and remuneration is based on merit, qualification and experience.

H5. Health and Safety

The LTIR relates to the New York hotel, as a few of its employees were on extended leave resulting from various injuries. The hotels prioritise its employees' safety and health, among others by conducting safety and health trainings, carrying out workplace inspections and producing newsletters to raise safety awareness. Health and Safety ("H&S") committees/Safety Office meet to discuss H&S topics, report on hazards and investigate unusual claims to determine the contributing factor to avoid future incidents.

Kindly refer to page 87 of this AR for the Group's general health and safety initiatives.

N1: $LTIR = \text{Number of reported cases} / \text{Total number of hours worked} \times 200,000$.

H6. Labour Practices and Standards

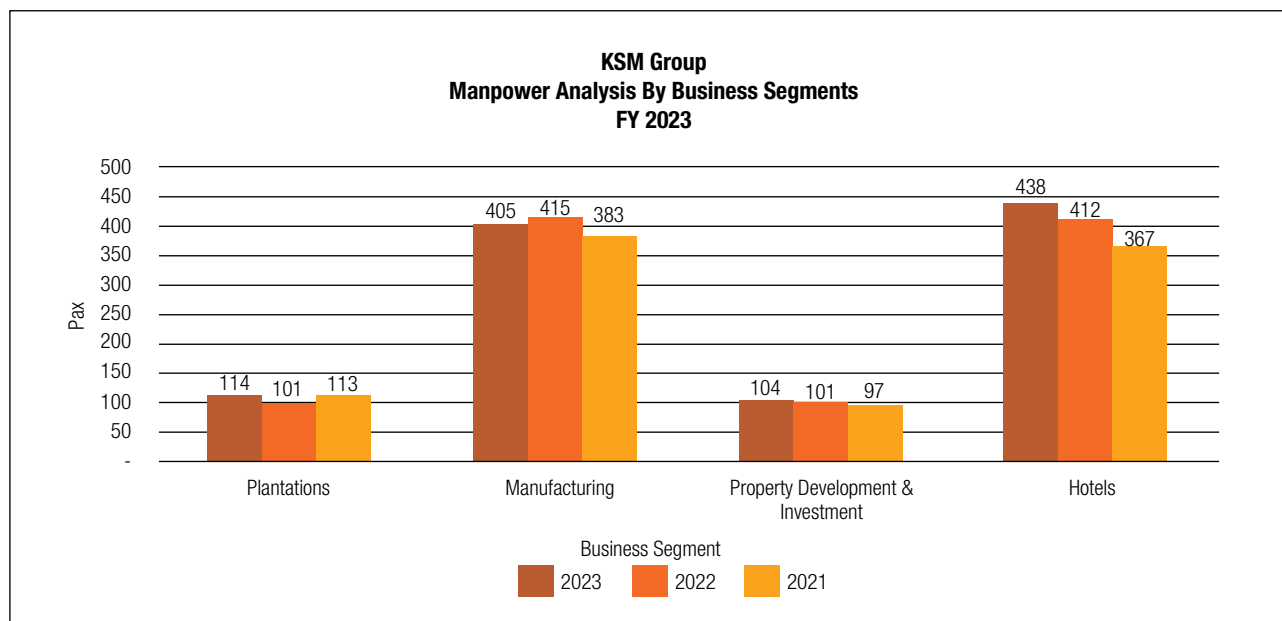
Kindly refer to page 87 of this AR for the Group's general labour practices and standards.

KSM Group's Social Initiatives

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 2023, we have a total of 1,061 (1,029 in 2022) employees and 177 (75 in 2022) contractors and temporary staff engaged across our major business segments.

Presented below is an analysis of our manpower as at 31 December 2023 (excluding contractors and temporary staff):-

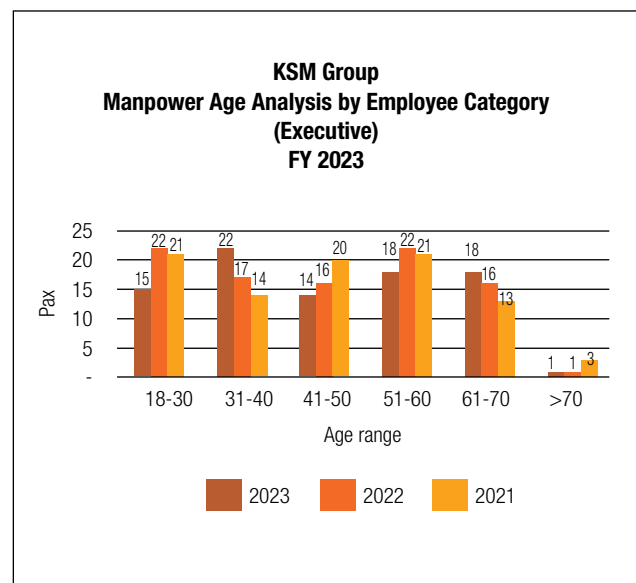
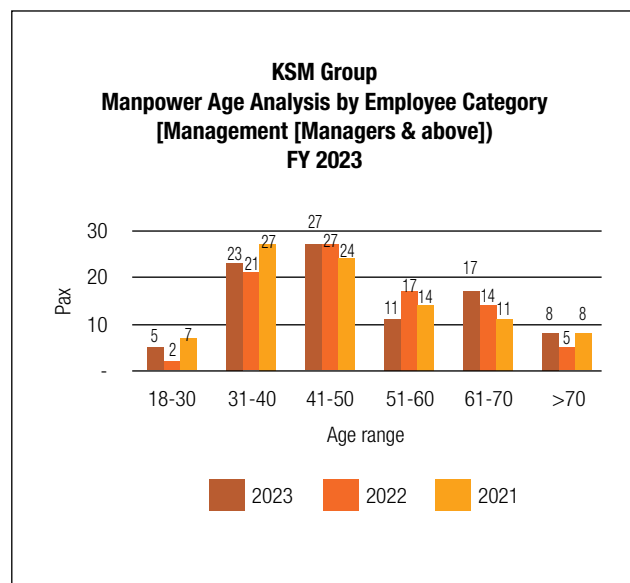
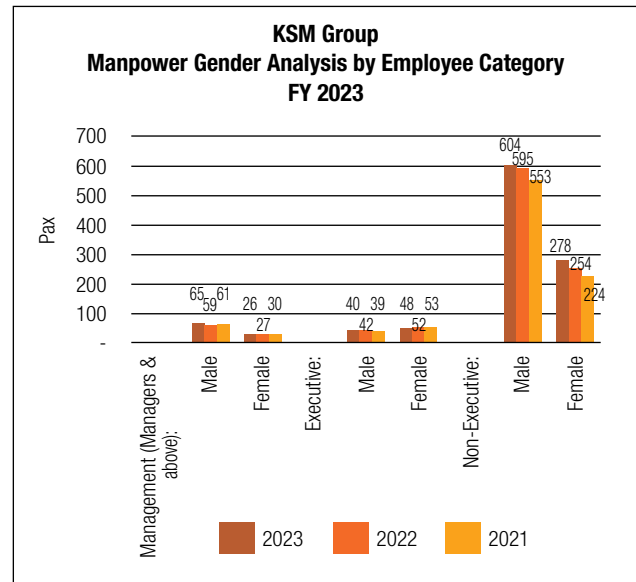
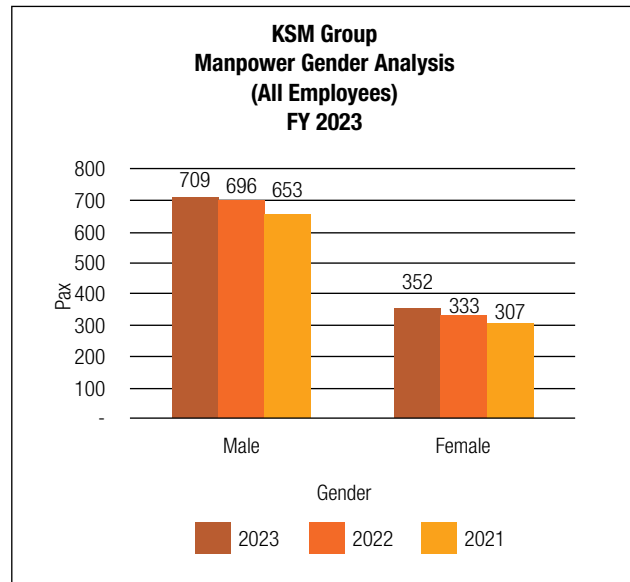


SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

Diversity (cont'd)

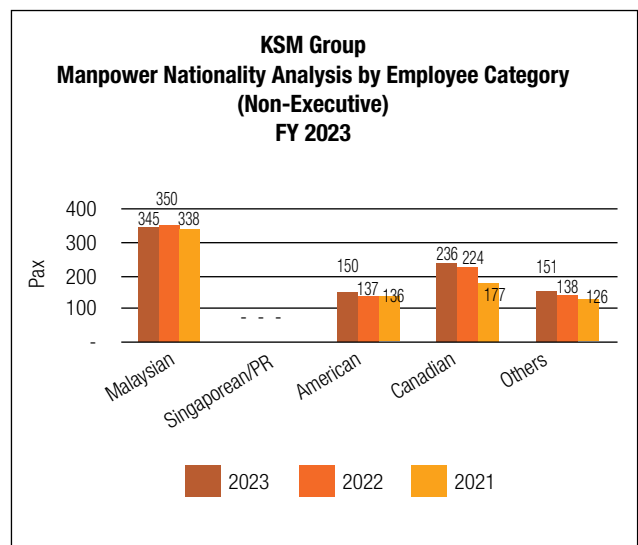
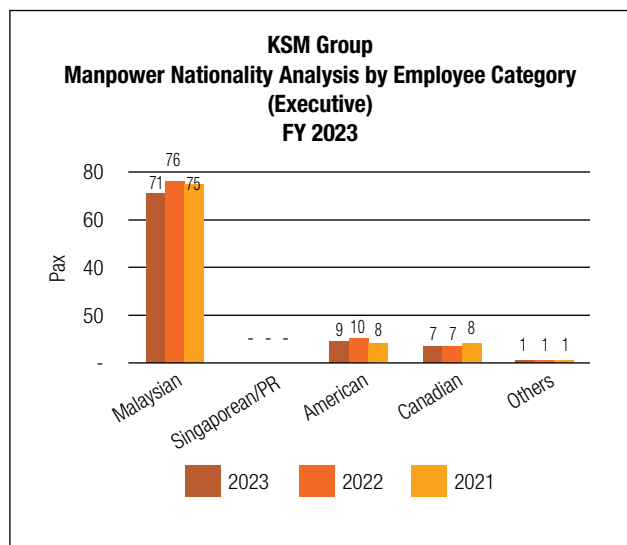
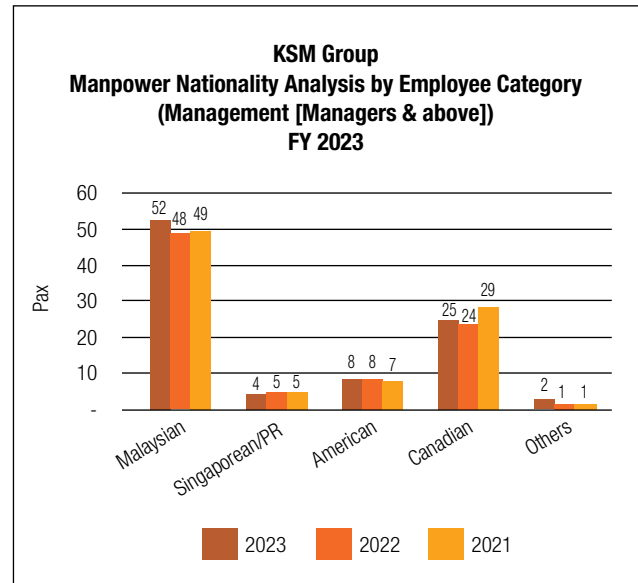
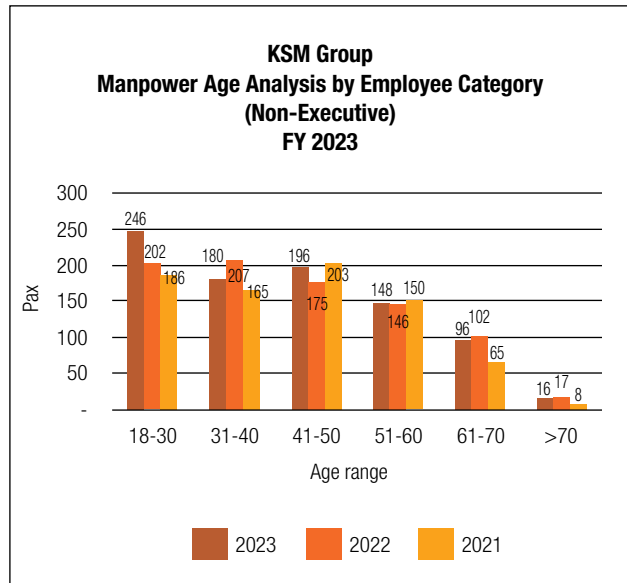


SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

Diversity (cont'd)



SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

Health and Safety

In 2023, 603 employees of the Group were trained in health and safety standards.

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, health and safety 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 healthy and safe. Any loss of life or injury could impact the families of those affected and productivity. Even though, 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, we encourage our employees to take ownership and accountability of their individual health and safety. 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 training sessions are carried out. Strict supervision, prompt responses to incidents and continuous improvements based on past incidents form part of our approach to managing our health and safety standards. PPE are provided to relevant employees to protect the wearer from bodily injury whilst carrying out their duties. Key operational risk areas are inspected and assessed to ensure that adequate health and safety controls are in place. Clinical treatments for employees are heavily subsidised.

During FY 2023, we continue to encourage our employees to maintain strict hygiene protocols and the wearing of masks to slow down any spread of viruses.

We are pleased to report that there were no fatalities which occurred because of workplace accidents nor were there any major accidents or incidents that occurred in our workplace or worksites in 2023.

Labour 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 in terms of recruitment, representation and progression;
- gender equality;
- human rights;
- available dispute, grievance or complaint avenues;
- free from sexual harassment and all other forms of violence against women at the work place or society at large;
- 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, no withholding of personal travel documents;
- decent housing with basic necessities (for our foreign workers);
- easy access to medical care; and
- strict compliance to the respective countries' applicable labour laws, rules and regulations including minimum wage laws.

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

How do we care?

a) Training

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

During FY 2023, a total of 10,699 hours has been vested on training our employees. These covered matters on employment, taxes, occupational safety and health, computer system, cyber awareness, ESG matters, soft skills, customer service, administration skills, human resource, Bursa Securities updates, anti-bribery & corruption, firefighting, workshop for harvester/manurer/chemical handler, sexual harassment, waste management and many more.



***Effective Occupational Safety and
Health Management System Training
(18.05.2023)***

b) Welfare

KSM Group takes pride in caring for its employees by donating to the families of needier employees during festive celebrations.



***Hari Raya Donations to the needy family of employees
(18.04.2023)***

SUSTAINABILITY STATEMENT (cont'd)

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

How do we care? (cont'd)

b) Welfare (cont'd)

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, excursion, exercise and baking classes.



**Staff Chinese New Year Dinner
(03.03.2023)**



**Keck Seng Sports and
Recreational Club (KSSRC)
trip to Cameron Highlands
(05.06.2023)**



**Staff Hari Raya Dinner
(26.05.2023)**



**Zumba classes
(FY 2023)**

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

How do we care? (cont'd)

c) 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 2023, the following corporate social responsibility activities were carried out by our:

Local BU



***Donation in support of the World Kite Festival
held at Pasir Gudang, Johor Bahru
(22.02.2023-26.02.2023)***



***Donated 56 sets of daily essentials to the students of Sekolah
Kebangsaan Kong Kong Laut and Sekolah Agama
Kong Kong Laut
(18.04.2023)***



***Donated catered food for 300 pax to the residents
of Kampung Kong Kong Laut in conjunction with
the Hari Raya Celebration
(28.05.2023)***

***University Technology Malaysia's
(UTM) Students Visit to
KSM's Mill & Refinery Plant
(19.06.2023)***



SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

How do we care? (cont'd)

c) Community Service and Projects (cont'd)

Local BU



**Food Donation Drive under
ADUN N50 Bukit Permai
(22.10.2023)**



**Hanfu Festival organised by Persatuan
Kesenian Citra Daksina, UTM
(23.12.2023)**



**Donated to Pusat Kebajikan Orang Terabai
dan Warga Emas Rumah Kasih
Kuala Lumpur
(06.12.2023)**



**Donated tables, chairs and adjustable storage shelves
to a local kindergarten
(Dec 2023)**

SUSTAINABILITY STATEMENT [cont'd]

SOCIAL (cont'd)

KSM Group's Social Initiatives (cont'd)

How do we care? (cont'd)

c) Community Service and Projects (cont'd)

Overseas BU



**Annual Bake Sale organised by our
Hotel in Toronto, Canada
(15.12.2023)**



**Participated in the Hawaii Food Bank Rice Bag
Department Challenge
(01.03.2023)**

GOVERNANCE

Plantations Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Economic Performance						E10
-	Economic value generated (revenue)	RM'000	42,902	46,033	39,200	Annual Budget	
	Economic value distributed:	RM'000					
	Employee wages and benefits		1,513	1,057	1,202		
	Payment to government (taxes)		5,189	6,737	5,297		
C1	Anti-Corruption (H)						E11
C1(a)	Employees who have received training on anti-corruption by employee category	Number					
	Management		4	0	0		
	Executive		6	0	0		
	Non-Executive		0	0	0		
C1(b)	Operations assessed for corruption-related risks	%	100.00%	100.00%	100.00%		
C1(c)	Confirmed incidents of corruption and action taken	Number	0	0	0	Zero incident of corruption	

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Plantations Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C7	Supply chain management						E12
C7(a)	Proportion of spending on local suppliers	%	100.00%	100.00%	100.00%		
S6(a)	Percentage of new suppliers that were screened using environmental criteria	%	0.00%	0.00%	0.00%		
S6(b)	Number of suppliers assessed for environmental impacts	Number	0	0	0		
S7(a)	Percentage of new suppliers that were screened using environmental criteria	%	0.00%	0.00%	0.00%		
S7(b)	Number of suppliers assessed for social impacts	Number	0	0	0		
C8	Data privacy and security						E13
C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Zero complaint	
	Compliance (H)						E14
-	Number of summonses, fines or penalties for environmental related incidents	Number	0	0	0	Zero summon or penalty	
-	Number of summonses, fines or penalties for legal related incidents	Number	0	0	0	Zero summon or penalty	
	Product and services commitment (H)						E15
-	Number of certifications	Number	2	2	2	To maintain	
	Material						E16
S5(a)	Total weight or volume of material that are used to produce and package products and services:	MT or Litres					
	Fertilisers	MT	4,349.95	4,590.94	4,468.13		
	Pesticide and herbicide	Litres	6,293.50	3,529.70	5,246.00		
	Lubricant	Litres	876.00	1,301.00	1,192.00		

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Plantations Segment (cont'd)

Initiatives:

E10. *Economic Performance*

KSM Plantation Division and its plantation based subsidiaries sell 100% of its FFB to KSM Manufacturing Division.

E11. *Anti-corruption*

Kindly refer to page 100 of this AR for KSM Group's stance and initiatives taken on corruption.

E12. *Supply Chain Management*

Its supplies are purchased through local suppliers. Sustainability assessment of its suppliers will be initiated in 2024.

E13. *Data privacy and security*

There has been no report of personal data or security breaches for FY 2023. Our in-house Information Technology ("IT") Department oversees and is responsible for maintaining the IT system and its integrity through necessary system configuration, policies and procedures.

E14. *Compliance*

Kindly refer to page 100 of this AR for our commitment to compliance.

E15. *Product and services commitment*

Kindly refer to pages 100 to 101 of this AR for the list of certifications obtained and maintained.

E16. *Material*

Initiatives are taken to reduce the use of chemicals through our IPM and chemical usage/handling methods.

Manufacturing Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Economic Performance						M8
-	Economic value generated (revenue)	RM'000	951,679	1,586,213	1,171,906	Annual Budget	
	Economic value distributed:	RM'000					
	Employee wages and benefits		27,794	24,729	21,791		
	Payment to government (taxes)		6,109	13,803	5,273		
C1	Anti-Corruption						M9
C1(a)	Employees who have received training on anti-corruption by employee category	Number					
	Management		16	0	0		
	Executive		24	0	0		
	Non-Executive		0	0	0		
C1(b)	Operations assessed for corruption-related risks	%	100.00%	0.00%	0.00%		
C1(c)	Confirmed incidents of corruption and action taken	Number	0	0	0	Zero incident of corruption	

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Manufacturing Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
C7	Supply chain management (H)						M10
C7(a)	Proportion of spending on local suppliers	%	100.00%	100.00%	100.00%		
S6(a)	Percentage of new suppliers that were screened using environmental criteria	%	100.00%	Not applicable	Not applicable		
S6(b)	Number of suppliers assessed for environmental impacts	Number	58	67	60		
S6(d)	Percentage of FFB sourced in accordance to certified environmental or sustainable standards	%	33.00%	29.00%	29.20%	50.00%	
S7(a)	Percentage of new suppliers that were screened using environmental criteria	%	100.00%	Not applicable	Not applicable		
S7(b)	Number of suppliers assessed for social impacts	Number	58	67	60		
-	Percentage of CPO traceability to plantation rate	%	62.37%	67.82%	51.20%	100.00%	
C8	Data privacy and security (H)						M11
C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Zero complaint	
	Compliance (H)						M12
-	Number of summonses, fines or penalties for environmental related incidents	Number	0	0	0	Zero summon or penalty	
-	Number of summonses, fines or penalties for legal related incidents	Number	0	0	0	Zero summon or penalty	
	Product and services commitment (H)						M13
-	Number of certifications [N1]	Number	19	18	18	To maintain	

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Manufacturing Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Material						M14
S5(a)	Total weight or volume of material that are used to produce and package products and services:						
	Processing materials	MT	2,490,553.00	2,664,141.00	2,799,819.00		
	Lubricant	Litres	31,995.00	27,059.00	13,245.00		
	FFB Processed	MT	236,591.00	237,467.00	221,148.00		
	External palm kernel	MT	2,827.00	2,252.00	0		
	CPO & CPKO	MT	130,751.38	160,843.52	155,238.67		

Initiatives:

M8. Economic Performance

Manufacturing Segment's FY 2023 revenue is lower compared to FY 2022 due mainly to lower selling price and demand for refined palm oil.

M9. Anti-corruption

Kindly refer to page 100 of this AR for KSM Group's stance and initiatives taken on corruption. A standard operating procedure to govern the ABAC Policy has been established on 7 June 2023.

M10. Supply Chain Management

Its supplies are purchased through local suppliers. A Responsible Sourcing Team has been established to assist in achieving our No Deforestation, No Development on Peat and No Exploitation ("NDPE") commitments in addition to our 100% traceability to plantation rate. The number of suppliers had decreased as we ceased to purchase our FFB and oils from certain suppliers and the traceability to plantation rate had dropped in 2023 due to the drop in supplies. All new suppliers in 2023 have been vetted for environmental and social impacts.

M11. Data privacy and security

There has been no report of personal data or security breaches for FY 2023. Our in-house IT Department oversees and is responsible for maintaining the IT system and its integrity through necessary system configuration, policies and procedures.

M12. Compliance

Kindly refer to page 100 of this AR for our commitment to compliance.

M13. Product and services commitment

Kindly refer to pages 100 to 101 of this AR for the list of certifications obtained and maintained.

N1: Certain entities have obtained similar certifications.

M14. Material

The quantity of materials used by our manufacturing segment to produce our products depend very much on our plants' efficiency. Investments are made to ensure improvements that would result in increases to efficiencies.

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Property Development ("PD") and Investment ("PI") Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
	Economic Performance		PD & PI					P9
	Economic value generated (revenue)	RM'000		207,717	126,235	143,587	Annual Budget	
	Economic value distributed:	RM'000						
	Employee wages and benefits			11,246	10,327	10,012		
	Payment to government (taxes)			19,731	15,962	15,180		
C1	Anti-Corruption (H)		PD & PI					P10
C1(a)	Employees who have received training on anti-corruption by employee category	Number						
	Management			8	13	0		
	Executive			8	5	0		
	Non-Executive			11	5	0		
C1(b)	Operations assessed for corruption-related risks	%		33.00%	33.00%	33.00%	PD - 50%	
C1(c)	Confirmed incidents of corruption and action taken	Number		0	0	0	Zero incident of corruption	
C7	Supply chain management		PD & PI (H)					P11
C7(a)	Proportion of spending on local suppliers	%		100.00%	97.00%	97.00%	100%	
S6(a)	Percentage of new suppliers that were screened using environmental criteria	%		Not available	Not available	Not available		
S6(b)	Number of suppliers assessed for environmental impacts	Number		Not available	Not available	Not available		
S6(c)	Percentage of the Division/Company's total property portfolio certified to a recognised building management standard for property	%		Not available	Not available	Not available		
S7(a)	Percentage of new suppliers that were screened using social criteria	%		Not available	Not available	Not available		
S7(b)	Number of suppliers assessed for social impacts	Number		Not available	Not available	Not available		

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Property Development ("PD") and Investment ("PI") Segment (cont'd)

Performance Data Table: (cont'd)

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit		2023	2022	2021	Target	Initiatives
C8	Data privacy and security		PD & PI (H)					P12
C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number		0	0	0	Zero complaint	
	Product and services commitment (H)		PD & PI					P13
-	Number of customer complaints	Number		0	0	0	Zero complaint	
	Material							P14
S5(a)	Total weight or volume of material that are used to produce and package products and services	Kg or Litres		Not available	Not available	Not available		

Initiatives:

P9. Economic Performance

Property Development and Investment Segment's FY 2023 revenue is higher due mainly to the higher number of residential units and plots of land sold coupled by the increased in average selling price and higher occupancy rates.

P10. Anti-corruption

Kindly refer to page 100 of this AR for KSM Group's stance and initiatives taken on corruption. Reliance is placed on the existing ABAC Policy and internal controls in place to mitigate anti-corruption risk.

P11. Supply Chain Management

Its supplies are purchased through local suppliers. Our commitment to do so would ensure that our local economy would continue to thrive and there would be lesser emission and waste produced from unnecessary transportation and packaging.

P12. Data privacy and security

We adhere to the Personal Data Protection Act 2010 to ensure that our customers'/tenants' information remain confidential.

Our in-house IT Department and external IT vendor are responsible for maintaining the IT systems and its integrity through necessary systems configuration, policies and procedures.

There has been no report of personal data or security breaches for FY 2023.

P13. Product and services commitment

PD focuses 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 incorporate value added and lifestyle improving enhancements that uphold the environmental and social sustainability of our township and of those living nearby.

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

P14: PD did not embark on determining the quantity of materials used in its development projects as it deems it impractical to do so.

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

Hotels Segment

Performance Data Table:

Bursa's Ref PN9	Sustainability Matter / Indicator	Unit	2023	2022	2021	Target	Initiatives
	Economic Performance						H8
	Economic value generated (revenue)	RM'000	305,318	256,015	102,309	Annual Budget	
	Economic value distributed:	RM'000					
	Employee wages and benefits		112,540	91,861	53,946		
	Payment to government (taxes)		269	(6,166)	300		
C1	Anti-Corruption (H)						H9
C1(a)	Employees who have received training on anti-corruption by employee category	Number					
	Management		21	8	6		
	Executive		16	10	9		
	Non-Executive		20	30	11		
C1(b)	Operations assessed for corruption-related risks	%	67.00%	67.00%	67.00%		
C1(c)	Confirmed incidents of corruption and action taken	Number	0	0	0	Zero incident	
C7	Supply chain management (H)						H10
C7(a)	Proportion of spending on local suppliers	%	98.00%	98.00%	98.00%		
C8	Data privacy and security (H)						H11
C8(a)	Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0	Zero complaint	

Initiatives:

H8. The hotels' results for FY 2023 have improved as occupancy rates continue to increase to near pre-pandemic levels.

H9. Kindly refer to page 100 of this AR for KSM Group's stance and initiatives taken on corruption.

H10. Its supplies are mostly purchased through approved appointed suppliers which have been vetted for their commitment to sustainability. Supplies are sourced locally where possible, and where quality and pricing are comparable.

H11. There have been no complaints concerning breaches of data privacy and security.

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

KSM Group's Governance Initiatives

Performance

KSM Group has recorded the following:

	Unit	2023	2022	2021
Economic value generated (revenue)	RM'000	1,370,632	1,827,572	1,311,978
Economic value distributed:	RM'000			
Employee wages and benefits		153,092	127,974	86,951
Payment to government (taxes)		31,475	30,975	26,079

Reference can be made to Notes 4,7,8 and Statements of Cash Flows of the Financial Statements on pages 137,139 to 140 and 124 of this AR.

Anti-Corruption

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.

Our directors and employees are governed by our Code, the Anti-Bribery & Anti-Corruption ("ABAC") Policy and Conflict of Interest ("COI") Policy, which reinforces our value of integrity by providing guidance on moral, ethical behaviour in laws, business dealings, policies, standards and procedures. Business associates have been informed of our ABAC Policy and have been requested to support our commitment to adhere to it. Our Whistleblowing Policy facilitates reporting on any violation of our Code, COI Policy, concerns of wrongdoing, corruption and fraud.

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

There were no complaints brought against KSM Group on Code, ABAC Policy and COI breaches, nor were there confirmed bribery or corruption cases or penalties imposed for legal and regularity breaches for FY 2023. The number of employees in the Group that attended anti-bribery & anti-corruption trainings in 2023 amounted to 136 pax.

Supply Chain Management

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

Compliance

As laws and regulations differ from country to country, to ensure compliance, the respective Management work closely with all relevant parties and agencies that we operate in. We understand that any non-compliance of laws and regulations may result in a negative financial impact, reputational impact or both. Thus, we set targets and performance indicators to monitor our compliance and operational effectiveness. We ensure that the people engaged are competent in their relevant field of work.

Regular audits, surveys and site visits conducted by accreditation bodies ensure that weaknesses are improved. Thus, ensuring that our product or service quality standards are maintained and/or improved.

Product and Services Commitment

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

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

SUSTAINABILITY STATEMENT [cont'd]

GOVERNANCE (cont'd)

KSM Group's Governance Initiatives (cont'd)

Product and Services Commitment (cont'd)

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

Certifications

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

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.

Halal-SG certification was obtained during FY 2023.

SUSTAINABILITY STATEMENT [cont'd]

KSM GROUP PERFORMANCE DATA TABLE ON COMMON SM

Indicator	Measurement Unit	2021	2022	2023
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	42,254.47	47,735.91	48,470.03
Bursa (Water)				
Bursa C9(a) Total volume of water used	Megalitres	682.660000	728.580000	672.230000
Bursa (Community/Society)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	36,958.93	42,850.80	92,818.12
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	580	600	2,413
Bursa (Diversity)				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Age Group by Employee Category				
Management Under 30	Percentage	7.69	2.33	5.49
Management Between 31-40	Percentage	29.67	24.42	25.28
Management Between 41-50	Percentage	26.37	31.39	29.67
Management Between 51-60	Percentage	15.39	19.77	12.09
Management Between 61-70	Percentage	12.09	16.28	18.68
Management Above 70	Percentage	8.79	5.81	8.79
Executive Under 30	Percentage	22.83	23.40	17.05
Executive Between 31-40	Percentage	15.22	18.09	25.00
Executive Between 41-50	Percentage	21.74	17.02	15.91
Executive Between 51-60	Percentage	22.82	23.41	20.45
Executive Between 61-70	Percentage	14.13	17.02	20.45
Executive Above 70	Percentage	3.26	1.06	1.14
Non-executive Under 30	Percentage	23.94	23.79	27.89
Non-executive Between 31-40	Percentage	21.24	24.38	20.41
Non-executive Between 41-50	Percentage	26.13	20.61	22.22
Non-executive Between 51-60	Percentage	19.30	17.20	16.78
Non-executive Between 61-70	Percentage	8.36	12.02	10.88
Non-executive Above 70	Percentage	1.03	2.00	1.82
Gender Group by Employee Category				
Management Male	Percentage	67.03	68.60	71.43
Management Female	Percentage	32.97	31.40	28.57
Executive Male	Percentage	42.39	44.68	45.45
Executive Female	Percentage	57.61	55.32	54.55
Non-executive Male	Percentage	71.17	70.08	68.48
Non-executive Female	Percentage	28.83	29.92	31.52
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	80.83	80.56	78.26
Female	Percentage	19.17	19.44	21.74
Under 30	Percentage	0.00	0.00	0.00
Between 31-40	Percentage	0.00	0.00	0.00
Between 41-50	Percentage	27.40	27.78	31.89
Between 51-60	Percentage	16.44	15.28	11.59
Between 61-70	Percentage	19.17	18.05	11.60
Above 70	Percentage	36.99	38.89	44.92
Bursa (Health and safety)				
Bursa C5(a) Number of work-related fatalities	Number	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	2.31	2.47	9.09
Bursa C5(c) Number of employees trained on health and safety standards	Number	433	362	603
Bursa (Labour practices and standards)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	74	979	2,439
Executive	Hours	537	1,609	2,133
Non-executive	Hours	906	2,395	6,127
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	8.00	7.00	14.00
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	5	12	20
Executive	Number	9	11	15
Non-executive	Number	93	152	124
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	1	1
Bursa (Anti-corruption)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	6.59	24.42	53.85
Executive	Percentage	9.78	15.96	61.36

Internal assurance

External assurance

No assurance

(*) Restated

SUSTAINABILITY STATEMENT [cont'd]

KSM GROUP PERFORMANCE DATA TABLE ON COMMON SM (cont'd)

Indicator	Measurement Unit	2021	2022	2023
Non-executive	Percentage	1.42	4.12	3.51
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	56.00	56.00	81.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	0	0
Bursa (Supply chain management)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.00	99.00	99.00
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0

Internal assurance External assurance No assurance (*) Restated

Note: This Three-Year Performance Data Table is extracted from the Bursa ESG Reporting Platform. Kindly refer to the respective Segment's performance data tables for targets set.

SUSTAINABILITY STATEMENT [cont'd]

STATEMENT OF ASSURANCE

In strengthening the credibility of the Statement, selected aspects/parts of this Statement have been subjected to an internal review by KSM's Internal Audit Department ("IAD") and approved by the Audit Committee on 5 April 2024.

LIMITED SCOPE

The scope of the internal review includes the following Segments:

a) Plantations Segment	b) Manufacturing Segment
<ol style="list-style-type: none"> 1) KSM Oil Palm Estates 2) Sin Lian Oil Palm Plantations Sdn. Bhd. 3) Lian Huap Oil Palm Plantations Sdn. Bhd. 4) Johore (Masai) Oil Palm Plantations Sdn. Bhd. 5) Kota Tinggi Oil Palm Plantations Sdn. Bhd. 6) Lim & Lim Plantations Berhad 	<ol style="list-style-type: none"> 1) KSM Palm Oil Mill 2) KSM Palm Oil Refinery 3) Ragamo Sdn. Bhd. 4) Supervitamins Sdn. Bhd.

No internal review on the Property Development & Investment Segment and Hotels Segment was conducted for FY 2023.

SUBJECT MATTERS

The subject matters covered under the internal review include the following SM:

1. Energy Management
2. Water Management
3. Waste Management
4. Health and Safety
5. Labour Practices and Standards
6. Diversity
7. Community / Society
8. Compliance – Law & Regulations
9. Product and Services Commitment
10. Anti-Corruption
11. Supply Chain Management
12. Material

CONCLUSION

Based on the audit work done, IAD concludes reasonable assurance for Plantations and Manufacturing Segments' SM.

FUTURE FORWARD

Moving forward, the Group will continue to pursue and undertake more initiatives to manage its 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 2023.

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	<u>258,859</u>	<u>163,688</u>
Profit net of tax attributable to:		
Owners of the parent	240,702	163,688
Non-controlling interests	<u>18,157</u>	<u>-</u>
	<u>258,859</u>	<u>163,688</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 2022 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022 as reported in the directors' report of that year:	
Final single-tier dividend of 9 sen per share on 359,303,610 ordinary shares, declared on 6 April 2023 and paid on 18 May 2023	32,338
In respect of the financial year ended 31 December 2023:	
Interim single-tier dividend of 5 sen per share on 359,303,610 ordinary shares, declared on 28 August 2023 and paid on 26 October 2023	17,965
	<u>50,303</u>

On 5 April 2024, the Board of Directors approved and declared a final single-tier dividend of 5 sen per share and a special dividend of 5 sen per share, in respect of the financial year ended 31 December 2023. These dividends are applicable to the total number of issued shares of 359,303,610 ordinary shares, amounting to RM35,930,361 in total, payable on 2 July 2024.

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 2024.

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	
Ho Chung Kain (He ChongJing)**	(alternate to Dato' Ho Cheng Chong @ Ho Kian Hock, resigned on 27 November 2023), (appointed as Executive Director on 27 November 2023) (retired on 26 May 2023)
Chan Lui Ming Ivan**	
Lee Huee Nan @ Lee Hwee Leng**	
Too Hing Yeap @ Too Heng Yip	
Tai Lam Shin	
Mahathir Bin Mohamed Ismail	
Liew Foong Yuen	
Dato' Dr. Zaha Rina Binti Zahari	
Ho Chung Tao	(alternate to Chan Lui Ming Ivan, ceased on 26 May 2023)
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	
Cheah Siu Hoe	
Lee Beng Ghee	
Foo Whei Fhein	(appointed on 15 July 2023)
Evelyn Chow Yuet Chu	(resigned on 30 April 2023)

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 39 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	7,236	5,669
Fees	1,318	1,218
Bonus	2,716	2,636
Defined contribution plan	621	564
Estimated money value of benefits-in-kind	37	28
	11,928	10,115

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	1.1.2023	Number of ordinary shares		31.12.2023
		Acquired	Sold	
Ho Kim Swee @ Ho Kian Guan				
- direct interest	24,395,538	-	-	24,395,538
- indirect interest	103,114,373	974,400	-	104,088,773
Dato' Ho Cheng Chong @ Ho Kian Hock				
- direct interest	24,899,687	-	-	24,899,687
- indirect interest	103,114,373	974,400	-	104,088,773
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
Ho Chung Kain (He ChongJing)				
- direct interest	996,100	283,900	-	1,280,000

Subsidiary

- Lim & Lim Plantations Berhad

Direct Interest

Ho Kim Swee @ Ho Kian Guan	5,000	-	-	5,000
Dato' Ho Cheng Chong @ Ho Kian Hock	5,500	-	-	5,500
Lee Huee Nan @ Lee Hwee Leng	2,000	-	-	2,000

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

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

TREASURY SHARES

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

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

As at 31 December 2023, 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	505	235
- Other services	20	20
	<u>525</u>	<u>255</u>

Signed on behalf of the Board in accordance with a resolution of the directors dated 5 April 2024.

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 117 to 193 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 2023 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 5 April 2024.

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 117 to 193 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)
the abovenamed Reuson Seet)
at Johor Bahru in the State of Johor)
on 5 April 2024.)

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 2023 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 material accounting policy information, as set out on pages 117 to 193.

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 2023, 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 2.4, 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. 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, indicating that the accumulated impairment losses of RM113.36 million as at 31 December 2022 may have decreased.

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 2.4, 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.

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 RM56.93 million during the current financial year in respect of the hotel property included in property, plant and equipment of the Group. The carrying amount of the above hotel property as at 31 December 2023 amounted to RM252.78 million, representing 8% of the Group's total assets.

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 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 2.12(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 2023, property development revenue represents 12.9% and 16.7% of total revenue of the Group and the Company while its related cost of sales represents 9.7% and 11.2% of total cost of sales of the Group and the Company. The gross profits generated from property development activities represent 23.2% and 50.6% 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 2.12(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 40 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 2023, the carrying amount of the Group's investment in A2I amounted to approximately RM84.29 million, representing 3% of the Group's total assets. The Group recorded a fair value gain of RM8.05 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 assessed the appropriateness of the key adjustments in deriving the adjusted net asset value. The adjusted net asset value is based on the fair value of the hotel properties of AIG, which we have agreed 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 40 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 40 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
03348/01/2026 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 5 April 2024

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		Group		Company	
	Note	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue	4	1,370,632	1,827,572	1,058,166	1,592,574
Cost of sales	5	(1,048,908)	(1,484,706)	(910,647)	(1,396,969)
Gross profit		321,724	342,866	147,519	195,605
Other income	6	151,363	96,724	98,734	79,426
Distribution costs		(36,674)	(52,343)	(21,590)	(40,037)
Administrative expenses		(113,623)	(104,977)	(39,071)	(40,665)
Other expenses		(18,116)	(18,361)	(6)	(2,766)
Operating profit		304,674	263,909	185,586	191,563
Finance costs	10	(7,382)	(6,730)	(444)	(1,258)
Profit before tax	7	297,292	257,179	185,142	190,305
Income tax	11	(38,433)	(47,804)	(21,454)	(25,798)
Profit net of tax		258,859	209,375	163,688	164,507
Profit net of tax attributable to:					
Owners of the parent		240,702	201,573	163,688	164,507
Non-controlling interests		18,157	7,802	-	-
		258,859	209,375	163,688	164,507
Earnings per share attributable to owners of the parent (sen per share)					
Basic	12	66.99	56.10		
Diluted	12	N/A	N/A		

STATEMENTS OF COMPREHENSIVE INCOME [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

Note	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 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 income that may be reclassified to profit or loss in subsequent periods	<u>21,523</u>	<u>21,462</u>	<u>-</u>	<u>-</u>
Items that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax)				
Net loss on equity instruments designated at fair value through other comprehensive income, representing net other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	<u>(23,938)</u>	<u>(10,934)</u>	<u>(2,746)</u>	<u>(10,979)</u>
Other comprehensive loss)/ income for the year, net of tax	<u>(2,415)</u>	<u>10,528</u>	<u>(2,746)</u>	<u>(10,979)</u>
Total comprehensive income for the year, net of tax	<u>256,444</u>	<u>219,903</u>	<u>160,942</u>	<u>153,528</u>
Total comprehensive income attributable to:				
Owners of the parent	<u>236,663</u>	<u>212,184</u>	<u>160,942</u>	<u>153,528</u>
Non-controlling interests	<u>19,781</u>	<u>7,719</u>	<u>-</u>	<u>-</u>
	<u>256,444</u>	<u>219,903</u>	<u>160,942</u>	<u>153,528</u>

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	14	503,501	486,902	42,483	32,988
Investment properties	15	261,581	176,515	94,535	87,645
Right-of-use assets	16	19,575	20,661	-	-
Bearer plants	17	18,038	19,248	11,575	12,166
Investment in subsidiaries	18	-	-	118,667	118,667
Investment securities	19	414,938	419,501	173,886	176,383
Intangible assets	20	5	64	5	8
Inventories:					
- land held for property development	21(a)	230,857	247,035	230,857	237,396
Other receivables	24	-	-	441,952	346,627
Deferred tax assets	36	31,073	34,994	13,044	14,173
		1,479,568	1,404,920	1,127,004	1,026,053
Current assets					
Inventories:					
- property development costs	21(b)	60,877	22,513	60,877	22,513
- others	22	143,802	173,091	135,682	161,098
Biological assets	23	1,030	1,223	230	104
Trade and other receivables	24	116,101	79,917	245,909	258,413
Other current assets	25	55,244	27,486	53,109	25,811
Tax recoverable		1,228	6,572	-	-
Short term funds	27	248,182	248,306	214,159	220,583
Cash and bank balances	28	938,944	962,260	644,139	628,747
		1,565,408	1,521,368	1,354,105	1,317,269
Total assets		3,044,976	2,926,288	2,481,109	2,343,322

STATEMENTS OF FINANCIAL POSITION [cont'd]
AS AT 31 DECEMBER 2023

		Group		Company	
	Note	2023	2022	2023	2022
		RM'000	RM'000	RM'000	RM'000
Equity and liabilities					
Current liabilities					
Loans and borrowings	29	14,342	177,460	14,342	3,493
Trade and other payables	30	145,603	133,331	123,705	105,438
Other current liabilities	31	948	3,638	395	3,423
Lease liability	32	1,213	797	-	-
Derivatives	26	-	490	-	490
Tax payable		5,459	8,310	4,018	6,138
		167,565	324,026	142,460	118,982
Net current assets		1,397,843	1,197,342	1,211,645	1,198,287
Non-current liabilities					
Trade and other payables	30	13,710	7,035	11,054	6,696
Non-refundable deposits		330	461	330	461
Lease liability	32	1,496	2,537	-	-
Deferred tax liabilities	36	3,776	4,631	-	-
Provision	37	5,757	6,314	5,757	6,314
Loans and borrowings	29	66,417	-	-	-
		91,486	20,978	17,141	13,471
Total liabilities		259,051	345,004	159,601	132,453
Net assets		2,785,925	2,581,284	2,321,508	2,210,869
Equity attributable to owners of the parent					
Share capital	33	372,005	372,005	372,005	372,005
Other reserves	34	167,396	171,432	107,840	110,586
Retained earnings	35	2,196,556	1,892,429	1,841,663	1,728,278
		2,735,957	2,435,866	2,321,508	2,210,869
Non-controlling interests		49,968	145,418	-	-
Total equity		2,785,925	2,581,284	2,321,508	2,210,869
Total equity and liabilities		3,044,976	2,926,288	2,481,109	2,343,322

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 2023

	Attributable to owners of the parent				Distributable	
	Non-distributable		Premium on acquisition of non-controlling interests			
	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	Retained earnings (Note 35) RM'000	Total equity RM'000
At 1 January 2023						
Total comprehensive income	372,005	(7,054)	131,708	47,411	1,892,429	2,435,866
	-	-	19,899	(23,938)	240,702	236,663
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition	372,005	(7,054)	151,607	23,473	2,133,131	2,672,529
Capital repayment to a non-controlling shareholder	-	-	-	3	(3)	-
Dividends (Note 13)	-	-	-	-	15,534	15,534
Reclassification arising from winding up of a subsidiary	-	-	-	-	(50,303)	(50,303)
	-	-	-	-	98,197	98,197
At 31 December 2023	372,005	(7,054)	151,607	23,476	2,196,556	2,735,957
					(633)	49,968
						2,785,925

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	←----- Attributable to owners of the parent -----→		Non-distributable -----→		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	Non-distributable -----→		Premium on acquisition of non-controlling interests -----→		Retained earnings (Note 35) -----→		Total -----→		Non-controlling interests -----→		Total equity -----→	
At 1 January 2022																
Total comprehensive income	372,005	(7,054)	110,163	59,129	(10,934)		(633)		1,726,002		2,259,612		137,699		2,397,311	
	-	-	21,545						201,573		212,184		7,719		219,903	
	372,005	(7,054)	131,708	48,195			(633)		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			(633)		1,892,429		2,435,866		145,418		2,581,284	

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 2023

	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 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 and 1 January 2023	372,005	(7,054)	117,640	1,728,278	2,210,869
Total comprehensive income	-	-	(2,746)	163,688	160,942
Dividends (Note 13)	-	-	-	(50,303)	(50,303)
At 31 December 2023	372,005	(7,054)	114,894	1,841,663	2,321,508

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 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from operating activities				
Profit before tax	297,292	257,179	185,142	190,305
Adjustments for:				
Amortisation of intangible assets	8	22	3	3
Amortisation of deferred loan costs	-	54	-	-
Depreciation of right-of-use assets	1,240	1,241	-	-
Depreciation of property, plant and equipment	20,902	24,974	2,352	3,155
Depreciation of investment properties	5,891	5,307	2,659	2,147
Depreciation of bearer plants	1,210	1,055	591	471
Dividend income	(8,630)	(7,649)	(20,103)	(29,363)
Property, plant and equipment written off	186	170	117	17
Bearer plants written off	-	85	-	-
Bad debts written off	162	88	-	6
Deposit written off	81	-	-	-
Intangible assets written off	51	-	-	-
Investment property written off	-	45	-	43
Inventories written off	180	808	-	-
Inventories written back	(1,567)	(150)	(1,564)	(150)
Write down of inventories	-	23	-	-
Write back of provision for foreseeable losses on low cost houses	(557)	-	(557)	-
(Gain)/loss on disposal of property, plant and equipment	(1,264)	(18)	12	-
Gain on disposal of investment property	(3)	-	-	-
Net fair value (gain)/loss on derivatives	(490)	758	(490)	758
Fair value gain on financial assets at fair value through profit or loss	(10,813)	(7,064)	(2,720)	(1,404)
Fair value loss/(gain) in biological assets	193	(29)	(126)	(47)
Interest expense	7,382	6,730	444	1,258
Interest income	(39,196)	(14,198)	(45,132)	(18,549)
(Reversal of)/allowance for impairment on trade receivables	(136)	78	-	-
Allowance for impairment on other receivables	35	-	35	-
Allowance for impairment on amount due from a subsidiary	-	-	3,597	8,345
Reversal of impairment loss on property, plant and equipment	(56,925)	(19,636)	-	-
Waiver of loan received from paycheck protection program	-	(11,527)	-	-
Unrealised foreign exchange gain	(7,830)	(26,419)	(15,454)	(46,671)
Operating profit before changes in working capital	207,402	211,927	108,806	110,324
Receivables and other current assets	(64,060)	3,556	(33,649)	9,353
Payables and other current liabilities	13,806	27,088	19,946	21,292
Inventories	30,714	32,798	26,980	31,482
Property development costs	(23,880)	9,482	(23,880)	9,482
Cash generated from operations	163,982	284,851	98,203	181,933
Interest paid on bank overdraft	(444)	(1,258)	(444)	(1,258)
Income tax paid	(31,475)	(30,975)	(22,278)	(24,899)
Net cash generated from operating activities	132,063	252,618	75,481	155,776

STATEMENTS OF CASH FLOWS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	(36,641)	(12,874)	(12,026)	(4,900)
Purchase of intangible assets	-	(3)	-	(3)
Additions to investment properties	(6,902)	(9,772)	(6,063)	(9,377)
Purchase of investment securities	(548)	(235)	(250)	(235)
Additions to bearer plants	-	(2,035)	-	(1,802)
Additions to land held for property development	(11,948)	(12,640)	(11,948)	(12,640)
Proceeds from disposal of investment securities	-	2,658	-	143
Proceeds from disposal of property, plant and equipment	3,115	72	50	19
Proceeds from disposal of investment properties	4	-	-	-
Dividends received	8,464	7,556	19,937	29,270
Interest received	39,196	14,198	45,132	18,549
Advance to subsidiaries	-	-	(55,542)	(36,285)
Redemption of redeemable preference shares of subsidiary	-	-	-	60,000
Redemption/(placement) of short term funds	2,885	(82,836)	9,144	(135,019)
(Placement)/withdrawal of deposits with maturity exceeding three months	(24,573)	(1,210)	(30,813)	8,154
Net cash used in investing activities	(26,948)	(97,121)	(42,379)	(84,126)
Cash flows from financing activities				
Dividends paid	(50,303)	(35,930)	(50,303)	(35,930)
Interest paid on notes payable	(6,770)	(5,265)	-	-
Interest paid on lease liability	(168)	(207)	-	-
Repayment of principal portion of lease liability	(826)	(622)	-	-
Capital repayment to non-controlling interests	(1,500)	-	-	-
Repayment of loans and borrowings	(113,636)	(16,468)	-	-
Net cash used in financing activities	(173,203)	(58,492)	(50,303)	(35,930)
Net (decrease)/increase in cash and cash equivalents	(68,088)	97,005	(17,201)	35,720
Effects of exchange rate changes on cash and cash equivalents	(4,903)	57,053	(22,550)	42,985
Cash and cash equivalents at 1 January	788,677	634,619	470,452	391,747
Cash and cash equivalents at 31 December (Note 28)	715,686	788,677	430,701	470,452

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 2023

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. MATERIAL ACCOUNTING POLICY INFORMATION

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 2023, the Group and the Company adopted the following Standard and Amendments mandatory for annual financial periods beginning on or after 1 January 2023:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
MFRS 17 Insurance Contracts	1 January 2023
Amendment to MFRS 17: Insurance Contracts - Initial Application of MFRS 17 and MFRS 9 - Comparative Information	1 January 2023
Amendments to MFRS 101: Presentation of Financial Statements - 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 - International Tax Reform - Pillar Two Model Rules	1 January 2023 1 January 2023

The adoption of the above Standard and Amendments did not have material impact on the financial statements of the Group and of the Company, except for:

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (*Disclosure of Accounting Policies*)

The Amendments to MFRS 101 requires entities to disclose their material accounting policy information rather than their significant accounting policies. The Amendments, amongst others, also include examples of circumstances in which an entity is likely to consider an accounting policy information to be material to its financial statements.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.2 Changes in accounting policies (cont'd)

Amendments to MFRS 101 Presentation of Financial Statements and MFRS Practice Statement 2 (*Disclosure of Accounting Policies*) (cont'd)

To support the Amendments to MFRS 101, MFRS Practice Statement 2 was also amended to provide guidance on how to apply the concept of materiality to accounting policy information disclosures. The guidance and examples provided in the MFRS Practice Statement 2 highlight the need to focus on entity-specific information and demonstrate how the four-step materiality process can address standardised (or boilerplate) information and duplication of requirements of MFRSs in the accounting policy information disclosures.

The Amendments have had an impact on the Group's and the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's and the Company's financial statements.

2.3 Amendments issued but not yet effective

The 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 Amendments, if applicable, when they become effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to MFRS 107: Statement of Cash Flows and MFRS 7: Financial Instruments: Disclosures - Supplier Finance Arrangements	1 January 2024
Amendment to MFRS 16: Leases - Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements	
- Classification of Liabilities as Current or Non-current	1 January 2024
- Non-current Liabilities with Covenants	1 January 2024
Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability	1 January 2025
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The directors expect that the adoption of the above Amendments will have no material impact on the financial statements in the year of initial application.

2.4 Fair value measurement

The Group's senior management determines the policies and procedures for both recurring and non-recurring fair value 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, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

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.

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%

2.6 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%
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2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at:

- Amortised cost (debt instruments)
- Fair value through other comprehensive income ("OCI") with recycling of cumulative gains and losses (debt instruments)
- Fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Fair value through profit or loss

- Financial assets at amortised cost (debt instruments)

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)

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 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.7 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Initial recognition and measurement (cont'd)

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

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.

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).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.7 Financial instruments (cont'd)

(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.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

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

The Group and the Company have not designated any financial liability as at fair value through profit or loss.

- ***Financial liabilities at amortised cost***

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

2.8 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.8 Inventories (cont'd)

(i) Inventory properties (cont'd)

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) Inventories - 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.

2.9 Contract assets and contract liabilities

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

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

2.10 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.11 Leases

The Group and the Company as a lessee

The Group and the Company apply a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land for cultivation of oil palm	99 years
Car park land	5 years

(b) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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

The Group and the Company apply the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Group and the Company as a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.12 Revenue from contracts with customers

The following describes the performance obligation in contracts with customers:

(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.

(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

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.12 Revenue from contracts with customers (cont'd)

(d) Sales of properties (cont'd)

- (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 based on 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (cont'd)

2.13 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.

2.14 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.

2.15 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.

2.16 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 43, including the factors used to identify the reportable segments and the measurement basis of segment information.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2.12(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 revenue from 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 (cont'd)

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 RM56,925,000 (2022: RM19,636,000) 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 40 to the financial statements respectively.

4. REVENUE

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Type of revenue				
Oil palm produce	850,104	1,438,939	850,633	1,455,121
Sale of properties	176,382	98,148	176,382	98,148
Dividend income	8,630	7,649	20,103	29,363
Management and operation of golf club	8,280	11,135	-	-
Operation of hotels and conference centre	292,905	241,066	-	-
	1,336,301	1,796,937	1,047,118	1,582,632
Rental income	34,331	30,635	11,048	9,942
	1,370,632	1,827,572	1,058,166	1,592,574
Timing of revenue recognition				
- At a point in time	961,577	1,526,481	926,842	1,529,619
- Over time	374,724	270,456	120,276	53,013
	1,336,301	1,796,937	1,047,118	1,582,632

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

4. REVENUE (cont'd)

4.1 CONTRACT BALANCES

	Group and Company	
	2023	2022
	RM'000	RM'000
Contract assets (Note 25)	45,864	18,898
Contract liability (Note 31)	(221)	(3,267)
	45,643	15,631
At beginning of the year	15,631	14,814
Consideration paid and payable to customers	15,307	5,479
Revenue recognised during the year	176,382	98,148
Progress billings during the year	(161,677)	(102,810)
At end of the year	45,643	15,631

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 2023 for the Group and the Company is RM34,377,000 (2022: RM35,114,000). The remaining performance obligations are expected to be recognised as follows:

Group and Company	2023	2022
	RM'000	RM'000
Within 1 year	32,217	35,114
Between 1 and 4 years	2,160	-
	34,377	35,114

5. COST OF SALES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Property development costs	101,761	56,056	101,761	56,056
Cost of inventories sold	776,633	1,283,942	808,886	1,340,913
Cost of services rendered	170,514	144,708	-	-
	1,048,908	1,484,706	910,647	1,396,969

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

6. OTHER INCOME

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest income from deposits	39,196	14,198	32,782	11,019
Interest income from subsidiaries	-	-	12,350	7,530
	39,196	14,198	45,132	18,549
Gain on foreign exchange:				
- Realised	31,308	9,293	31,352	9,157
- Unrealised	7,830	26,419	15,454	46,671
Management fee received from subsidiaries	-	-	1,265	1,146
Gain on trading of palm oil	576	-	576	-
Gain on redemption of short term funds	181	-	181	-
Fair value gain on:				
- Financial assets at fair value through profit or loss	10,813	7,064	2,720	1,404
- Derivatives	490	-	490	-
- Biological assets	-	29	126	47
Gain on disposal of:				
- Investment properties	3	-	-	-
- Property, plant and equipment	1,264	18	-	-
Reversal of impairment loss on property, plant and equipment (Note 14)	56,925	19,636	-	-
Waiver of loan received from paycheck protection program	-	11,527	-	-
Government grants received by foreign subsidiary	-	5,183	-	-
Miscellaneous	2,777	3,357	1,438	2,452
	151,363	96,724	98,734	79,426

7. PROFIT BEFORE TAX

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Auditors' remuneration:				
Statutory audits				
- Current year				
- Ernst & Young PLT	505	480	235	220
- Other auditors	645	578	-	-
- Underprovision in prior year				
- Other auditors	47	-	-	-
Other services				
- Ernst & Young PLT	20	25	20	20
Bad debts written off	162	88	-	6
Bad debts recovered	-	(3)	-	-
Employee benefits expense (Note 8)	153,092	127,974	34,048	30,722
Direct operating expenses arising from revenue generating properties	8,953	7,766	1,744	1,738
Amortisation of:				
- Intangible assets (Note 20)	8	22	3	3
- Deferred loan costs (Note 41(f))	-	54	-	-

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

7. PROFIT BEFORE TAX (cont'd)

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

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Depreciation of:				
- property, plant and equipment (Note 14)	20,902	24,974	2,352	3,155
- Investment properties (Note 15)	5,891	5,307	2,659	2,147
- Right-of-use assets (Note 16)	1,240	1,241	-	-
- Bearer plants (Note 17)	1,210	1,055	591	471
Property, plant and equipment written off	186	170	117	17
Bearer plants written off	-	85	-	-
Investment property written off	-	45	-	43
Intangible assets written off	51	-	-	-
Deposit written off	81	-	-	-
Inventories written off	180	808	-	-
Inventories written back	(1,567)	(150)	(1,564)	(150)
Write down of inventories	-	23	-	-
Write back of provision for foreseeable losses on low cost houses (Note 37)	(557)	-	(557)	-
(Reversal of)/allowance for impairment on				
- Trade receivables (Note 24(a))	(136)	78	-	-
- Amount due from a subsidiary (Note 24(b))	-	-	3,597	8,345
- Other receivables (Note 24(c))	35	-	35	-
Fair value (gain)/loss on:				
- Derivatives	(490)	758	(490)	758
- Biological assets (Note 23)	193	(29)	(126)	(47)
(Gain)/loss on disposal of:				
- Investment properties	(3)	-	-	-
- Property, plant and equipment	(1,264)	(18)	12	-

8. EMPLOYEE BENEFITS EXPENSE (excluding key management personnel)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	117,825	96,068	31,144	27,959
Social security and employee insurance contributions	4,170	3,671	333	293
Contributions to defined contribution plan	5,855	5,405	2,571	2,470
Other benefits	25,242	22,830	-	-
	153,092	127,974	34,048	30,722

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

9. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Directors' remuneration:				
Fees	1,318	1,185	1,218	1,085
Salaries, bonus and other emoluments	10,573	9,174	8,869	7,188
Benefits-in-kind	37	36	28	28
	11,928	10,395	10,115	8,301

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Interest expenses on:				
- Notes payable	6,770	5,265	-	-
- Bank overdraft	444	1,258	444	1,258
- Lease liability (Note 32)	168	207	-	-
	7,382	6,730	444	1,258

11. INCOME TAX

Components of income tax

The components of income tax expense for the years ended 31 December 2023 and 2022 are:

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Statement of comprehensive income:				
Current income tax:				
- Malaysian income tax	26,598	35,838	18,343	25,234
- Foreign tax	6,735	3,649	206	151
	33,333	39,487	18,549	25,385
Underprovision in prior years:				
- Malaysian income tax	978	83	1,774	67
- Foreign tax	2	10	2	1
	980	93	1,776	68
Deferred income tax (Note 36):				
- Origination and reversal of temporary differences	4,091	8,212	501	327
- Underprovision in prior years	29	12	628	18
	4,120	8,224	1,129	345
Income tax recognised in statements of comprehensive income	38,433	47,804	21,454	25,798

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 and 2022 is as follows:

	2023 RM'000	2022 RM'000
Group		
Profit before tax	297,292	257,179
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	71,350	61,723
Different tax rates in other countries	(2,713)	(1,743)
Income not subject to tax	(25,149)	(30,472)
Expenses not deductible for tax purposes	9,932	18,997
Effect of increase of tax rate based on the incremental chargeable income	-	337
Utilisation of previously unrecognised business losses	(5,002)	(3,633)
Deferred tax assets recognised on unutilised business losses, unabsorbed capital allowances and other deductible temporary differences	(11,840)	-
Deferred tax asset not recognised on unabsorbed capital allowances and unutilised business losses	846	2,490
Underprovision of income tax in prior years	980	93
Underprovision of deferred tax in prior years	29	12
Income tax recognised in profit or loss	38,433	47,804
Company		
Profit before tax	185,142	190,305
Taxation at Malaysian statutory tax rate of 24% (2022: 24%)	44,434	45,673
Income not subject to tax	(27,226)	(34,632)
Expenses not deductible for tax purposes	2,119	14,567
Effect of increase of tax rate based on the incremental chargeable income	-	337
Different tax rates in other countries	(277)	(233)
Underprovision of income tax in prior years	1,776	68
Underprovision of deferred tax in prior years	628	18
Income tax recognised in profit or loss	21,454	25,798

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2022: 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 2023

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	
	2023	2022
Profit net of tax attributable to owners of the parent (RM'000)	240,702	201,573
Weighted average number of ordinary shares in issue ('000)	359,303	359,303
Basic earnings per share (sen)	66.99	56.10

No diluted earnings per share have been presented as there were no dilutive potential ordinary shares outstanding as at 31 December 2023 and 31 December 2022.

13. DIVIDENDS

	Group and Company	
	2023	2022
	RM'000	RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final single-tier dividend for 2022: 9 sen (2021: 5 sen) per share	32,338	17,965
- Interim single-tier dividend for 2023: 5 sen (2022: 5 sen) per share	17,965	17,965
	50,303	35,930

On 5 April 2024, the Board of Directors approved and declared a final single-tier dividend of 5 sen per share and a special dividend of 5 sen per share, in respect of the financial year ended 31 December 2023. These dividends are applicable to the total number of issued shares of 359,303,610 ordinary shares, amounting to RM35,930,361 in total, payable on 2 July 2024.

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 2024.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023					
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)
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	850,124	136,055	137,118	7,313	1,130,610
Additions	3,643	545	3,525	28,928	36,641
Transfer to investment properties (Note 15)	(116,076)	(38)	(1,466)	-	(117,580)
Reclassification	1,091	(19)	19	(1,091)	-
Write offs	(25)	(345)	(1,574)	-	(1,944)
Disposals	(238)	(5,027)	(10,275)	-	(15,540)
Exchange differences	32,328	-	5,764	343	38,435
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	770,847	131,171	133,111	35,493	1,070,622
Representing:					
At cost	747,575	138,585	133,111	35,493	1,054,764
At deemed cost	23,272	-	-	-	23,272
Government grant	-	(7,414)	-	-	(7,414)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	770,847	131,171	133,111	35,493	1,070,622
Accumulated depreciation and impairment					
At 1 January 2023	397,964	118,229	127,515	-	643,708
Charge for the year (Note 7)	14,799	2,198	3,905	-	20,902
Transfer to investment properties (Note 15)	(45,586)	(38)	(1,356)	-	(46,980)
Write offs	(12)	(227)	(1,519)	-	(1,758)
Disposals	(129)	(4,964)	(8,596)	-	(13,689)
Reversal of impairment loss (Note 6)	(56,925)	-	-	-	(56,925)
Exchange differences	16,381	-	5,482	-	21,863
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At 31 December 2023	326,492	115,198	125,431	-	567,121
Representing:					
Accumulated depreciation	265,913	115,198	125,431	-	506,542
Accumulated impairment loss	60,579	-	-	-	60,579
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	326,492	115,198	125,431	-	567,121
Net carrying amount					
At 31 December 2023					
At cost	421,083	15,973	7,680	35,493	480,229
At deemed cost	23,272	-	-	-	23,272
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	444,355	15,973	7,680	35,493	503,501

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 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	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 6)	(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:					
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 2023

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 2023	29,413	110,814	16,593	4,442	161,262
Additions	3,223	297	458	8,048	12,026
Write offs	-	(178)	(352)	-	(530)
Disposals	-	-	(334)	-	(334)
At 31 December 2023	32,636	110,933	16,365	12,490	172,424
Representing:					
At cost	23,622	110,933	16,365	12,490	163,410
At deemed cost	9,014	-	-	-	9,014
	32,636	110,933	16,365	12,490	172,424
Accumulated depreciation					
At 1 January 2023	11,440	102,421	14,413	-	128,274
Charge for the year (Note 7)	390	1,385	577	-	2,352
Write offs	-	(77)	(336)	-	(413)
Disposals	-	-	(272)	-	(272)
At 31 December 2023	11,830	103,729	14,382	-	129,941
Net carrying amount					
At 31 December 2023					
At cost	11,792	7,204	1,983	12,490	33,469
At deemed cost	9,014	-	-	-	9,014
	20,806	7,204	1,983	12,490	42,483

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023

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
2023				
At deemed cost				
Freehold estates	<u>23,272</u>	<u>-</u>	<u>23,272</u>	<u>-</u>
At cost				
Freehold estates	<u>6,164</u>	<u>-</u>	<u>6,164</u>	<u>-</u>
Golf course	<u>-</u>	<u>-</u>	<u>-</u>	<u>896</u>
Freehold land and buildings	<u>741,411</u>	<u>326,492</u>	<u>414,919</u>	<u>13,903</u>
	<u>747,575</u>	<u>326,492</u>	<u>421,083</u>	<u>14,799</u>
Total	<u>770,847</u>	<u>326,492</u>	<u>444,355</u>	<u>14,799</u>
2022				
At deemed cost				
Freehold estates	<u>23,272</u>	<u>-</u>	<u>23,272</u>	<u>-</u>
At cost				
Freehold estates	<u>3,359</u>	<u>-</u>	<u>3,359</u>	<u>-</u>
Golf course	<u>78,739</u>	<u>24,150</u>	<u>54,589</u>	<u>900</u>
Freehold land and buildings	<u>744,754</u>	<u>373,814</u>	<u>370,940</u>	<u>12,919</u>
	<u>826,852</u>	<u>397,964</u>	<u>428,888</u>	<u>13,819</u>
Total	<u>850,124</u>	<u>397,964</u>	<u>452,160</u>	<u>13,819</u>

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
2023				
At deemed cost				
Freehold estates	9,014	-	9,014	-
At cost				
Freehold estates	5,950	-	5,950	-
Freehold land and buildings	17,672	11,830	5,842	390
	23,622	11,830	11,792	390
Total	32,636	11,830	20,806	390
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

(ii) Property, plant and equipment of certain subsidiaries with net carrying amount of RM252,781,000 (2022: RM308,764,000) are pledged for bank facilities as disclosed in Note 29.

(iii) During the current financial year, a reversal of impairment loss of RM56,925,000 (2022: RM19,636,000) 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. The recoverable amount of RM252,781,000 (2022: RM191,459,000) as at 31 December 2023 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:

	2023	2022
Revenue per available room	USD 308 to USD 336	USD 237 to USD 341
Discount rate	9.00%	9.00%
Capitalisation rate	7.00%	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 2023

15. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
2023			
Cost			
At 1 January 2023	272,259	19,087	291,346
Additions	839	6,063	6,902
Adjustment	(517)	-	(517)
Write offs	(89)	-	(89)
Disposals	(32)	-	(32)
Transfer from:			
- property, plant and equipment (Note 14)	117,580	-	117,580
- land held for property development (Note 21(a))	9,639	4,003	13,642
Exchange differences	-	750	750
At 31 December 2023	399,679	29,903	429,582
Accumulated depreciation			
At 1 January 2023	107,849	6,982	114,831
Charge for the year (Note 7)	5,763	128	5,891
Write offs	(89)	-	(89)
Disposals	(31)	-	(31)
Transfer from property, plant and equipment (Note 14)	46,980	-	46,980
Exchange differences	-	419	419
At 31 December 2023	160,472	7,529	168,001
Net carrying amount			
At 31 December 2023	239,207	22,374	261,581
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

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENT PROPERTIES (cont'd)

Company	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
2023			
Cost			
At 1 January 2023	94,247	6,806	101,053
Additions	-	6,063	6,063
Adjustment	(517)	-	(517)
Transfer from land held for property development (Note 21(a))	-	4,003	4,003
	<hr/>	<hr/>	<hr/>
At 31 December 2023	93,730	16,872	110,602
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 1 January 2023	13,288	120	13,408
Charge for the year (Note 7)	2,531	128	2,659
	<hr/>	<hr/>	<hr/>
At 31 December 2023	15,819	248	16,067
	<hr/>	<hr/>	<hr/>
Net carrying amount			
At 31 December 2023	<hr/> 77,911	<hr/> 16,624	<hr/> 94,535
	<hr/>	<hr/>	<hr/>
2022			
Cost			
At 1 January 2022	85,035	6,703	91,738
Additions	9,274	103	9,377
Write offs	(62)	-	(62)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	94,247	6,806	101,053
	<hr/>	<hr/>	<hr/>
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)
	<hr/>	<hr/>	<hr/>
At 31 December 2022	13,288	120	13,408
	<hr/>	<hr/>	<hr/>
Net carrying amount			
At 31 December 2022	<hr/> 80,959	<hr/> 6,686	<hr/> 87,645
	<hr/>	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

15. INVESTMENT PROPERTIES (cont'd)

Fair value disclosure

As at 31 December 2023, the fair value of investment properties for the Group and Company is approximately RM950,403,000 (2022: RM652,112,000) and RM612,529,000 (2022: RM354,118,000) respectively. The valuations were conducted by independent professional valuers using the comparison and investment methods.

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.

Future minimum rentals receivable

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Within one year	29,747	24,362	12,749	10,152
Within two to five years	39,362	26,669	28,214	20,100
After five years	45,001	43,943	44,890	43,943
	114,110	94,974	85,853	74,195

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 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 and 1 January 2023	2,677	17,984	20,661
Depreciation charge for the year (Note 7)	(926)	(314)	(1,240)
Exchange differences	154	-	154
At 31 December 2023	1,905	17,670	19,575

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 92 years (2022: 93 years) expiring in 2115 and 2 years (2022: 3 years) expiring in 2025, respectively.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

17. BEARER PLANTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cost/deemed cost				
At 1 January	26,861	25,078	13,006	11,369
Additions	-	2,035	-	1,802
Write offs	(242)	(252)	-	(165)
At 31 December	26,619	26,861	13,006	13,006
Accumulated depreciation				
At 1 January	7,613	6,725	840	534
Charge for the year (Note 7)	1,210	1,055	591	471
Write offs	(242)	(167)	-	(165)
At 31 December	8,581	7,613	1,431	840
Net carrying amount				
At 31 December	18,038	19,248	11,575	12,166
<u>Analysis of bearer plants:</u>				
Immature	-	3,415	-	2,653
Matured	18,038	15,833	11,575	9,513
	18,038	19,248	11,575	12,166

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

18. INVESTMENT IN SUBSIDIARIES

	Company	
	2023	2022
	RM'000	RM'000
Unquoted shares, at cost		
- In Malaysia	167,854	167,854
- Outside Malaysia	4	4
	167,858	167,858
	(49,191)	(49,191)
Less: Impairment losses	118,667	118,667

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest	
			2023	2022
			%	%
<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 (In creditors' voluntary winding up)	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 2023

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	
			2023 %	2022 %
<u>Held by the Company (cont'd)</u>				
Keck Seng International Private Limited*	Singapore	Dormant	100	100
Lusaka Holdings Sdn. Bhd.	Malaysia	Property investment	100	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

Winding up of a subsidiary

In October 2023, a subsidiary, Tanjong Puteri Golf Resort Berhad, entered into Creditors' Voluntary Winding Up pursuant to Section 439(1)(b) of the Companies Act 2016.

Accordingly, the Company ceased to consolidate the subsidiary as the Company lost control of the subsidiary upon commencement of the creditors' voluntary winding up.

As of the date of this report, the winding up exercise of the subsidiary has yet to be completed.

Increase in interest in a subsidiary

During the year, a subsidiary, Lusaka Holdings Sdn. Bhd., carried out a selective capital reduction exercise in accordance with Section 117 of the Companies Act 2016 to reduce the share capital of the subsidiary from RM5,000,000 comprising 5,000,000 ordinary shares to RM3,500,000 comprising 3,500,000 ordinary shares by way of capital repayment of RM1,500,000 which represents a cash amount of RM1.00 for each ordinary share held by a non-controlling shareholder.

The selective capital reduction exercise was completed in May 2023. Accordingly, the equity interest in Lusaka Holdings Sdn. Bhd. increased to 100%.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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:

	2023	2022
	%	%
Lusaka Holdings Sdn. Bhd.	-	30.00
K.S.F. Enterprises Sdn. Bhd.	50.00	50.00
Tanjong Puteri Golf Resort Berhad	N/A	0.03

	2023	2022
	RM'000	RM'000

Accumulated balances of material non-controlling interest:

- Lusaka Holdings Sdn. Bhd.	-	16,585
- K.S.F. Enterprises Sdn. Bhd.	49,910	30,586
- Tanjong Puteri Golf Resort Berhad	-	98,197
	49,910	145,368

Attributable to non-controlling interest of subsidiary that is individually immaterial	58	50
	49,968	145,418

Total comprehensive loss attributable to material non-controlling interest:

- Lusaka Holdings Sdn. Bhd.	449	1,149
- K.S.F. Enterprises Sdn. Bhd.	19,324	6,562
	19,773	7,711

Attributable to non-controlling interest of subsidiary that is individually immaterial	8	8
	19,781	7,719

NOTES TO THE FINANCIAL STATEMENTS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
	2023	2022	2023	2022	2023	2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Non-current assets	43,880	45,853	58,761	47,371	-	74,036	167,260
Current assets	21,079	14,924	64,402	33,200	-	4,736	52,860
Total assets	64,959	60,777	123,163	80,571	-	78,772	220,120
Current liabilities	3,558	3,965	21,837	16,853	-	54,728	75,546
Non-current liabilities	2,719	1,530	1,496	2,537	-	-	4,067
Total liabilities	6,277	5,495	23,333	19,390	-	54,728	79,613
Net assets	58,682	55,282	99,830	61,181	-	24,044	140,507
Equity attributable to:							
- owners of the Company	58,682	38,697	49,920	30,595	-	(74,153)	(4,861)
- non-controlling interests	-	16,585	49,910	30,586	-	98,197	145,368
	58,682	55,282	99,830	61,181	-	24,044	140,507

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 2023

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
	2023	2022	2023	2022	2023	2022	2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revenue	15,486	14,390	111,330	88,174	8,280	11,135	135,096
Profit/(loss) for the year attributable to:							
- owners of the Company	4,451	4,080	17,700	6,645	(3,562)	(7,274)	18,589
- non-controlling interests	449	1,149	17,700	6,645	-	-	18,149
	4,900	5,229	35,400	13,290	(3,562)	(7,274)	36,738
Other comprehensive income/(loss) attributable to:							
- owners of the Company	-	-	1,625	(84)	-	-	1,625
- non-controlling interests	-	-	1,624	(83)	-	-	1,624
	-	-	3,249	(167)	-	-	(167)
Total comprehensive income/(loss) attributable to:							
- owners of the Company	4,451	4,080	19,325	6,561	(3,562)	(7,274)	20,214
- non-controlling interests	449	1,149	19,324	6,562	-	-	19,773
Total comprehensive income/(loss) for the year	4,900	5,229	38,649	13,123	(3,562)	(7,274)	39,987

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 2023

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
	2023	2022	2023	2022	2023	2022	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Net cash generated from/(used in) operating activities	7,629	6,441	20,586	28,780	(6,926)	(3,927)	31,294
Net cash (used in)/ generated from investing activities	(5,632)	54,907	(1,382)	(2,429)	178	(322)	52,156
Net cash (used in)/ generated from financing activities	(1,500)	(61,398)	(994)	(829)	4,530	6,117	(56,110)
Net increase/(decrease) in cash and cash equivalents	497	(50)	18,210	25,522	(2,218)	1,868	27,340
Effects of exchange rate changes on cash and cash equivalents	-	-	3,018	(975)	-	-	(975)
Cash and cash equivalents at beginning of the year	539	589	30,115	5,568	2,308	440	6,597
Cash and cash equivalents at end of the year	1,036	539	51,343	30,115	90	2,308	32,962

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 2023

19. INVESTMENT SECURITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
<i>Financial assets at fair value through other comprehensive income</i>				
Equity instruments				
Quoted in Malaysia	56,173	61,486	52,740	57,682
Quoted outside Malaysia	270,583	283,550	117,255	115,074
Unquoted in Malaysia	3,891	3,630	3,891	3,627
	330,647	348,666	173,886	176,383
<i>Financial assets at fair value through profit or loss</i>				
Debt instrument				
Unquoted outside Malaysia *	73,182	60,825	-	-
Equity instrument				
Unquoted outside Malaysia *	11,109	10,010	-	-
	84,291	70,835	-	-
	414,938	419,501	173,886	176,383

* This is related to investment in A2I Holdings S.A.R.L. ("A2I"), a company incorporated in Luxembourg and engaged in investment holding. 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 2023, the fair value of equity instrument is RM11,109,000 (2022: RM10,010,000). 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 40(a).

20. INTANGIBLE ASSETS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cost				
At 1 January	1,957	1,954	1,508	1,505
Addition	-	3	-	3
Write offs	(286)	-	-	-
At 31 December	1,671	1,957	1,508	1,508
Accumulated amortisation				
At 1 January	1,893	1,871	1,500	1,497
Amortisation for the year (Note 7)	8	22	3	3
Write offs	(235)	-	-	-
At 31 December	1,666	1,893	1,503	1,500
Net carrying amount				
At 31 December	5	64	5	8

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

20. INTANGIBLE ASSETS (cont'd)

Intangible assets consist of software and patents, which are stated at cost less accumulated amortisation and impairment losses. The intangible assets are amortised on a straight-line basis over their finite useful lives ranging from five (5) to twenty (20) years.

21. INVENTORIES

(a) Land held for property development

	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
Group				
2023				
At 1 January 2023	59,996	54,559	132,480	247,035
Additions	1,518	192	10,238	11,948
Transfer to property development cost (Note 21(b))	(249)	(2,979)	(11,256)	(14,484)
Transfer to investment properties (Note 15)	(9,639)	-	(4,003)	(13,642)
At 31 December 2023	51,626	51,772	127,459	230,857
Representing:				
At cost	51,626	51,772	127,459	230,857
2022				
At 1 January 2022	59,910	57,208	131,572	248,690
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	59,996	54,559	132,480	247,035
Representing:				
At cost	59,996	54,559	132,480	247,035

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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
2023				
At 1 January 2023	50,357	54,559	132,480	237,396
Additions	1,518	192	10,238	11,948
Transfer to property development cost (Note 21(b))	(249)	(2,979)	(11,256)	(14,484)
Transfer to investment properties (Note 15)	-	-	(4,003)	(4,003)
At 31 December 2023	51,626	51,772	127,459	230,857
Representing:				
At cost	51,626	51,772	127,459	230,857
2022				
At 1 January 2022	50,271	57,208	131,572	239,051
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	50,357	54,559	132,480	237,396
Representing:				
At cost	50,357	54,559	132,480	237,396

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

21. INVENTORIES (cont'd)

(b) Property development costs

	Group and Company	
	2023	2022
	RM'000	RM'000
At cost		
At 1 January		
Freehold land	1,935	3,048
Leasehold land	3,528	1,705
Development costs	17,050	12,947
	22,513	17,700
Development costs incurred during the year	98,841	23,204
Cost recognised in profit or loss during the year	(73,797)	(30,352)
Transfer from land held for property development (Note 21(a))	14,484	14,295
Transfer to inventory	(1,164)	(2,334)
	13,320	11,961
At 31 December	60,877	22,513

22. INVENTORIES - OTHERS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At cost				
Refined oil products	71,784	61,761	65,655	52,822
Crude palm oil, crude palm kernel oil and palm kernel	30,921	27,411	31,304	27,744
Spare parts and chemicals	6,944	6,615	5,414	4,822
Completed properties	19,935	34,360	19,935	34,360
Food, beverage and utensils	700	738	-	-
	130,284	130,885	122,308	119,748
At net realisable value				
Refined oil products	13,500	40,558	13,356	39,702
Completed properties	18	1,648	18	1,648
	13,518	42,206	13,374	41,350
	143,802	173,091	135,682	161,098

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

23. BIOLOGICAL ASSETS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
At fair value				
At 1 January	1,223	1,194	104	57
Changes in fair value (Note 7)	(193)	29	126	47
At 31 December	1,030	1,223	230	104

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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Trade receivables				
Third parties	98,085	60,950	65,602	41,329
Less: Allowance for impairment	(508)	(644)	-	-
	97,577	60,306	65,602	41,329
Other receivables				
Amounts due from subsidiaries	-	-	167,044	198,276
Refundable deposits	1,832	2,556	1,717	2,211
Sundry receivables	16,727	17,055	11,581	16,597
	18,559	19,611	180,342	217,084
Less: Allowance for impairment	(35)	-	(35)	-
	18,524	19,611	180,307	217,084
Total trade and other receivables (current)	116,101	79,917	245,909	258,413

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. TRADE AND OTHER RECEIVABLES (cont'd)

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Non-current				
Other receivables				
Amounts due from subsidiaries	-	-	495,429	396,507
Less: Allowance for impairment	-	-	(53,477)	(49,880)
	-	-	441,952	346,627
Total trade and other receivables (current and non-current)	116,101	79,917	687,861	605,040
Add: Cash and bank balances (Note 28)	938,944	962,260	644,139	628,747
Total financial assets at amortised cost	1,055,045	1,042,177	1,332,000	1,233,787

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 0 to 30 days (2022 : 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Neither past due nor impaired	55,444	43,190	37,923	32,463
1 to 30 days past due not impaired	34,004	14,965	23,301	8,309
31 to 60 days past due not impaired	4,292	1,600	1,688	321
61 to 90 days past due not impaired	2,472	326	1,670	66
91 to 120 days past due not impaired	821	79	722	24
More than 120 days past due not impaired	544	146	298	146
	42,133	17,116	27,679	8,866
Impaired	508	644	-	-
	98,085	60,950	65,602	41,329

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables (cont'd)

Receivables that are impaired

The Group's and the Company's trade receivables that are impaired at the reporting date and the movement of the allowance accounts used to record the impairment are as follows:

	Individually impaired			
	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Trade receivables - nominal amounts	508	644	-	-
Less: Allowance for impairment	(508)	(644)	-	-
	-	-	-	-
<u>Movement in allowance accounts</u>				
At 1 January	644	566	-	-
(Reversal)/charge for the year (Note 7)	(136)	78	-	-
At 31 December	508	644	-	-

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.

(b) Other receivables - amounts due from subsidiaries

Current

Included in amounts due from subsidiaries are amounts of RM163,472,000 (2022: RM198,218,000) arising from a deposit placed in a foreign financial institution under a foreign subsidiary's name, which bear interest of 5.55% to 5.75% (2022: 4.25% to 5.15%) per annum and are repayable on demand.

Other than as disclosed above, the other amounts due from subsidiaries are generally unsecured, non-interest bearing and repayable on demand.

Non-Current

Amounts due from subsidiaries are unsecured, bear interest ranging from 0.38% to 6.06% per annum (2022: 0.38% to 6.06% per annum) and are not expected to be repaid within the next twelve months.

	Individually impaired	
	Company	
	2023	2022
	RM'000	RM'000
<u>Movement in allowance accounts</u>		
At 1 January	49,880	41,535
Charge for the year (Note 7)	3,597	8,345
At 31 December	53,477	49,880

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

24. TRADE AND OTHER RECEIVABLES (cont'd)

(c) Other receivables - sundry receivables

Sundry receivables are unsecured, non-interest bearing and repayable upon demand.

	Individually impaired Group and Company	
	2023	2022
	RM'000	RM'000
<u>Movement in allowance accounts</u>		
At 1 January	-	-
Charge for the year (Note 7)	35	-
	<hr/>	<hr/>
At 31 December	35	-
	<hr/>	<hr/>

25. OTHER CURRENT ASSETS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Prepayments	6,125	5,376	3,990	3,701
Deposits paid	3,255	3,212	3,255	3,212
Accrued billings in respect of property development costs	41,923	16,955	41,923	16,955
Consideration paid/payable to customers	3,941	1,943	3,941	1,943
Contract assets (Note 4.1)	45,864	18,898	45,864	18,898
	<hr/>	<hr/>	<hr/>	<hr/>
	55,244	27,486	53,109	25,811
	<hr/>	<hr/>	<hr/>	<hr/>

Consideration paid/payable to customers relate to discounts given and legal fees incurred to secure sales of property units and are recognised in profit or loss over time based on the input method.

26. DERIVATIVES

	<-----2023----->		<-----2022----->	
	Contract/ Notional Amount RM'000	Liability RM'000	Contract/ Notional Amount RM'000	Liability RM'000
Group and Company				
Non-hedging derivatives:				
Current				
Forward currency contracts	-	-	11,029	(490)
	<hr/>	<hr/>	<hr/>	<hr/>

The Group and the Company use forward currency contracts to manage some of the exposures to 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

27. SHORT TERM FUNDS

	Group		Company	
	2023	2023	2023	2022
	RM'000	RM'000	RM'000	RM'000
Money market funds, at fair value through profit or loss	248,182	248,306	214,159	220,583

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 2.21% (2022: 1.63%) per annum and 2.07% (2022: 1.52%) per annum respectively. The maturities of the investments as at the reporting date for the Group and the Company were 1 to 31 days (2022: 1 to 31 days) and 1 day (2022: 1 day) respectively.

28. CASH AND BANK BALANCES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	306,173	344,435	237,112	214,473
Deposits with:				
Licensed banks	318,596	291,015	169,120	154,802
Foreign financial institutions	314,175	326,810	237,907	259,472
Total cash and bank balances (Note 24)	938,944	962,260	644,139	628,747

Included in cash and bank balances of the Group and of the Company is an amount of RM99,176,000 (2022: RM109,245,000) 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 2023 for the Group and the Company were 3.81% (2022: 2.48%) per annum and 3.45% (2022: 3.09%) 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	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Cash and bank balances	938,944	962,260	644,139	628,747
Less:				
Bank overdrafts (Note 29)	(14,342)	(3,493)	(14,342)	(3,493)
Deposits with licensed banks with maturity more than three months	(208,916)	(170,090)	(199,096)	(154,802)
Cash and cash equivalents	715,686	788,677	430,701	470,452

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

29. LOANS AND BORROWINGS

	Maturity	Group		Company	
		2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current					
Unsecured:					
Bank overdrafts (Note 28)	On demand	14,342	3,493	14,342	3,493
Secured:					
Notes payable	2023	-	173,967	-	-
		14,342	177,460	14,342	3,493
Non-Current					
Secured:					
Notes payable	2026	66,417	-	-	-
Total loans and borrowings (Note 30)		80,759	177,460	14,342	3,493

The remaining maturities of the loans and borrowings as at 31 December 2023 and 2022 are as follows:

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
On demand or within 1 year	14,342	177,460	14,342	3,493
More than 1 year and less than 5 years	66,417	-	-	-
	80,759	177,460	14,342	3,493

Bank overdrafts

Bank overdrafts are denominated in RM and bear interest at BLR + 0.75% (2022: BLR + 0.75%) per annum.

Notes payable

Notes payables of the Group are loans with banks which bear interest of SOFR + 1.20% (2022: LIBOR + 1.03% to 1.30%) per annum and mature in July 2026. 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 RM252,781,000 (2022: RM308,764,000) as disclosed in Note 14.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Current				
Trade payables				
Third parties	88,664	72,544	71,609	56,932
Amount due to subsidiaries	-	-	25,222	20,118
	88,664	72,544	96,831	77,050
Other payables				
Accruals	30,575	24,010	11,680	8,813
Sundry payables	20,786	29,480	9,015	16,694
Refundable deposits	4,278	5,697	833	1,280
Amount due to a director related company	1,300	1,600	1,300	1,600
Amount due to a subsidiary	-	-	4,046	1
	56,939	60,787	26,874	28,388
Total trade and other payables (current)	145,603	133,331	123,705	105,438
Non-current				
Trade payables				
Retention sum	8,422	4,043	8,422	4,043
Other payables				
Refundable deposits	5,288	2,992	2,632	2,653
Total trade and other payables (non-current)	13,710	7,035	11,054	6,696
Total trade and other payables (current and non-current)	159,313	140,366	134,759	112,134
Add: Loans and borrowings (Note 29)	80,759	177,460	14,342	3,493
Add: Lease liability (Note 32)	2,709	3,334	-	-
Total financial liabilities carried at amortised cost	242,781	321,160	149,101	115,627

(a) Trade payables - third parties

Trade payables are non-interest bearing and are normally settled on 30 to 45 days (2022: 30 to 45 days) terms.

(b) Other payables

Other payables are non-interest bearing and are normally settled on 30 to 60 days (2022: 30 to 60 days) terms.

(c) Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

31. OTHER CURRENT LIABILITIES

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Contract liability (Note 4.1)				
- Progress billings in respect of property development costs	221	3,267	221	3,267
Advance rental received	727	371	174	156
	948	3,638	395	3,423

32. LEASE LIABILITY

	Group	
	2023	2022
	RM'000	RM'000
Car park land		
Lease liability		
Current	1,213	797
Non-current	1,496	2,537
Total lease liability (Note 30)	2,709	3,334

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

	Group	
	2023	2022
	RM'000	RM'000
At 1 January	3,334	3,953
Interest expense on lease liability (Note 10)	168	207
Payments of:		
- Principal	(826)	(622)
- Interest	(168)	(207)
Exchange differences	201	3
At 31 December	2,709	3,334

33. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2023	2022	2023	2022
	'000	'000	RM'000	RM'000
Issued and fully paid				
At 1 January/31 December	361,477	361,477	372,005	372,005

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 26 May 2023, renewed their approval for the Company's plan to repurchase its own shares. The repurchased shares are being held as treasury shares in accordance with 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 (2022: 361,477,000) issued and fully paid ordinary shares, 2,174,000 (2022: 2,174,000) are held as treasury shares by the Company. The number of outstanding ordinary shares after set-off is 359,303,000 (2022: 359,303,000).

35. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2023 may be distributed as dividends under the single tier system.

36. DEFERRED TAXATION

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Presented after appropriate offsetting as follows:				
Deferred tax assets	(31,073)	(34,994)	(13,044)	(14,173)
Deferred tax liabilities	3,776	4,631	-	-
	(27,297)	(30,363)	(13,044)	(14,173)

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. DEFERRED TAXATION (cont'd)

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

Group	As at 1 January 2022 RM'000	Recognised in profit or loss (Note 11) RM'000	Exchange differences RM'000	As at 31 December 2022 RM'000	Recognised in profit or loss (Note 11) RM'000	Exchange differences RM'000	As at 31 December 2023 RM'000
Deferred tax liabilities:							
Property, plant and equipment and investment properties	18,095	(400)	797	18,492	(1,133)	581	17,940
Bearer plants	4,404	215	-	4,619	(290)	-	4,329
Biological assets	288	7	-	295	(46)	-	249
Right-of-use assets	2,012	(43)	-	1,969	(43)	-	1,926
Inventories - land held for property development	1,205	(23)	-	1,182	597	-	1,779
Receivables	1,307	77	76	1,460	129	62	1,651
Derivatives	65	(65)	-	-	-	-	-
Others	45	29	-	74	502	-	576
	27,421	(203)	873	28,091	(284)	643	28,450
Deferred tax assets:							
Property, plant and equipment	(36,190)	5,645	(2,044)	(32,589)	5,889	(1,497)	(28,197)
Unutilised business losses and unabsorbed capital allowances	(5,491)	3,161	(292)	(2,622)	(110)	(119)	(2,851)
Provisions	(2,932)	(215)	(25)	(3,172)	(272)	(28)	(3,472)
Inventories - others	(1,476)	(266)	-	(1,742)	447	-	(1,295)
Derivatives	-	(118)	-	(118)	118	-	-
Inventories - land held for property development	(17,525)	-	-	(17,525)	-	-	(17,525)
Other payables	(582)	(60)	(26)	(668)	(1,671)	(53)	(2,392)
Others	(298)	280	-	(18)	3	-	(15)
	(64,494)	8,427	(2,387)	(58,454)	4,404	(1,697)	(55,747)
Deferred tax liabilities/(assets)	(37,073)	8,224	(1,514)	(30,363)	4,120	(1,054)	(27,297)

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

36. DEFERRED TAXATION (cont'd)

Company	As at 1 January 2022 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2022 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2023 RM'000
Deferred tax liabilities:					
Property, plant and equipment	2,541	(154)	2,387	(210)	2,177
Bearer plants	2,600	319	2,919	(142)	2,777
Biological assets	14	12	26	30	56
Inventories - land held for property development	1,205	(22)	1,183	597	1,780
Derivatives	65	(65)	-	-	-
Others	1	29	30	502	532
	6,426	119	6,545	777	7,322
Deferred tax assets:					
Provisions	(2,705)	28	(2,677)	(145)	(2,822)
Inventories - others	(416)	36	(380)	375	(5)
Derivatives	-	(118)	(118)	118	-
Inventories - land held for property development	(17,525)	-	(17,525)	-	(17,525)
Others	(298)	280	(18)	4	(14)
	(20,944)	226	(20,718)	352	(20,366)
Deferred tax liabilities/(assets)	(14,518)	345	(14,173)	1,129	(13,044)

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

	Group	
	2023 RM'000	2022 RM'000
Unutilised business losses, expiring in:		
- 2028	-	8,276
- 2029	-	2,948
- 2030	-	5,344
- 2031	-	6,427
- 2032	-	6,380
- 2040	-	10,087
- 2041	-	9,697
	-	49,159
Unabsorbed capital allowances	-	69,605
Other deductible temporary differences	-	6,802
	-	125,566

During the previous financial year, deferred tax assets were not recognised because it was not probable that future taxable profits 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

37. PROVISION

This relates to anticipated losses to be incurred for the development of low cost housing under the requirements of the State Government of Johor. The construction is not expected to commence within the next twelve months.

The movement of provision for foreseeable losses on low cost houses are:

	Group and Company	
	2023	2022
	RM'000	RM'000
At 1 January	6,314	6,314
Write back of provision (Note 7)	(557)	-
At 31 December	5,757	6,314

38. COMMITMENTS

	Group		Company	
	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000
Capital expenditures				
Approved and contracted for				
- property, plant and equipment	10,103	11,727	7,654	937
- investment properties	12,761	350	7,699	350
	22,864	12,077	15,353	1,287

39. 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	
	2023	2022
	RM'000	RM'000
With subsidiaries:		
Purchases	69,042	92,582
Sales	69,356	97,750
Rental income	1,137	1,266
Gross dividends	13,558	23,281
Interest income	12,350	7,530
Management fees	1,265	1,146

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

39. RELATED PARTY DISCLOSURES (cont'd)

Sale and purchase of goods and services (cont'd)

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	
	2023	2022
	RM'000	RM'000
Commission on sales and purchases	7,963	13,626

During the year, consultancy fees amounting to RM1,232,000 (2022: RM989,000) was paid by a foreign subsidiary to an entity related to a director of the foreign subsidiary.

40. 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.

Unquoted equity instruments in Malaysia

The fair value of unquoted equity instruments in Malaysia is determined based on their adjusted net assets value.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

40. FAIR VALUE OF FINANCIAL INSTRUMENTS (cont'd)

(a) Determination of fair value (cont'd)

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% (2022: 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% (2022: 5%) on the underlying asset values would have increased/decreased the Group's profit by RM4,215,000 (2022: RM3,542,000). 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% (2022: 1%) would have increased/decreased the Group's profit by RM843,000 (2022: RM708,000).

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 2023

40. 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 2023				
Group				
Financial assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	56,173	56,173	-	-
(quoted outside Malaysia)	270,583	270,583	-	-
(unquoted in Malaysia)	3,891	-	-	3,891
Fair value through profit or loss				
- Debt instrument				
(unquoted outside Malaysia)	73,182	-	-	73,182
- Equity instrument				
(unquoted outside Malaysia)	11,109	-	-	11,109
- Short term funds				
(money market funds)	248,182	-	248,182	-
	<u>663,120</u>	<u>326,756</u>	<u>248,182</u>	<u>88,182</u>
Company				
Financial assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	52,740	52,740	-	-
(quoted outside Malaysia)	117,255	117,255	-	-
(unquoted in Malaysia)	3,891	-	-	3,891
Fair value through profit or loss				
- Short term funds				
(money market funds)	214,159	-	214,159	-
	<u>388,045</u>	<u>169,995</u>	<u>214,159</u>	<u>3,891</u>

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

40. 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 2022				
Group				
Financial 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)	60,825	-	-	60,825
- Equity instrument				
(unquoted outside Malaysia)	10,010	-	-	10,010
- Short term funds				
(money market funds)	248,306	-	248,306	-
- Derivatives	(490)	-	(490)	-
	<u>667,317</u>	<u>345,036</u>	<u>247,816</u>	<u>74,465</u>
Company				
Financial 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)	-
	<u>396,476</u>	<u>172,756</u>	<u>220,093</u>	<u>3,627</u>

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. 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 2023. 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 2023

41. 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	2023 RM'000	2022 RM'000
Group			
Fixed rate instruments			
Deposits with licensed banks and foreign financial institutions	28	632,771	617,825
Floating rate instruments			
Money market funds	27	248,182	248,306
Bank overdrafts	29	(14,342)	(3,493)
Notes Payable	29	(66,417)	(173,967)
		167,423	70,846
Company			
Fixed rate instruments			
Deposits with licensed banks and foreign financial institutions	28	407,027	414,274
Floating rate instruments			
Money market funds	27	214,159	220,583
Bank overdrafts	29	(14,342)	(3,493)
		199,817	217,090

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 RM337,000 (2022: RM2,000) and RM627,000 (2022: RM206,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. 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	Renminbi ("CNY") RM'000	Canadian Dollar ("CAD") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Total RM'000
2023					
Financial assets					
Trade receivables	-	-	3	14,616	14,619
Cash and bank balances	23,297	40,885	384,200	314,546	762,928
Financial liabilities					
Trade and other payables	-	-	(278)	-	(278)
Net financial assets, representing net exposure	23,297	40,885	383,925	329,162	777,269
2022					
Financial assets					
Trade receivables	-	-	-	22,835	22,835
Cash and bank balances	22,177	15,276	341,986	354,555	733,994
Financial liabilities					
Trade and other payables	-	-	(191)	(6,762)	(6,953)
Net financial assets	22,177	15,276	341,795	370,628	749,876
Less : Forward currency contracts	-	-	-	(11,029)	(11,029)
Net exposure	22,177	15,276	341,795	359,599	738,847

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. 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	Renminbi ("CNY") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Hong Kong Dollar ("HKD") RM'000	Total RM'000
2023					
Financial assets					
Trade receivables	-	3	11,449	-	11,452
Due from subsidiaries	-	-	163,474	441,952	605,426
Cash and bank balances	23,297	370,029	147,988	-	541,314
Financial liabilities					
Trade and other payables	-	(278)	-	-	(278)
Net financial assets, representing net exposure	23,297	369,754	322,911	441,952	1,157,914
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 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

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. 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, CNY 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.

	2023 strengthened/(weakened) %	2022 %	Profit net of tax			
			Group		Company	
			2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
USD/RM	3.05	0.69	7,630	1,886	7,485	1,825
SGD/RM	1.02	0.99	2,976	2,572	2,866	2,498
HKD/RM	2.82	0.07	-	-	12,463	243
CNY/RM	1.90	1.25	336	211	336	211
CAD/RM	0.39	0.78	121	91	-	-
Total			11,063	4,760	23,150	4,777

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 2023			
Group			
Financial liabilities:			
Trade and other payables	145,603	13,710	159,313
Loans and borrowings	18,773	73,433	92,206
Lease liability	1,330	1,541	2,871
Total undiscounted financial liabilities	165,706	88,684	254,390
Company			
Financial liabilities:			
Trade and other payables	123,705	11,054	134,759
Loans and borrowings	14,342	-	14,342
Total undiscounted financial liabilities	138,047	11,054	149,101

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. 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 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
	<hr/>	<hr/>	<hr/>
Total undiscounted financial liabilities	313,242	9,826	323,068
	<hr/>	<hr/>	<hr/>
Company			
Financial liabilities:			
Trade and other payables	105,438	6,696	112,134
Loans and borrowings	3,493	-	3,493
	<hr/>	<hr/>	<hr/>
Total undiscounted financial liabilities	108,931	6,696	115,627
	<hr/>	<hr/>	<hr/>

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the results that the Group's exposure to bad debts is not significant. For other financial assets (including investment securities, cash and bank balances and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties. The Group's objective is to seek continual revenue growth while minimising losses from such risk.

The Company has a concentration of credit risk in the form of outstanding balances from its subsidiaries representing 89% (2022: 90%) 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
	2023
	2022
	RM'000
	RM'000
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	66,417
	<hr/>
	173,967
	<hr/>

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

41. 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			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	62,271	64	28,098	46
Singapore	11,093	11	11,063	18
Other countries	24,721	25	21,789	36
	98,085	100	60,950	100
By industry sectors:				
Manufacturing	34,368	35	40,705	67
Property development and investment	43,635	45	9,551	16
Hotel and resort	20,082	20	10,694	17
	98,085	100	60,950	100
	Company			
	2023		2022	
	RM'000	% of total	RM'000	% of total
By country:				
Malaysia	53,038	81	19,505	47
Singapore	11,093	17	11,062	27
Other countries	1,471	2	10,762	26
	65,602	100	41,329	100
By industry sectors:				
Manufacturing	22,548	34	32,536	79
Property development and investment	43,054	66	8,793	21
	65,602	100	41,329	100

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(e) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market price (other than interest or exchange rate).

The Group is exposed to equity price risk arising from its investments in quoted equity instruments quoted on Bursa Malaysia, SGX in Singapore, HKEx in Hong Kong, NYSE and NASDAQ in United States of America and Euronext Paris in France. These instruments are measured at fair value through other comprehensive income.

The Group's objective is to invest in investment grade shares with steady dividend yield. At the reporting date, the Group's equity portfolio consists of primarily investment grade shares.

Sensitivity analysis for equity price risk

If the FTSE Bursa Malaysia KLCI, STI in Singapore, HSI in Hong Kong, DJI in United States of America, FCHI in France were to change by positive or negative 3%, 3%, 16%, 18%, and 23% (2022: 7%, 4%, 15%, 10%, and 2%) 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	
	2023	2022	2023	2022
Other comprehensive income	RM'000	RM'000	RM'000	RM'000
Listed in Malaysia				
- increased by	1,685	4,304	1,582	4,038
- decreased by	(1,685)	(4,304)	(1,582)	(4,038)
Listed in Singapore				
- increased by	3,682	4,733	2,803	3,690
- decreased by	(3,682)	(4,733)	(2,803)	(3,690)
Listed in Hong Kong				
- increased by	21,685	23,361	1,844	2,001
- decreased by	(21,685)	(23,361)	(1,844)	(2,001)
Listed in United States of America				
- increased by	1,423	674	1,423	674
- decreased by	(1,423)	(674)	(1,423)	(674)
Listed in France				
- increased by	1,012	55	1,012	55
- decreased by	(1,012)	(55)	(1,012)	(55)

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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

(f) Changes in liabilities arising from borrowings

	2023	Group
	RM'000	2022
		RM'000
At 1 January **	173,967	191,103
Interest expense on borrowings	6,770	5,265
Cash flows:		
- Repayments of loans and borrowings	(113,636)	(16,468)
- Waiver of loans and borrowings	-	(11,527)
- Interest paid	(6,770)	(5,265)
Deferred loan costs amortised (Note 7)	-	54
Foreign exchange movement	6,086	10,805
	66,417	173,967

** Excludes bank overdrafts

42. 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.

A subsidiary of the Group is subject to certain financial covenants imposed by the lender. The covenant requires the subsidiary to maintain a debt service ratio above 1.3. This requirement was waived for the year ended 31 December 2022. The covenant also requires loan balances to be maintained below 60% of the value of the hotel property.

43. 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.

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

43. 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
2023								
REVENUE AND EXPENSES								
Revenue								
- External sales	850,104	305,318	206,580	-	8,630	-	-	1,370,632
- Intra/inter- segment sales	101,575	-	1,137	42,902	13,558	-	(159,172)	-
Total revenue	951,679	305,318	207,717	42,902	22,188	-	(159,172)	1,370,632
Results								
Operating results	26,714	97,391	77,585	12,561	32,743	2,942	(9,664)	240,272
Foreign exchange (loss)/gain	-	-	-	-	-	(10,762)	35,968	25,206
Finance costs	(7)	(1,027)	-	-	(11,258)	(7,382)	12,292	(7,382)
Interest income	-	-	-	-	-	51,546	(12,350)	39,196
Profi before tax	26,707	96,364	77,585	12,561	21,485	36,344	26,246	297,292
Income tax								(38,433)
Profit net of tax								258,859

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

43. 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
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 (loss)/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
Profit 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 2023

43. SEGMENT INFORMATION (cont'd)

2023	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>	560,513	515,567	745,137	77,205	1,047,709	66,544	3,012,675
Unallocated assets							32,301
Consolidated total assets							<u>3,044,976</u>
<i>Segment liabilities</i>	61,236	110,633	74,454	3,316	37	140	249,816
Unallocated liabilities							9,235
Consolidated total liabilities							<u>259,051</u>
OTHER INFORMATION							
Capital expenditure	12,255	24,251	7,052	12	-	-	43,543
Depreciation	3,082	18,319	6,187	1,655	-	-	29,243
Amortisation	3	5	-	-	-	-	8
(Reversal of)/allowance for impairment on trade receivables	-	(137)	1	-	-	-	(136)
Allowance for impairment on other receivables	-	-	35	-	-	-	35
Reversal of impairment loss on property, plant and equipment	-	(56,925)	-	-	-	-	(56,925)
Fair value loss on financial assets at fair value through profit or loss	-	(8,052)	-	-	(2,761)	-	(10,813)

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

43. 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	733,514	75,540	1,037,326	69,111	2,884,722
Unallocated assets							41,566
Consolidated total assets							2,926,288
<i>Segment liabilities</i>	54,842	213,465	59,199	4,310	(4)	251	332,063
Unallocated liabilities							12,941
Consolidated total liabilities							345,004
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
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)	-	-	(1,433)	-	(7,064)

NOTES TO THE FINANCIAL STATEMENTS [cont'd]
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

43. 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	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	1,071,521	1,580,841	1,813	1,601	259	250	111,330	82,752	185,709	162,128	1,370,632	1,827,572
Segment assets	2,076,940	1,982,376	188,146	220,194	226,948	250,030	110,980	80,571	441,962	393,117	3,044,976	2,926,288
Capital expenditure	19,292	19,522	-	-	-	-	3,065	2,805	21,186	2,357	43,543	24,684

44. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors on 5 April 2024.

ANALYSIS OF SHAREHOLDINGS

ANALYSIS OF SHAREHOLDINGS AS AT 1 APRIL 2024

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	173	2.567	5,736	0.002
100 to 1,000	868	12.880	687,321	0.191
1,001 to 10,000	4,046	60.039	16,579,024	4.614
10,001 to 100,000	1,457	21.621	43,501,907	12.107
100,001 to less than 5% of issued shares	190	2.819	87,434,907	24.335
5% and above of issued shares	5	0.074	211,094,715	58.751
	6,739	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)	77,044,178	21.443
2.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Hong Kong Branch)	70,457,989	19.610
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)	21,709,386	6.042
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	4,520,000	1.258
8.	Teo Tin Lun	3,573,900	0.995
9.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	3,297,325	0.918
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483)	2,958,900	0.824
11.	Ang Seng Chin	2,500,000	0.696
12.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483)	2,275,550	0.633
13.	Tan Ai Leng	2,090,066	0.582
14.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Deutsche Bank AG Singapore (Maybank SG PWM)	1,975,300	0.550
15.	Tunku Zahrah Binti Tunku Osman	1,545,000	0.430
16.	Chinchoo Investment Sdn. Berhad	1,530,000	0.426
17.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	1,348,552	0.375
18.	Maybank Securities Nominees (Asing) Sdn Bhd Maybank Securities Pte Ltd for Ho Chung Kain	1,280,000	0.356

ANALYSIS OF SHAREHOLDINGS [cont'd]

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

No.	Name	No. of Shares Held	% [^]
19.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Singapore (Foreign)	1,209,500	0.337
20.	Thong Weng Tim	1,145,100	0.319
21.	Key Development Sdn. Berhad	1,024,050	0.285
22.	Lim Peng Jin	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)	889,650	0.247
25.	Firmstead Realty Sendirian Berhad	835,312	0.232
26.	Wong Yu @ Wong Wing Yu	823,600	0.229
27.	RHB Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte. Ltd. (A/C Clients)	807,525	0.225
28.	Eu Lee Chuan Enterprise Sdn Berhad	750,000	0.209
29.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients)	742,500	0.206
30.	Gooi Seow Mee	740,250	0.206
		262,927,667	73.177

[^] 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

Name	Direct Interest		Indirect Interest	
	No. of Shares	(%)*	No. of Shares	(%)*
Ho Yeow Koon And Sons Private Limited	59,355,989	16.52	21,920,512 ¹	6.10
Dato' Ho Cheng Chong @ Ho Kian Hock	24,899,687	6.93	104,088,773 ²	28.97
Ho Kim Swee @ Ho Kian Guan	24,395,538	6.79	104,088,773 ²	28.97
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

	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	104,088,773 ¹	28.97
2.	Ho Kim Swee @ Ho Kian Guan	24,395,538	6.79	104,088,773 ¹	28.97
3.	Ho Eng Chong @ Ho Kian Cheong	24,662,436	6.86	18,000,000 ²	5.01
4.	Ho Chung Kain (He ChongJing)	1,280,000	0.36	—	—
5.	Lee Huee Nan @ Lee Hwee Leng	88,593	0.02	—	—
6.	Liew Foong Yuen	—	—	—	—
7.	Too Hing Yeap @ Too Heng Yip	—	—	—	—
8.	Tai Lam Shin	—	—	—	—
9.	Mahathir Bin Mohamed Ismail	—	—	—	—
10.	Dato' Dr. Zaha Rina Binti Zahari	—	—	—	—
11.	Ho Chung Hui [Alternate to Lee Huee Nan @ Lee Hwee Leng]	—	—	—	—
12.	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.

E. 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 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 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 BUILDINGS

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.	–	80,239	18-04-1980 #
Bandar Baru Kangkar Pulai	26 km north-west of Johor Bahru. Alongside of Jalan Skudai-Pontian road.	Freehold/ Leasehold	2,373,198 sq metres (Development area)	Development of residential & commercial units. The 99 year lease expires in 2108.	–	167,434	18-04-1980 #
Tanjong Puteri Resort	35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate.	Freehold	3,594,386 sq metres (Development area)	Development of residential, commercial units and industrial land.	–	38,795	18-04-1980 #
Bukit Chantek, Tong Hing & Tanjong Langsat Estate	10 km east of Ulu Tiram and about 30 km from Johor Bahru.	Freehold/ Leasehold	2,382 hec (Planted area)	Oil palm estate including 20.914 hectares of industrial land with 3 industrial buildings erected on it. The 99 year lease expires in 2115.	–	32,634	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.	52	116,166	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.	10	250,465	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.	28	40,883	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.	59	40,746	31-10-1997
Condominium Block	No. 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.	33	45,543	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)	29 standalone buildings in a retail park format with drive-thrus, hypermarket and banquet restaurant.	4	52,557	01-03-2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-Fourth Annual General Meeting ("54th AGM") of the Company will be conducted virtually 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 **Wednesday, 29 May 2024 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 2023 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 RM1,217,915 for the financial year ended 31 December 2023. *(Ordinary Resolution 1)*
3. To approve the payment of Directors' benefits up to an aggregate amount of RM350,000 for the period from 29 May 2024 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) Dato' Ho Cheng Chong @ Ho Kian Hock *(Ordinary Resolution 3)*
 - (b) Ms Lee Huee Nan @ Lee Hwee Leng *(Ordinary Resolution 4)*
 - (c) Mr Too Hing Yeap @ Too Heng Yip *(Ordinary Resolution 5)*
5. To re-elect Mr Ho Chung Kain (He ChongJing) who is retiring pursuant to Clause 78 of the Constitution of the Company. *(Ordinary Resolution 6)*
6. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 7)*

AS SPECIAL BUSINESS:

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

7. **Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016** *(Ordinary Resolution 8)*

"**THAT** pursuant to Sections 75 and 76 of the Companies Act 2016, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant regulatory authorities, where such approval is required, 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 the 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 9)

"THAT subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and the approval of the relevant regulatory authorities, where such approval is required, 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

KUAN HUI FANG (MIA 16876) (SSM PC NO. 202008001235)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)

Company Secretaries
Kuala Lumpur

30 April 2024

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 54th 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 54th AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via its **TIIH Online** website at <https://tiih.online>.

For further information, kindly refer to the Administrative Guide of the 54th AGM.

2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 20 May 2024**. 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 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 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 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 48 hours before the time appointed for holding the 54th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means via **TIIH Online** website at <https://tiih.online>
Please refer to the Administrative Guide of the 54th AGM for further information on electronic lodgement of proxy form via **TIIH Online**.
9. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Monday, 27 May 2024 at 10.00 a.m.**

NOTICE OF ANNUAL GENERAL MEETING [cont'd]

11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the 54th 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.
12. For a corporate member who has appointed a representative instead of a proxy to attend the meeting, please deposit the **original or duly certified** certificate of appointment at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if it has not been lodged 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 authorised officers, one 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
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 54th 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 2023

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 RM1,217,915 for the financial year ended 31 December 2023 will only be made if the proposed Ordinary Resolution 1 has been passed at the 54th AGM of the Company.

(iii) **Ordinary Resolution 2**

Payment of Directors' benefits

Directors' benefits are all meeting allowances payable to Non-Executive 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 29 May 2024 until the next AGM as well as the number of Non-Executive 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 to 6**

Re-election of Directors

Dato' Ho Cheng Chong @ Ho Kian Hock, Ms Lee Huee Nan @ Lee Hwee Leng, Mr Too Hing Yeap @ Too Heng Yip and Mr Ho Chung Kain (He ChongJing) are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the forthcoming 54th AGM.

Their profiles are disclosed in the Directors' Profile of the Annual Report 2023.

Saved as disclosed, the retiring Directors have no conflict of interest with the Company and its subsidiaries, and have no family relationship with any Director and/or major shareholder of the Company. The Nominating Committee ("NC") had considered the performance and contribution of the retiring Directors including the review of their fit and proper declaration in accordance with the Directors' Fit and Proper Policy. 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 Dato' Ho Cheng Chong @ Ho Kian Hock as Managing Director

Dato' Ho Cheng Chong @ Ho Kian Hock is the brother of Mr Ho Kim Swee @ Ho Kian Guan and Mr Ho Eng Chong @ Ho Kian Cheong who are the Directors and substantial shareholders of the Company. He is also the father of Mr Ho Chung Kain (He ChongJing) and Mr Ho Chung Hui, and uncle of Mr Ho Chung Kiat, Sydney (He ChongJie, Sydney) who are the Directors of the Company. He has been actively involved in the Group's operations including directing business growth and strategic direction of the Group. His expertise and hard work had been instrumental to the growth and development of the Group.

(ii) Ordinary Resolution 4 – Re-election of Ms Lee Huee Nan @ Lee Hwee Leng as Executive Director

Ms Lee Huee Nan @ Lee Hwee Leng possesses relevant qualification, knowledge and experience which complement the Board's competencies.

(iii) Ordinary Resolution 5 – Re-election of Mr Too Hing Yeap @ Too Heng Yip as Non-Independent Non-Executive Director

Mr Too Hing Yeap @ Too Heng Yip has vast experience in legal matters and able to provide valuable input from legal perspective for Board's deliberation and decision-making process.

(iv) Ordinary Resolution 6 – Re-election of Mr Ho Chung Kain (He ChongJing) as Executive Director

Mr Ho Chung Kain (He ChongJing) was appointed to the Board as Executive Director on 27 November 2023. He is the son of Dato' Ho Cheng Chong @ Ho Kian Hock, the Managing Director and substantial shareholder of the Company; the nephew of Mr Ho Kim Swee @ Ho Kian Guan and Mr Ho Eng Chong @ Ho Kian Cheong who are the Directors and substantial shareholders of the Company; the brother of Mr Ho Chung Hui and the cousin of Mr Ho Chung Kiat, Sydney (He ChongJie, Sydney) who are Directors of the Company.

Prior to his appointment, he served as a General Manager overseeing both on-site and off-site operations for the Group. He has made significant contributions to the Group's Plantations, Manufacturing, Property Development & Investment segments.

(v) **Ordinary Resolution 7**

Re-appointment of Auditors

The Board had, through the Audit Committee, considered the re-appointment of Ernst & Young PLT as the Auditors of the Company. The factors considered by the Audit Committee in making the recommendation to the Board to table their re-appointment at the 54th AGM are disclosed in the Audit Committee Report of the Annual Report 2023.

NOTICE OF ANNUAL GENERAL MEETING [cont'd]

(vi) **Ordinary Resolution 8**

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

The 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 obtained from shareholders at the 53rd AGM held on 26 May 2023. 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 53rd AGM held on 26 May 2023 and the mandate will lapse at the conclusion of the 54th AGM.

(vii) **Ordinary Resolution 9**

Proposed Renewal of Shareholders' Mandate for Share Buy-Back

Further information relating to this proposed resolution is set out in the Statement to Shareholders dated 30 April 2024 which is available at [https://my.keckseng.com/statementtosh/AnnualReport2023/Statement to Shareholder.pdf](https://my.keckseng.com/statementtosh/AnnualReport2023/Statement_to_Shareholder.pdf).



KECK SENG (MALAYSIA) BERHAD
(Registration No. 196801000565) (8157-D)
(Incorporated in Malaysia)

CDS Account No.
(Nominees Account Only)

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 vote for *me/us on *my/our behalf at the Fifty-Fourth Annual General Meeting ("54th AGM") of the Company to be conducted virtually 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 **Wednesday, 29 May 2024 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 RM1,217,915 for the financial year ended 31 December 2023.		
Ordinary Resolution 2	To approve the payment of Directors' benefits up to an aggregate amount of RM350,000 for the period from 29 May 2024 until the next Annual General Meeting of the Company.		
Ordinary Resolution 3	To re-elect Dato' Ho Cheng Chong @ Ho Kian Hock as Director.		
Ordinary Resolution 4	To re-elect Ms Lee Huee Nan @ Lee Hwee Leng as Director.		
Ordinary Resolution 5	To re-elect Mr Too Hing Yeap @ Too Heng Yip as Director.		
Ordinary Resolution 6	To re-elect Mr Ho Chung Kain (He ChongJing) as Director.		
Ordinary Resolution 7	To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
Ordinary Resolution 8	Authority to Issue and Allot Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
Ordinary Resolution 9	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 _____ 2024.

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 authorised officers, one 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 54th 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 54th AGM via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd via its **TIIH Online** website at <https://tiih.online>. For further information, kindly refer to the Administrative Guide of the 54th AGM.
2. For the purpose of determining who shall be entitled to attend this meeting, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd to make available to the Company, a **Record of Depositors as at 20 May 2024**. 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 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 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 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 48 hours before the time appointed for holding the 54th AGM or adjourned general meeting at which the person named in the appointment proposes to vote:
 - (i) In hard copy form
To be deposited with the Company's Share Registrar, Tricor Investor & Issuing House Services Sdn Bhd at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia.
 - (ii) By electronic means via TIIH Online website at <https://tiih.online>.
Please refer to the Administrative Guide of the 54th AGM for further information on electronic lodgement of proxy form via **TIIH Online**.

Please fold here to seal

Affix
Stamp

**THE SHARE REGISTRAR
KECK SENG (MALAYSIA) BERHAD**

(Registration No.196801000565) (8157-D)

c/o Tricor Investor & Issuing House Services Sdn Bhd
Unit 32-01, Level 32, Tower A
Vertical Business Suite, Avenue 3
Bangsar South, No. 8, Jalan Kerinchi
59200 Kuala Lumpur, Malaysia

Please fold here to seal

9. Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.
10. Last day, date and time for lodging the proxy form is **Monday, 27 May 2024 at 10.00 a.m.**
11. Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than 48 hours before the time appointed for holding the 54th 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.
12. For a corporate member who has appointed a representative instead of a proxy to attend the meeting, 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 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 authorised officers, one 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.
13. Pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, all resolutions set out in the Notice of the 54th AGM will be put to vote by way of poll.



KECK SENG (MALAYSIA) BERHAD
Website: <https://my.keckseng.com>