激成(馬來西亞)有限公司

KECK SENG (MALAYSIA) BERHAD

196801000565 (8157-D)

2020

ANNUAL REPORT

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ABOUT KECK SENG MALAYSIA

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

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

Our Vision

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

Our Values

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

• integrity • commitment • diligence • cost efficiency • innovation

Our Community

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

GROUP OVERVIEW

Keck Seng Malaysia has three core businesses:

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

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

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

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

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

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

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

FINANCIAL HIGHLIGHTS

(RM'000) **Revenue by business segments**	2016 (Restated)	2017 (Restated)	2018	2019	**2020**
Plantations and Manufacturing	687,862	831,579	590,854	525,883	**627,665**
Property	116,622	108,417	115,065	184,184	**176,152**
Hotels and Resort	237,219	239,708	250,152	256,375	**63,870**
Dividend income	7,524	9,553	11,206	12,164	**6,776**
Total revenue	1,049,227	1,189,257	967,277	978,606	**874,463**
Profit/Loss) before tax	154,955	31,008	69,521	101,766	**(85,230)**
Profit/(Loss) net of tax	128,101	23,042	39,169	91,641	**(71,974)**
Profit/(Loss) net of tax attributable to owners of the parent	124,291	22,876	36,472	88,317	**(64,561)**
Earnings/(Loss) per share (sen)	35	6	10	25	**(18)**
Dividend per share (sen)	10	10	10	4	**0**
Equity attributable to owners of the parent	2,213,702	2,380,960	2,244,108	2,244,760	**2,154,137**
Total assets	2,860,983	2,920,093	2,775,528	2,795,928	**2,655,231**
Loans and borrowings	293,031	250,992	232,090	235,563	**229,857**

Share Price (RM)	2016	2017	2018	2019	**2020**
Highest daily close	5.67	5.18	4.92	4.98	**4.69**
Lowest daily close	4.69	4.55	3.92	4.07	**3.41**
Year-end closing	4.73	4.60	4.08	4.70	**3.84**

CHAIRMAN'S STATEMENT

Dear Shareholders,

It had been more than a year since coronavirus ("COVID-19") pandemic started. The number of COVID-19 cases worldwide had surpassed 149 million and continued to increase every day. The protracted pandemic made 2020 one of the most challenging and disruptive year for our businesses. Social and commercial activities had been significantly curtailed and triggered a deep global recession.

Performance

The hospitality sector had been one of the most heavily affected by the pandemic due to state-mandated closures, travel restrictions and fear of travel. The Group recorded lower revenue and a loss in 2020 due to temporary closure of our overseas hotels. Even after the hotels were allowed to reopen, travel restrictions greatly reduced the demand for hotel rooms.

Outlook and Strategy

This year has begun on a more positive note as vaccination programs are rolling out in various countries. Unfortunately, complications related to vaccine rollout and new variants of the virus could still threaten to undermine the ongoing economic recovery. Travel restrictions continue to be enforced in most countries and adversely affect the demand for travel and leisure activities. We expect the performance of our hotels to operate under stressful conditions until we see a return to pre-pandemic level of travel bookings.

At the onset of the pandemic, when many countries went into lockdown last year, many governments came out with stimulus packages to support companies and employment with tax breaks, loans and wage subsidies. These relief programs have expired, scaled down or are expiring, adding another dimension of uncertainty to the bumpy recovery.

It is therefore vital to monitor these risks and uncertainties closely, and persist with our measures to safeguard the interests of our employees and business operations. We will also carry on with our efforts to control expenses and conserve cash.

Dividends

In view of the economic uncertainties, the Board is taking a prudent stance to strengthen the balance sheet, and thus no dividend is recommended for the financial year 2020.

Acknowledgement

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

Ho Kim Swee @ Ho Kian Guan
Chairman
27 April 2021

FINANCIAL REVIEW

In 2020, the COVID-19 pandemic triggered an unprecedented global crisis when many business activities were at one point halted due to movement restrictions to contain the outbreak of COVID-19. Our overseas hotels were closed for many months and recorded a significant revenue decrease in 2020. On the other hand, the Manufacturing division did better in 2020 due to higher selling prices of refined oil. Overall, the Group's revenue in 2020 was 11% lower than 2019. Compared to a profit in 2019, the Group recorded a loss in 2020 due to operational losses incurred by our overseas hotels and an impairment loss recognised on a hotel.

The Group's balance sheet remained prudent with loans and borrowings almost unchanged from previous year. We believed our low amount of borrowings should enable Keck Seng to ride out the economic uncertainties due to the pandemic.

OPERATIONS REVIEW

Plantations and Manufacturing

The Plantations division saw an increase in crop production for 2020 as we achieved an improvement in output per hectare due to favourable conditions. However, 2021 production is expected to be slightly lower after the 2020 peak. We also saw rising palm oil prices in 2020, which hit RM4,000 per tonne this year. As a result of the higher product prices, financial performance was better in 2020 for the Manufacturing division.

We expect prices to remain high in 2021 as the industry faces acute labor shortage affecting harvesting operations and hence restrained supply. High prices of competing vegetable oils will also support palm oil prices.

	2016	2017	2018	2019	**2020**
PRODUCTION (mt)					
Fresh fruit bunches	58,685	50,586	51,940	45,027	**52,780**
Refined palm products	364,401	395,910	342,262	334,446	**309,098**
Crude palm oil	39,576	44,497	49,217	44,243	**44,808**
Palm kernel	12,164	14,340	15,790	13,723	**13,635**
GROSS SELLING PRICE (RM/mt)					
Refined palm products	3,285	3,604	2,845	2,426	**3,062**
Palm kernels (ex mill)	2,610	2,527	1,769	1,234	**1,603**
AREA PLANTED (hectare)	3,534	3,396	3,173	3,183	**3,183**
Immature hectareage (< 3 years)	322	404	780	1,063	**944**
Matured hectareage	3,212	2,992	2,393	2,120	**2,239**
Average yield per matured hectareage (mt)	18.3	16.9	19.3	20.0	**24.2**

Property

Anticipation of recovery for the property market in 2020 after a soft year in 2019 had been hampered by the pandemic. The property sector, along with most business activities, took a toll when Movement Control Order (MCO) was imposed by the Government. The property sector was classified as a non-essential activity, and came to a complete halt during the MCO period. When restrictions were slowly eased, activities in the property market slowly picked up. The Government pushed out several initiatives to aid the property sector, such as stamp duty and real property gains tax (RPGT) exemptions. Interest rate cuts by the central bank also buttressed consumer sentiments and lower mortgage rates had supported property purchases in the second half of 2020. Therefore, sale performance by the Property division, especially at Bandar Baru Kangkar Pulai ("BBKP"), was laudable under such challenging circumstance.

This year the Property division shall continue to focus on our strength in developing well-conceptualised and good quality landed properties, in particular, leasehold properties at BBKP. We are cautiously optimistic of the economic recovery and better consumer sentiments for property purchases in 2021 spurred by the availability of COVID-19 vaccines. We are also hopeful of the encouraging responses to various initiatives by the Government and Bank Negara Malaysia for the property sector.

OPERATIONS REVIEW (cont'd)

Property (cont'd)

In BBKP, we are planning to launch new phases of residential houses comprising single storey terrace houses, double storey terrace houses and double storey cluster houses. In Tanjong Puteri Resort ("TPR"), sales have been encouraging from our recently launched new Phase 7A comprising 115 units of single storey terrace houses.

On our open-concept retail outlet at Taman Daya, TD Point, our tenants' businesses were affected by the MCO. We have granted rental rebates and other assistances to our tenants through this difficult period, and maintained a high level of occupancy at TD Point. 2020 also saw the opening of Loon Sing Banquet Restaurant in TD Central to positive reception. This year, we shall be unveiling Maslee Express Hypermarket at TD Central. Despite the tough market conditions, we are continuing our aggressive marketing efforts into 2021 to attain full occupancy for TD Central. We are cautiously optimistic that TD Central, as with TD Point, will provide a steady source of recurring income.

Menara Keck Seng, like all other office buildings, are facing very challenging times due to oversupply, the effects of the COVID-19 pandemic coupled with the uncertainties in the economic conditions. However, we anticipate to be able to cushion these challenges with our moderate rental rate. We also anticipate that our good location, good transportation networks, and other amenities and friendly management will help us retain the current tenants, and attract more new tenants.

The prospect for Regency Tower is challenging as borders remain close and the country's pool of expatriates has reduced tremendously. There is also excess supply of residential accommodation in the market with many still unoccupied.

Hotels and Resort

The pandemic adversely affects the hospitality industry, but we are beginning to see improvement in the domestic leisure segment at a modest pace as the vaccination rollout programs gain momentum in key markets.

Both our DoubleTree Alana Waikiki Hotel in Hawaii and Delta Toronto Airport Hotel have now reopened since November and September last year respectively. These hotels are currently operating with skeleton crews and limited services to streamline costs and maximise efficiencies. Additional services and amenities will only return when demand further rebounds and when it is cost-effective to do so. The main priority continues to be on health & safety and cleanliness to ensure both guests and team members feel comfortable in our hotels.

The gradual easing of travel restrictions should continue to improve as vaccination rates increase. In the United States (US), over 133 million vaccines have been administered as of late March this year, with a target of completing the main vaccination drive by July 2021. In Canada, over 4 million vaccines have now been administered, but the completion date for the main drive is only anticipated in September 2021 due to limited supply. It should be noted that the Canada-US border remains closed for over a year with no firm date established for the reopening. In Hawaii, the projected visitation is still 60% less than the 2019 level, primarily driven by the enforcement of mandatory quarantine for all travelers without a negative COVID-19 pre-test. The prolonged economic recovery has been taking its toll on small local businesses like tenants at our adjoining office building. We do anticipate more robust demand in the fall once herd immunity is achieved as both business travel and some smaller group meetings should start to pick up at that time.

The SpringHill Suites Hotel in New York is projected to reopen in April 2021 as leisure demand for New York City is starting to return. Restrictions are beginning to ease in restaurants and entertainment venues with higher capacities being allowed in recent weeks. It has now been announced that Broadway shows are targeted to reopen in September 2021. This will help immensely as Broadway is one of the main drivers for this market. Management continues to be nimble in responding to any operational requirements during this time, with all efforts being placed on maintaining strong hygiene measures to prioritise the safety of guests and staff.

For Tanjong Puteri Golf Resort, 2020 was extremely challenging due to the outbreak of COVID-19 which resulted in a standstill of business from March as the country went into the MCO. Recovery was further dampened in October and November with the interstate lockdown in Central and North Malaysia. With international borders closed, most of business activities like golf, banquet and restaurant operations hardly contributed any revenue. The Resort will focus on the niche market of long-stay customers from the surrounding industrial companies. Management team will continue to enforce the established cost savings initiatives and development programs for its associates to ensure that operation is fully prepared for a restart and ramp up of business levels should travel restrictions be removed and borders reopened in 2021.

In general, there is great uncertainty about the duration of the pandemic, and it is very challenging to quantify the impact on business performance for 2021. It is expected that the recovery will be slow and gradual, with most industry projections reflecting normalisation only in two to three years' time.

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

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

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Unit 32-01, Level 32, Tower A,
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59200 Kuala Lumpur.
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AUDITORS
Ernst & Young PLT
Registration No. 202006000003
(LLP0022760-LCA & AF 0039)
Chartered Accountants
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PRINCIPAL BANKERS
Malayan Banking Berhad
Registration No. 196001000142 (3813-K)

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

LISTING
Main Market of Bursa Malaysia Securities Berhad
Registration No. 200301033577 (635998-W)

WEBSITE
https://my.keckseng.com

HO KIM SWEE @ HO KIAN GUAN

Executive Chairman

AGE/GENDER	**NATIONALITY**
Age 75/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 50 years successfully steering the Group.

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

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

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

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

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

DATO' HO CHENG CHONG @ HO KIAN HOCK

Managing Director

AGE/GENDER	**NATIONALITY**
Age 73/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 40 years of working experience in Corporate Planning and Management.

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

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

Managing Director

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

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

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

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

HO ENG CHONG @ HO KIAN CHEONG

Non-Independent Non-Executive Director

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

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Science Degree, University of Singapore.

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

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

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

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

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

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

CHAN LUI MING IVAN

Executive Director

AGE/GENDER	NATIONALITY
Age 51/Male	Singaporean

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

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

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

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

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

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Mr. Chan has no convictions 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
3 out of 4.

LEE HUEE NAN @ LEE HWEE LENG

Executive Director

AGE/GENDER	NATIONALITY
Age 69/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 30 years of working experience in corporate administration and financial management.

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

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

Executive Director

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

TOO HING YEAP @ TOO HENG YIP

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

AGE/GENDER	**NATIONALITY**
Age 73/Male	Malaysian

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

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

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

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

MAJ-GEN (R) DATO' MUHAMMAD BIN YUNUS

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

AGE/GENDER	**NATIONALITY**
Age 75/Male	Malaysian

ACADEMIC/PROFESSIONAL QUALIFICATION
MA (International Relations], University of Kent at Canterbury, United Kingdom.

DATE APPOINTED/WORK EXPERIENCE
Maj-Gen (R) Dato' Muhammad was appointed to the Board on 8 September 2000. He was an Officer in the Army for 37 years.

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

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

CONVICTIONS FOR OFFENCES
Maj-Gen (R) Dato' Muhammad has no convictions for any offences within the past 5 years (other than traffic offences, if any), nor any public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

BOARD MEETINGS ATTENDED
4 out of 4.

TAI LAM SHIN

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

AGE/GENDER	**NATIONALITY**
Age 63/Male	Malaysian

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

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

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

TAI LAM SHIN (cont'd)

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

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

MAHATHIR BIN MOHAMED ISMAIL

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

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

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

DATE APPOINTED/WORK EXPERIENCE
Encik 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 December 2018, he was a Lecturer in Audit & Corporate Governance, Audit & Assurance, Accounting and Business Ethics in Taylor's University.

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

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

LIEW FOONG YUEN

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

AGE/GENDER	**NATIONALITY**
Age 51/Male	Malaysian

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

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

OTHER DIRECTORSHIP
Listed Issuers : Nil
Public Companies : Nil

FAMILY RELATIONSHIP
None.

CONFLICT OF INTERESTS
None.

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

BOARD MEETINGS ATTENDED
4 out of 4.

HO CHUNG KAIN (HE CHONGJING)

Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock

AGE/GENDER	**NATIONALITY**
Age 46/Male	Singaporean

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

DATE APPOINTED/WORK EXPERIENCE
Mr. Ho was appointed as Alternate Director on 24 February 2011. He is presently the General Manager of Keck Seng (Malaysia) Berhad. He has 22 years of working experience in property marketing and development.

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

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

Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock

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

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

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

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

CONFLICT OF INTERESTS
None.

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

HO CHUNG HUI

Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng

AGE/GENDER	NATIONALITY
Age 45/Male	Singaporean

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

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

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

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

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

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

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

HO CHUNG HUI (cont'd)

Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng

CONFLICT OF INTERESTS
None.

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

HO CHUNG TAO

Alternate to Mr. Chan Lui Ming Ivan

AGE/GENDER	NATIONALITY
Age 46/Male	Singaporean

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

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

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

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

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

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

CONFLICT OF INTERESTS
None.

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

HO CHUNG KIAT, SYDNEY (HE CHONGJIE, SYDNEY)

Alternate to Mr. Ho Eng Chong @ Ho Kian Cheong

AGE/GENDER	**NATIONALITY**
Age 37/Male	Singaporean

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

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

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

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

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

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

CONFLICT OF INTERESTS
None.

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

KEY SENIOR MANAGEMENT'S PROFILE

PLANTATIONS

HEE VUI YONG @ VINCENT
General Manager
Johor, Malaysia

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

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

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

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

MANUFACTURING

CHUA TECK NGIN
General Manager
Johor, Malaysia

AGE/GENDER	**NATIONALITY**
Age 68/Male	Malaysian

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

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

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

PROPERTY DEVELOPMENT

CHONG KIN MENG, VINCENT
General Manager
Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 61/Male	Malaysian

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

DATE APPOINTED/WORK EXPERIENCE
Vincent has over 37 years of working experience in civil and structural engineering design, planning and mixed property development. He has been with Keck Seng (Malaysia) Berhad – Property Division since 15 March 1990 and was promoted to his current position on 1 June 2003.

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

PROPERTY INVESTMENT

PAULINE TAN
General Manager
Kuala Lumpur, Malaysia

AGE/GENDER	NATIONALITY
Age 64/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 (cont'd)

SIM YOKE KENG
General Manager
Kuala Lumpur, Malaysia

AGE/GENDER	NATIONALITY
Age 44/Female	Malaysian

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

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

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

RESORT

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

AGE/GENDER	NATIONALITY
Age 79/Male	Malaysian

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

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

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

RESORT (cont'd)

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

AGE/GENDER	NATIONALITY
Age 52/Male	German

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

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

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

HOTEL

PETER WONG
President – North America
San Francisco, USA

AGE/GENDER	NATIONALITY
Age 69/Male	American

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

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

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

HOTEL (cont'd)

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

AGE/GENDER	**NATIONALITY**
Age 57/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 of Operations effective from 1 April 2015. He was previously the General Manager at Sheraton Ottawa Hotel, Canada.

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

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

AGE/GENDER	**NATIONALITY**
Age 65/Male	American

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

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

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

HOTEL (cont'd)

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

AGE/GENDER	NATIONALITY
Age 60/Male	American

ACADEMIC/PROFESSIONAL QUALIFICATION
AAS Accounting, University of Hawaii.

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

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

DAVE WILLIAMS
Asset Manager
Honolulu, USA

AGE/GENDER	NATIONALITY
Age 45/Male	American

ACADEMIC/PROFESSIONAL QUALIFICATION
Bachelor of Science, Washington State University.

DATE APPOINTED/WORK EXPERIENCE
Dave was hired as Asset Manager for the Double Tree Alana Waikiki and Alana Waikiki Business Center in December 2018. Prior to that Dave worked in various operational roles with Starwood/Marriott since the late 1990s.

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

KEY SENIOR MANAGEMENT'S PROFILE (cont'd)

INVESTMENT HOLDING

PAUL TSE SEE FAN
Director
Hong Kong

AGE/GENDER	NATIONALITY
Age 66/Male	Hong Kong, China

ACADEMIC/PROFESSIONAL QUALIFICATION
Master of Business Administration.

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

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

GROUP FINANCE

REUSON SEET
Group Accountant
Johor, Malaysia

AGE/GENDER	NATIONALITY
Age 48/Male	Malaysian

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

DATE APPOINTED/WORK EXPERIENCE
Reuson started his career as an auditor with Arthur Andersen, where he gained valuable experience in audit, accounting and taxation. In 2000, he joined Keck Seng (Malaysia) Berhad as an Accountant and was subsequently promoted as Group Accountant in 2014. He has more than 19 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.

GROUP FINANCE (cont'd)

GAN KIM BUAN
Financial Consultant
Johor, Malaysia

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

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

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

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

Save as disclosed above, none of the key senior management team have:
1) *any family relationship with any director and/or major shareholder of the listed issuer;*
2) *any conflict of interests that the person has with the listed issuer; and*
3) *any conviction for offences (other than traffic offences, if any) within the past 5 years or any sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2020.*

The Board of Directors ("the Board") of Keck Seng (Malaysia) Berhad's Group ("the Group") recognises that a strong and robust corporate governance ("CG") is essential in protecting and enhancing shareholders' value and for sustainable long-term success. The Board and Senior Management, who are responsible for the governance of the Group are committed to ensuring that good CG practices are adopted and continued.

The Board is pleased to present the CG Overview Statement for 2020. This Statement is 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 and the CG Guide (3rd edition) issued by Bursa Malaysia Berhad. The CG Overview Statement should be read together with the CG Report 2020 of the Company which is available on the Company's website, https://my.keckseng.com and Bursa Securities' website.

ADOPTION OF THE CG CODE

In preparing this Statement, the Board has considered the manner in which it has applied the Principles and Best Practices of the Malaysian Code on Corporate Governance ("CG Code") for the financial year ended 31 December 2020 ("FY 2020") except for:

Practice 4.2 – Tenure of an Independent Director not exceeding a cumulative term of 9 years and carrying out a two-tier voting process if the Board continues to retain the Independent Director after the twelfth year.

Practice 7.2 – Disclosure of top five Key Senior Management's remuneration on a named basis in bands of RM50,000.

Practice 11.2 – Adoption of Integrated Reporting.

Explanations for the departure and alternative measures of the abovementioned practices have been disclosed in the CG Report. Going forward, evaluations are carried out to bring in line the Group's CG practices with the Best Practices under the CG Code and changing needs of the Group.

PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Duties and Responsibilities

The Board is collectively responsible for the overall leadership and success of the Group. Members of the Board are selected and appointed based on their experience, skills and abilities which will strengthen the operations of the Board. Each Director is expected to devote sufficient time to effectively discharge their duties and responsibilities, to act in good faith, provide insights and consider at all times the interests of the Group.

The Board is guided by the Board Charter which is available on the Company's website.

Other than fulfilling its statutory responsibilities, the Board collectively:

- reviews and determines the Group's overall plan and business strategy;
- oversees the conduct of the Group's business to determine whether the business is being properly managed;
- ensures that the Group's policies and practices are designed to manage principal risks of the Group's businesses and deliver sustainable value to its shareholders and other stakeholders;
- provides leadership to Management;
- monitors the financial position and performance of the Group through quarterly reviews of the Group's results;
- ensures that a sound and adequate framework of reporting on risk management and internal control and legal and regulatory compliance are in place;
- ensures that succession plan for the Group is considered; and
- ensures that the Company's strategies are aligned to the interest of the shareholders and other stakeholders.

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

I. Board Duties and Responsibilities (cont'd)

Although all the Directors have an equal responsibility in determining the manner in which the affairs of the Group are managed and the Executive Directors are primarily responsible for managing the overall business activities of the Group, the role of the Independent Non-Executive Directors is particularly important as they do not participate in the operations of the Group and are able to uphold their objectivity in respect of Board decisions and scrutinise strategies proposed by the Executive Directors or Management, whilst taking into account the long-term interest of the Group including those of the shareholders and other stakeholders. They are also actively involved in the various Board Committees.

The governance structure of the Board is as follows:

Board Of Directors
Primarily responsible for the overall directions and performance of the Group and has an oversight on matters delegated to Management

Audit Committee ("AC")
Oversees financial reporting process, risk management & internal control, related party transactions & conflict of interest

Nominating Committee ("NC")
Oversees matters pertaining to the nomination and appointment of Directors and the annual assessment of the Board, Board Committees and individual Directors

Remuneration Committee ("RC")
Oversees matters pertaining to the remuneration of Directors

Principal matters considered by the Board in FY 2020 were:

- Overseeing the conduct and perfomance of the Group's business
- Promoting good corporate governance culture within the Group
- Ensuring integrity of the Group's financial and non-financial reporting
- Reviewing internal audit & risk assessment analysis reports
- Reviewing year-end corporate statements and reports
- Conducting Annual Board and Board Committees evaluation
- Adapting the use of digital tools for communications and shareholders' engagement
- Strengthening anti-bribery & anti-corruption measures within the Group
- Overseeing COVID-19 Standard Operating Procedures ("SOPs") and guidelines compliance
- Enhancing the Company's existing reporting and information systems for better oversight

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

I. Board Duties and Responsibilities (cont'd)

Corporate Governance in 2021 and beyond:

- Evaluating potential business opportunities.
- Continue with Board and Key Senior Management succession planning.
- Strengthening policies and procedures in line with new laws and regulations.
- Enhancing digitalisation.

Chairman and Managing Director's Role

To be effective, clarity of various roles and responsibilities of individual directors must exist. The role of the Executive Chairman ("EC") and Managing Director ("MD") are distinct and separate. The positions are held by different individuals to ensure that there is a balance of power and authority.

Mr. Ho Kim Swee @ Ho Kian Guan, the EC provides leadership to the Board. He is responsible for ensuring Board effectiveness and conduct. With the assistance of the Company Secretary, Board meetings are scheduled in advance and clear information are disseminated to Board members, enabling the Board to perform its duties effectively. During the Board meetings, the EC encourages constructive relationships between the Board members and ensures that open, healthy and effective debates are held by allowing sufficient time to be given on deliberation of issues.

Dato' Ho Cheng Chong @ Ho Kian Hock, the MD fulfills the Chief Executive Officer's role. He is overall responsible for the financial performance and development of the Group. The MD oversees the Group's day-to-day operations and ensures effective implementation of policies and strategies adopted by the Board throughout the entire organisation.

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

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

I. Board Duties and Responsibilities (cont'd)

Company Secretaries

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

All Directors have direct access to the advice and services of the Company Secretaries. The Company Secretary(ies) attend(s) all Board meetings and are responsible to ensure that all Board and Board Committees' deliberations are recorded and meeting procedures are adhered to.

The Company Secretaries provide advice in relation to the Company's Constitution, governance matters, ensure adherence to applicable rules and regulatory requirements including Directors' disclosure obligations, code or guidance and legislations as well as assisting in the induction of new Directors and professional development as required. Periodic updates are also provided by the Company Secretaries on new legislations and MMLR as well as interpret and implement pertinent corporate governance matters.

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

The appointment and removal of the Company Secretary is a matter for the Board as a whole. The Board is of the view that the Company Secretaries are qualified and competent in discharging their duties.

Access to Information

The Board has unrestricted access to timely and accurate information, necessary in the furtherance of their duties. The information is not restricted to quantitative information but may include other information deemed suitable.

All Directors are furnished with Board papers not less than seven (7) days prior to each Board meeting. Sufficient time is given to enable the Directors to understand the issues 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.

Deliberations and decisions made during the Board meetings are properly minuted, documented and promptly circulated to the respective Board members in a timely manner by the Company Secretary.

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 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 the respective roles, responsibilities and authorities of the Board (both individually and collectively) in setting the direction, management and control of the Group and Company.

The Board Charter consists, among others, the Board's objectives, responsibilities, committees and meeting procedures.

The Board Charter is periodically reviewed and updated in accordance with the needs of the Company or when changes arise in the corporate and business environment.

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

I. Board Duties and Responsibilities (cont'd)

Board and Board Committee Charters (cont'd)

Apart from the Board's role mentioned on pages 27 to 29, the Board also reserves full rights to decide for the following matters:

- Conflict of interest issues relating to a substantial shareholder or director including approving related party transactions;
- Material acquisitions and disposition of assets not in the ordinary course of business including significant capital expenditures;
- Strategic investments, mergers and acquisitions and corporate exercises;
- Authority limits;
- Treasury policies;
- Risk management policies; and
- Key human resource issues.

When deemed necessary, the abovementioned matters may be amended by the Board.

Audit Committee ("AC")	• 5 Independent Non-Executive Directors. • Governed by the AC Charter.
Nominating Committee ("NC")	• 5 Independent Non-Executive Directors. • Governed by the NC Charter.
Remuneration Committee ("RC")	• 5 Independent Non-Executive Directors. • Governed by the RC Charter.

To and effectively discharge its function and responsibilities, the Board has constituted three (3) Board Committees, namely AC, NC and RC. The Board is informed of the activities of the Board Committees by the respective Board Committees chairman. The Board Committees' meeting minutes are presented to the Board for notation. Each Board Committee operates within its respective defined Charter.

All Board Committee Charters are approved by the Board, reviewed and updated periodically. The respective Board Committee Charters, which encompass the Committees' duties and authorities can be found 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 Management. Management's responsibilities conferred by the Board are delegated through the MD and is under the MD's purview.

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

I. Board Duties and Responsibilities (cont'd)

Board and Board Committee Charters (cont'd)

The responsibilities of Management are to ensure that:

- Strategic plans are formulated and implemented;
- Strategic objectives are met;
- Risk and sustainability management processes are upheld at every operational level;
- Effective internal controls are in place, including proper segregation of duties and responsibilities;
- Succession plans are in place;
- Legal and statutory requirements are met;
- Policies and procedures are drawn up, reviewed and updated, where necessary; and
- Timely, accurate and clear financials and information are maintained and available.

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

All Directors and employees are expected to uphold high ethical standards and professional conduct at all times and to work with a strong sense of integrity so as to build and maintain trust and credibility. The Company's Code of Conduct ("COC") sets the standards required of all its Directors and employees. The COC covers employment and behavioral standards, work environment, fairness, ethical standards, anti-bribery, anti-corruption, environment, safety and health. Apart from the COC, the Board is also guided by the Code of Ethics for Company Directors issued by the Companies Commission of Malaysia.

As part of the Company's commitment against all forms of bribery and corruption, the Company had established an independent Anti-Bribery & Anti-Corruption ("ABAC") Policy. The 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. All employees and business associates have been informed of the ABAC Policy and to ensure compliance.

The COC and ABAC Policy are available on the Company's website.

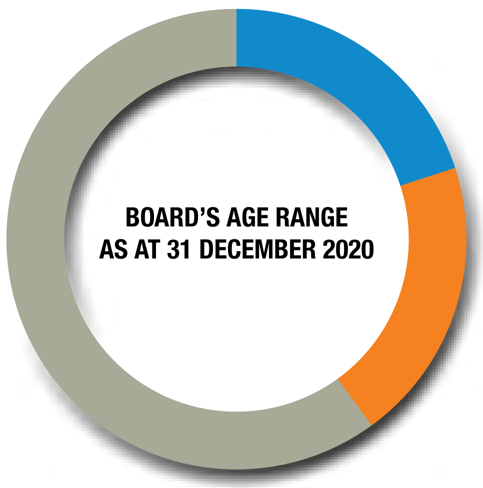
Whistleblowing Policy

The Company encourages its employees to report incidences of suspected and/or misconduct, wrongdoings, corruption and instances of fraud, waste, and/or abuse involving the resources of the Group. It has in place a Whistleblowing Policy which provides for a structured mechanism by which an employee, may in confidence, raise genuine concerns about possible improprieties in financial reporting, breaches in legal obligations, criminal activities or other matters. Complaints can be channelled to the Head of Internal Audit, who reports directly to the AC.

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

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

II. Board Composition



- 4 Executive Directors ("EDs") -40%
- 1 Non-Independent Non-Executive Director ("NINED") -10%
- 5 Independent Non-Executive Directors ("INEDs") -50%

- 2 Directors age 50-59 -20%
- 2 Directors age 60-69 -20%
- 6 Directors age 70-79 -60%

Independent Directors

The Board is carrying diverse knowledge, skills and experience in the Company to ensure that there is an effective and fair representation for the shareholders.

The composition of the current Board meets the requirements of Paragraph 15.02 of the MMLR of Bursa Securities which requires at least two (2) or one-third (1/3) of the Board of the Company, whichever is higher, are Independent Directors. In the event of any vacancy on the Board which results in non-compliance with this requirement, the Board will ensure such vacancy be filled within three (3) months.

The INEDs play an important role in corporate accountability because they are independent of management and free from any relationship which could interfere with their judgement.

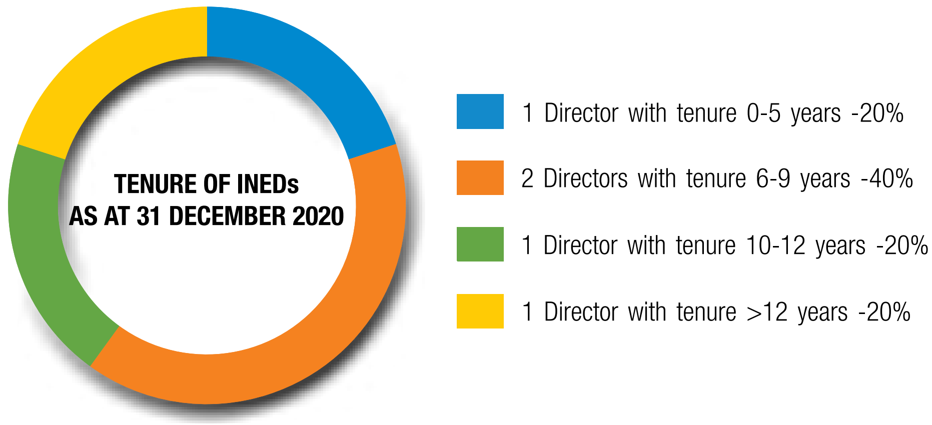
Mr. Too Hing Yeap @ Too Heng Yip is the appointed Senior Independent Non-Executive Director ("SID"), to whom shareholders or stakeholders may convey their concerns if there are reasons that the normal channel of communication is considered to be inappropriate or inadequate.

The Board together with the NC have performed an annual assessment of the INEDs and concurred that each of the INED is able to exercise independent and objective judgement on commercial and corporate governance matters. Further to the assessment, each INED has also submitted an annual independence declaration. The Board and the NC are of the view that the INEDs remain independent.

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

II. Board Composition (cont'd)

Tenure of Independent Directors



The Board and NC know that long serving Board members contribute significantly to the stability and pool of experience of the Board. It is mindful that the exit of such members may result in a significant loss of experience and expertise to the Company.

The Board and NC are aware that under Practice 4.2 of the CG Code, a two-tier voting process for shareholders is required to approve the continuity of Independent Directors that have served the Company for more than twelve (12) years.

However, the Board holds a view that the ability of an Independent Director to exercise judgement is not affected by the length of his service as an Independent Director and thus, advocates that the two-tier voting process will not be conducted but will seek the shareholders' approval at each Annual General Meeting ("AGM") for the re-appointment of Independent Directors who have served the Board for more than twelve (12) years.

Both the Board and NC have assessed the independence of Mr. Too Hing Yeap @ Too Heng Yip and Maj-Gen (R) Dato' Muhammad Bin Yunus, who have served as INEDs of the Company for a cumulative term of more than eleven (11) and twenty (20) years respectively and recommended them to be retained as INEDs of the Company based on the following justifications:

- the criteria of "Independence" as set out under Paragraph 1.01 of the MMLR of Bursa Securities have been met;
- they are able-bodied and mentally alert;
- their knowledge of the Group's operations, commitment, expertise and networking continue to provide invaluable contributions to the Board;
- they had performed their Board and Board Committees' roles diligently and in the best interest of the Company and shareholders as a whole; and
- during their tenure in office, Mr. Too Hing Yeap @ Too Heng Yip and Maj-Gen (R) Dato' Muhammad Bin Yunus:
  - ➢ have not developed, established or maintained any significant personal or social relationship whether direct or indirect with the EDs, major shareholders or Management of the Company (including their family members) other than normal engagements and interactions on a professional level consistent and expected of them to carry out their respective duties;
  - ➢ have never transacted or entered into any transactions with, nor provided any services to the Company and its subsidiaries, the EDs, major shareholders or Management of the Company (including their family members) within the scope and meaning as set forth under Paragraph 5 of Practice Note 13 of the MMLR; and
  - ➢ have not been offered or granted any options by the Company. Other than Director's fees and allowances paid which had been the norm and been duly disclosed in the annual report, no other incentives or benefits of whatsoever nature had been paid to them by the Company.

The Board will seek the shareholders' approval at the forthcoming 51st AGM, for the re-appointment of Mr. Too Hing Yeap @ Too Heng Yip and Maj-Gen (R) Dato' Muhammad Bin Yunus as INEDs based on the abovementioned justifications.

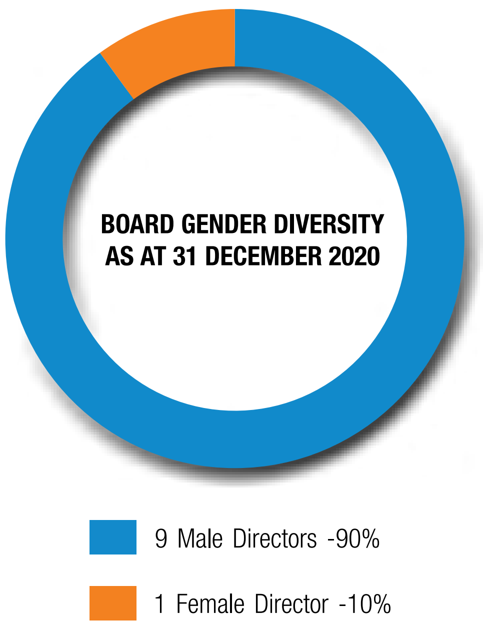
PRINCIPLE A - BOARD LEADERSHIP AND EFFECTIVENESS (cont'd)

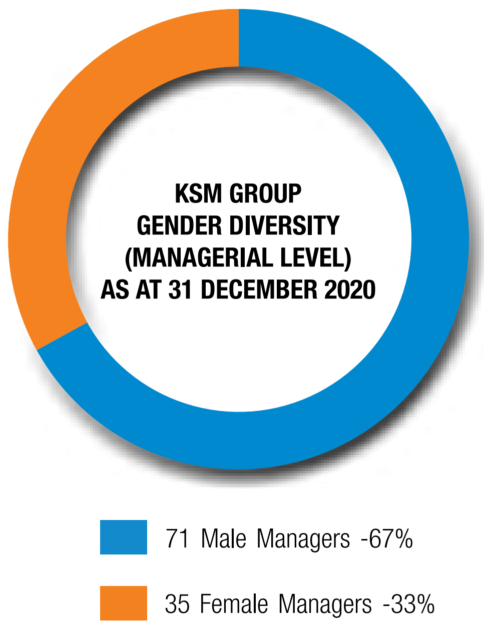
II. Board Composition (cont'd)

Diversity

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

The Company's current Board members, provides the Board with a mixed industry-specific knowledge, broad business and commercial experience. The Directors are professionals in the fields of business management, banking, finance, accounting, audit, legal, internal control, corporate governance, property development, agriculture and health and safety. This balance enables the Board to provide effective governance to the Group. 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 Board is mindful of the recommendation of the CG Code on gender diversity. Even though the Company does not set any specific target for boardroom diversity, female representation will be considered when suitable candidates are identified.

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

The Group's employees spread across all age brackets, represent a variety of nationalities, genders, cultural background, skills and experience. An analysis of the Group's manpower are disclosed on pages 66 to 67 of the Sustainability Statement.

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

II. Board Composition (cont'd)

Appointments and Annual Assessment

Members of the NC comprises exclusively of INEDs.

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

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

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

The NC is having direct access to the advice and services of the Company Secretary who is responsible for ensuring that all appointments are properly made and all necessary information is obtained from Directors, both for the Company's own records and for the purposes of meeting the requirements of the Companies Act 2016, MMLR and other regulatory requirements.

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

The re-election and re-appointment of the Directors is governed by the Company's Constitution, where all directors who are appointed by the Board are subject to re-election by the shareholders at the first opportunity after their appointment. The Constitution also provide that at least one-third (1/3) of the Board including the Managing Director is subject to re-election at regular intervals which is at least once in every three (3) years.

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

Meetings for each financial year are scheduled in advance for the Directors to plan their schedule ahead. The Board meets at least four (4) times a year at regular intervals. Additional meetings are held as and when required.

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

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

II. Board Composition (cont'd)

Board and Board Committees Membership and Meeting Attendance

For the financial year ended 31 December 2020, the Board and Board Committees members have discharged their roles and responsibilities through their attendance at the respective physical/virtual (*) meetings set out in the table below:

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

Chairman of the Board / Chairman of Board Committees

Member

(*) Due to the COVID-19 pandemic ("COVID-19"), virtual meetings were held to comply with the Government's Standard Operating Procedures.

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

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

II. Board Composition (cont'd)

Summary of activities of the NC for the financial year

During the financial year ended 31 December 2020, the NC has carried out the following activities:

- Reviewed the composition and dynamics of the Board and Board Committees and it was satisfied that:
  - ➢ the Board possesses the required mix of skills, experience, competencies and other qualities needed by the Group for its core business activities; and
  - ➢ the respective Board Committees have the necessary mix of skills, experience, competencies and other qualities to undertake the duties and responsibilities defined in the respective Committees' Charters.
- Conducted an annual assessment that comprises performance, independence and peer and self-evaluations of the individual Directors, Board and Board Committees collectively. Based on the results of the assessments, 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 term of office and performance of the AC and each of its members pursuant to the MMLR of Bursa Securities.
- Reviewed the details of trainings accomplished by the Directors and determined the training needs of each Director.
- Reviewed and recommended the re-election of Directors at the forthcoming AGM.
- Reviewed and recommended the retention of INEDs who have served as INEDs of the Company for a cumulative term of more than nine (9) years for shareholders' approval.

Training and Professional Development of Directors

While grappling with the effects of COVID-19 and adapting to the new normal, the Directors of KSM remain committed in upgrading their knowledge and professional development for 2020. The Directors have kept abreast on issues and trends through business articles, periodicals and attending online seminars. Their 2020 top reads and/or seminars attended consisted of the following topics:

	Articles & Periodicals Read / Seminars Attended										
Topic Reference / **Members**	**1-6**	**7**	**8**	**9**	**10-18**	**19**	**20-21**	**22**	**23**	**24**	**25**
Mr. Ho Kim Swee @ Ho Kian Guan	√							√	√	√	
Dato' Ho Cheng Chong @ Ho Kian Hock *(Alternate: Mr. Ho Chung Kain [He Chong Jing])*	√					√		√	√	√	
Mr. Ho Eng Chong @ Ho Kian Cheong *(Alternate: Mr. Ho Chung Kiat, Sydney [He ChongJie, Sydney])*	√								√	√	
Mr. Chan Lui Ming Ivan *(Alternate: Mr. Ho Chung Tao)*	√							√	√	√	

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

II. Board Composition (cont'd)

Training and Professional Development of Directors (cont'd)

	Articles & Periodicals Read / Seminars Attended										
Topic Reference / Members	1-6	7	8	9	10-18	19	20-21	22	23	24	25
Ms. Lee Huee Nan @ Lee Hwee Leng *(Alternate: Mr. Ho Chung Hui)*	√					√		√		√	
Mr. Too Hing Yeap @ Too Heng Yip	√									√	
Maj-Gen (R) Dato' Muhammad Bin Yunus	√									√	
Mr. Tai Lam Shin	√		√	√	√		√			√	√
Encik Mahathir Bin Mohamed Ismail	√			√						√	
Mr. Liew Foong Yuen	√									√	
Mr. Ho Chung Kain (He ChongJing)	√							√	√	√	
Mr. Ho Chung Hui	√							√	√	√	
Mr. Ho Chung Tao	√	√						√	√	√	
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney)	√								√	√	

Topic Reference - Articles & Periodicals read / Seminars attended:

Topics	Date
1. *Economy* • *Aid Dries Up, And Economy Shows Strain.* • *Remember Brexit?* • *What lies ahead: Deflation, inflation or stagflation?* • *Manufacturing in U.S. Expands at Fastest Pace Since Late 2018.* • *China's Exports Jumped in July as Global Demand Rekindled.* • *Understanding how GDP figures are being presented.* • *Here are five charts illustrating the U.S. economic amid the coronavirus pandemic.* • *Dollar Extends Fall on Economic Revival Optimism: Inside G-10.* • *Euro-Area Economy Moves Towards Slow Recovery from Record Slump.*	*FY 2020*
2. *Forex and Interest Rates* • *Currency Trading: China's Yuan Is Riding High as Economy Rebounds.* • *Fed Sees Rates Near Zero Through 2023 to Boost Jobs, Inflation.* • *The Dollar's Leading Rivals All Have Their Own Drawbacks.* • *Adapting to The Ninth Wonder of the World.* • *The Big Cycle of the United States and the Dollar, Part 2.*	*FY 2020*

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

II. Board Composition (cont'd)

Training and Professional Development of Directors (cont'd)

Topics	Date
3. Hotel • Hotel brands in China - market share. • What will hotel visits be like? Here's your room-by-room look at the future. • Marriott CEO Says Coronavirus Pandemic Will Change Hotel Stays.	*FY 2020*
4. Property • Evergrande Warns of Looming Cash Crunch, Spooking Investors. • Chinese Developers Face New Debt Limits as Property Crackdown Continues. • Singapore Property Market. • The $52 Trillion Bubble: China Grapples with Epic Property Boom. • This is the end of the office as we know it.	*FY 2020*
5. Malaysia • Malaysia Debt Limit Sparks Debate Over Growth Versus Prudence. • Malaysia Cuts Key Rate to Record Low as Pandemic Risks Remain. • Malaysia to Let Economic Activity Resume, Partly Easing Lockdown.	*FY 2020*
6. Others – Covid • Different Types of Vaccines. • Moderna Wants to Transform the Body into a Vaccine-Making Machine.	*FY 2020*
7. HKEX E-Training webcast re Environment, Social and Governance.	*FY 2020*
8. Corporate Liability Under Covid-19 – Are We Ready?	*10/04/2020*
9. Tax Impact of Covid-19.	*24/04/2020*
10. Applying Business Continuity Management (BCM) to Survive and Thrive Beyond Covid-19.	*13/05/2020*
11. Asia Pacific Thought Leadership Virtual Forum – Envisioning the New Normal: Post Covid-19 Recovery Strategies in the Digital Economy.	*07/07/2020*
12. Webinar Series: Complying with the Guideline for the Reporting Framework for Beneficial Ownership of Legal Persons.	*13/07/2020*
13. Tackling Anxiety through Emotional Intelligence.	*06/08/2020*
14. Asia Pacific Thought Leadership Virtual Forum – Rethinking Business Partnering – the New Way Forward.	*13/08/2020*
15. The Impact of the current pandemic on MFRS 136 Impairment of Assets and MFRS 110 Events after the Reporting Period.	*02/09/2020*
16. Unclaimed Money Act 1965.	*10/09/2020*
17. Workshop 2020 on Companies Act 2016, Capital Reduction and Beneficial Ownership.	*19/09/2020*
18. Woman Shaping the Future in the Boardroom.	*01/10/2020*
19. Beneficial Ownership Reporting.	*12/10/2020*
20. MACC Corporate Liability – Defence for the Management & Company.	*28/10/2020*
21. Fraud Risk Management Workshop.	*04/11/2020*
22. Executive Training: 8 New Realities Shaping Our Decade.	*12/11/2020*
23. Risk Management Training – Risk Management Survey: Empowering Success.	*08/12/2020*
24. 2021 Budget Highlights; Corporate Governance Update for 2020 Annual Report; Risk Management Impact during the Covid-19 Era; and The Implications of Covid-19 on Financial Reporting.	*16/12/2020*
25. Up Close & Personal with Datuk Yvonne Chia.	*24/12/2020*

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

III. Remuneration

Remuneration of Directors and Senior Management

The Directors' remuneration packages are structured to ensure that they are competitive and sufficient to attract, retain and motivate people of calibre required to manage the Company in a competitive environment. Key Senior Management's remuneration packages are reviewed annually together with the other employees' annual increment evaluation and is under the purview of the Managing Director.

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

Directors' fees and benefits paid reflect the individual director's responsibilities, membership of the Board and Board Committees as well as their attendance at Board and Board Committee meetings.

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

Summary of activities of the RC for the financial year

For the financial year ended 31 December 2020, the RC:

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

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

The Company has adopted the fixed board fees plus set fees for chairperson or members of a committee. The structure of the fees payable to Directors of the Company for the financial year ended 31 December 2020 (the fees were last revised in 2019) is as follows:

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

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

III. Remuneration (cont'd)

Remuneration of Directors and Senior Management (cont'd)

The details of the remuneration of Directors of the Company comprising remuneration received/receivable from the Group and the Company during the financial year ended 31 December 2020 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	865	119	654	80	**1,718**
Dato' Ho Cheng Chong @ Ho Kian Hock	2,036	101	1,466	318	**3,921**
Mr. Chan Lui Ming Ivan	264	101	232	81	**678**
Ms. Lee Huee Nan @ Lee Hwee Leng	339	101	174	76	**690**
Mr. Ho Chung Kain (He ChongJing)	293	16	174	63	**546**
Mr. Ho Chung Hui	293	16	174	63	**546**
Non-Executive					
Mr. Ho Eng Chong @ Ho Kian Cheong	-	85	-	6	**91**
Mr. Too Hing Yeap @ Too Heng Yip	-	140	-	15	**155**
Maj-Gen (R) Dato' Muhammad Bin Yunus	-	130	-	15	**145**
Mr. Tai Lam Shin	-	120	-	14	**134**
Encik Mahathir Bin Mohamed Ismail	-	120	-	14	**134**
Mr. Liew Foong Yuen	-	120	-	14	**134**
Mr. Ho Chung Tao	-	-	-	-	**-**
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney)	-	-	-	-	**-**
Total	4,090	1,169	2,874	759	**8,892**

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	720	115	717	71	**1,623**
Dato' Ho Cheng Chong @ Ho Kian Hock	1,598	85	1,591	289	**3,563**
Mr. Chan Lui Ming Ivan	264	85	232	81	**662**
Ms. Lee Huee Nan @ Lee Hwee Leng	339	85	174	76	**674**
Non-Executive					
Mr. Ho Eng Chong @ Ho Kian Cheong	-	85	-	6	**91**
Mr. Too Hing Yeap @ Too Heng Yip	-	140	-	15	**155**
Maj-Gen (R) Dato' Muhammad Bin Yunus	-	130	-	15	**145**
Mr. Tai Lam Shin	-	120	-	14	**134**
Encik Mahathir Bin Mohamed Ismail	-	120	-	14	**134**
Mr. Liew Foong Yuen	-	120	-	14	**134**
Mr. Ho Chung Kain (He ChongJing) *(Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock) [N1]*	197	-	174	63	**434**
Mr. Ho Chung Hui *(Alternate to Ms. Lee Huee Nan @ Lee Hwee Leng) [N2]*	197	-	174	63	**434**
Mr. Ho Chung Tao *(Alternate to Mr. Chan Lui Ming Ivan)*	-	-	-	-	**-**
Mr. Ho Chung Kiat, Sydney (He ChongJie, Sydney) *(Alternate to Mr. Ho Eng Chong @ Ho Kian Cheong)*	-	-	-	-	**-**
Total	3,315	1,085	3,062	721	**8,183**

(*) 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 Keck Seng (Malaysia) Berhad.

[N2] – Remuneration paid by virtue of his position as Commercial/Corporate Director of Keck Seng (Malaysia) Berhad.

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

III. Remuneration (cont'd)

Remuneration of Directors and Senior Management (cont'd)

The remuneration details for Key Senior Management are not disclosed on a named basis, as the Board is of the view that it would not be in the best interest of the Group given the competitiveness in the market and could possibly give rise to unnecessary staff rivalry.

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

Remuneration Band	No. of Pax
RM0 to RM450,000	-
RM450,001 to RM500,000	1
RM500,001 to RM600,000	-
RM600,001 to RM650,000	2
RM650,001 to RM700,000	1
RM700,001 to RM1,050,000	-
RM1,050,001 to RM1,100,000	1
Total	**5**

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

PRINCIPLE B - EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit Committee

Audit Committee Composition

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

External Auditors' Independence

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

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

Related Party Transactions

The AC has reviewed the related party transactions including recurrent related party transactions of a revenue or trading nature of the Group to ensure that the 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.

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

I. Audit Committee (cont'd)

Financial Reporting

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

The AC assists the Board by overseeing the financial reporting, which includes, scrutinising information for disclosure to ensure adherence to applicable Financial Reporting Standards, accuracy, adequacy and completeness.

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 2020 and of the financial performance and cash flows of the Group and the Company for the financial year. Where there are new accounting standards or policies that become effective during the year, the impact of these new standards would be stated in the notes to the financial statements accordingly.

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

- appropriate accounting policies have been adopted and applied consistently;
- judgements and estimates made are reasonable and prudent;
- all applicable approved accounting standards have been followed, subject to any material departures disclosed and explained in 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 maintains proper accounting and other records as required by the Companies Act 2016 and disclosed with reasonable accuracy the financial position of the Group and the Company;
- assets of the Group and the Company are safeguarded; and
- steps are taken to prevent and detect fraud, irregularities and material misstatements.

The 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 the Company's operations.

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

The AC:

- oversees the risk management and internal control function;
- assists the Board in evaluating the adequacy and effectiveness of the Group's system of risk management and internal control; and
- reviews the nature and extent of key risks identified to ensure that the Group has put in place risk treatment measures to mitigate those risks.

The activities of the AC with regard to the Group and Company's risk management and internal control for the financial year ended 31 December 2020 are separately set out on pages 49 to 54 under the AC Report.

Risk and Sustainability Committees ("RSC") are established by the operating business units to assist the Managing Director in ensuring that risk and sustainability management processes are in place. In light that different business units have different cultures and risk profiles, each business unit will identify and evaluate its own set of risks. The risk and sustainability management review processes are participated by the respective RSC. The management of the system of risk management and internal control are outlined on pages 55 to 57 of the Statement on Risk Management and Internal Control.

Internal Audit Function

The Group's internal audit function is carried out by its dedicated in-house Internal Audit Department ("IAD"). The IAD reports directly to the AC and supports the Committee in discharging its responsibility. This line of reporting promotes independence and allows the IAD to have unrestrictive access to operations, records, property and personnel within the Group. The appointments and resignations of the internal auditors are under the purview of the AC. The IAD consist of professional and accounting graduates. The Head of Internal Audit is a qualified Accountant registered with the Malaysian Institute of Accountants and The Institute of Internal Auditors, Malaysia respectively.

None of the Internal Audit members have any family relationship with any Director and/or major shareholder of the listed issuer and any conflict of interests with the listed issuer, which could impair their objectivity and independence.

The internal audit was conducted using a risk-based approach and in accordance with a recognised framework, i.e. International Professional Practice Framework (IPPF). The activities of the IAD for the financial year ended 31 December 2020 are guided by the Internal Audit Charter and Annual Audit Plan. These activities are separately set out on pages 49 to 54 under the AC Report.

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

I. Communication with Stakeholders

Strengthening Relationship with Stakeholders

The Group recognises the need to inform shareholders and stakeholders of all major developments of the Group on a timely basis in compliance with the MMLR.

An open line of communication with stakeholders is maintained through timely announcements and quarterly reports to Bursa Securities' website and on the Company's website. The Annual Report is also an important channel of communication as it provides comprehensive information pertaining to the Group to existing and potential investors and stakeholders.

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

II. Conduct of General Meetings

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

To enable shareholders to make adequate preparation, the Notice of AGM is issued at least 28 days before each AGM. The Notice of 50th AGM was sent to the shareholders on 29 July 2020 and the Company's AGM was held on 27 August 2020. In addition to sending out the Notice of AGM, the Company had also published the Notice on its website.

Due to COVID-19, the Company's 50th AGM was conducted virtually on 27 August 2020 through live streaming from the broadcast venue which is in line with the Securities Commission Guidance Note on the Conduct of General Meetings for Listed Issuers to ensure companies can continue to fulfil their obligations under the law and to shareholders during the pandemic.

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

Besides the usual agenda for the AGM, the Board presented the progress and performance of the business as contained in the AR. Shareholders are encouraged to ask questions, clarify facts and provide feedback to the Board and Management using RPV facilities. All the Directors, the Group Accountant and External Auditors were present to provide meaningful responses to questions raised by the shareholders during the AGM.

During the last AGM, the Company has complied with:

- Paragraph 9.21(2)(b) of MMLR of Bursa Securities, which states that a summary of key matters discussed during the AGM, as soon as practicable after the conclusion of the AGM will be published on the Company's website;
- Paragraph 8.29(A)(1) of MMLR of Bursa Securities, which states that all resolutions are voted by poll; and
- Paragraph 8.29(A)(2) of MMLR of Bursa Securities, which states that a listed issuer must appoint at least one (1) scrutineer to validate the votes cast at the AGM.

Shareholders that are unable to participate are allowed to appoint their proxies to participate and vote on their behalf. Shareholders are also encouraged to forward their questions before the AGM for the Board to respond.

Note:
The Company is aware of CG Code's Step-Up Practices 4.3, 7.3 and 9.3 but has not adopted them during the financial year ended 31 December 2020. However, the Company is committed in reviewing them for future adoption.

OTHER COMPLIANCE INFORMATION

Utilisation of Proceeds

There were no proceeds 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 Company for the financial year are disclosed in page 51 of this Annual Report and Note 7 of the Financial Statements on page 114 of this Annual Report.

Material Contracts Involving Interests of Directors and Major Shareholders

There were no material contracts 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 Company has historically sought shareholders' mandate for RRPT between Keck Seng (Malaysia) Berhad ("KSM") and Keck Seng Singapore Pte Ltd ("KSS"), a private company incorporated in Singapore. KSS is a wholly-owned subsidiary of Ho Yeow Koon & Sons Pte Ltd, a major shareholder of the Company. The RRPT relates to the commission payable to KSS as its agent for marketing and distribution of palm oil related products produced by KSM Group. The AC and the Board had on 15 March 2021 re-examined the aforesaid RRPT. As the Group's financial position has grown over the years, the threshold for the said RRPT is well within the required thresholds of MMLR to obtain shareholders' mandate for such transaction.

In order to streamline the Company's administrative workflow for better efficiency, the Board, based on the recommendation of the AC, agreed to discontinue seeking shareholders' mandate on RRPT moving forwards. Nevertheless, the Management will closely monitor and track the value of the RRPT as and when a transaction is entered into with KSS.

Details of the RRPT are disclosed on pages 148 to 149 of this Annual Report.

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 2020.

MEMBERSHIP AND MEETINGS

Membership

As stipulated in the MMLR of Bursa Securities and the Malaysian Code on Corporate Governance ("CG Code"), at a minimum, the Audit Committee ("AC") shall consist of not less than three (3) members, all of whom shall be Non-Executive Directors, with a majority of them being Independent Directors.

Our AC comprises the following members and the biography of each member of the AC is set out in pages 9 to 18 under Directors' Profile:-

Chairman

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

Members

Maj-Gen (R) Dato' Muhammad Bin Yunus
(Independent Non-Executive Director)

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

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

Mr. Liew Foong Yuen
(Independent Non-Executive Director

Both Mr. Tai Lam Shin and Encik Mahathir Bin Mohamed Ismail are members of the Malaysian Institute of Accountants. The AC, therefore, meets the requirements of Paragraph 15.09(1) of the MMLR of Bursa Securities.

All members of the AC are financial literate. They are able to understand matters under the purview of the AC during the financial reporting process to effectively discharge their duties and responsibilities as members of the AC.

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

Meetings

During the financial year ended 31 December 2020, the AC have met for a total of four (4) occasions. Their attendance details can be found on page 37 of this Annual Report.

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

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

Other Board members, employees and/or representatives of the External and Internal Auditors shall attend meetings by invitation of the AC.

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

Charter

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

ANNUAL PERFORMANCE REVIEW OF THE AC

An annual assessment and evaluation on the performance and effectiveness of the AC for the financial year ended 31 December 2020 was undertaken by the NC. The AC was assessed for overall effectiveness and quality, internal and external audit functions, financial reporting, compliance to legal and regulatory requirements and risk management.

The Board is 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

The summary of activities carried out by the AC during the financial year ended 31 December 2020 were as follows:

1. External Audit

- reviewed and endorsed the audit plan and strategy for the financial year 2020 to ensure that their scope of work adequately covers the activities of the Group and Company;
- assessed the External Auditors' independence and effectiveness in performing the audit. During the 2020 audit plan review, the External Auditors have confirmed their independence through the audit and remain in compliance with the By-laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants;
- considered the key audit matters highlighted by the External Auditors and included in the Auditors' Report as part of their audit of the financial statements of the Group for the financial year 2020. The External Auditors also shared with the AC their observations and areas of improvement;
- reviewed with the External Auditors, the Statement on Risk Management and Internal Control for inclusion in the Company's Annual Report;
- evaluated the performance, competency and professionalism demonstrated by the External Auditors and the quality of resources and services accorded during the year;
- considered how well the External Auditors have assessed key accounting issues, audit judgements and the way they have applied their professional scepticism in dealing with the Management;
- reviewed and evaluated the suitability and independence of the External Auditors for recommendation to the Board for reappointment and audit fee proposal; and
- reviewed non-audit services rendered by the External Auditors as part of its External Auditors' independence assessment. The amount of audit and non-audit fee incurred for the financial year ended 31 December 2020 were as follows:

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

1. External Audit (cont'd)

	Audit Fee RM'000	Non-Audit Fee RM'000
The Company - Current	120	44
The Group - Current	*1,494	**499

* *includes audit fees amounting to RM1,247,000 paid to other auditors of subsidiaries in Singapore, Canada, Hong Kong and United States of America.*

** *includes non-audit fees amounting to RM455,000 paid to other auditors of subsidiaries in Canada and United States of America.*

The non-audit services rendered are for tax compliance, tax audit and other compliance purposes.

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

2. Internal Audit

- reviewed and approved the proposed risk-based annual audit plan;
- reviewed the adequacy of the scope of audit, programmes and processes to ensure that principal risks, key entities and functions have been adequately identified and covered in the internal audit plan;
- assessed the Internal Auditors' independence, effectiveness and performance;
- reviewed the audit reports presented by the Internal Audit Department ("IAD") on their findings, recommendations for improvements and Management's responses thereon;
- compared the audits conducted with the approved internal audit plan;
- reviewed the follow-up reports prepared by the IAD and the status of mitigating measures taken by Management to ensure all key risks and control weakness are properly addressed;
- reviewed the adequacy of the scope, functions, competency and resources of the internal audit function;
- reviewed the findings on investigative case(s) and recommendations including Management's responses and resolutions thereon; and
- conducted one (1) private meeting on 26 November 2020 (without the presence of Management) to discuss audit related matters. No critical issues were raised by the Internal Auditors and they conveyed that they had received full co-operation from the Management throughout the course of audits.

The AC is satisfied that the:

- review of the system of internal controls have been carried out impartially, proficiently and with due professional care and thus, is able to obtain the necessary assurance it requires on the effectiveness of the system of internal controls;
- Internal Auditors' independence has been maintained; and
- IAD had sufficient resources and is able to access information to undertake its duties effectively.

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

3. Risk Management

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

4. Financial Reporting

- overseeing the Group's financial reporting and reviewed the quarterly unaudited financial results and announcements as well as the annual audited financial statements before recommending to the Board for approval, focusing on:
  - ➢ the effects of COVID-19;
  - ➢ any changes or implementation of major accounting principles and standards, issues or practices;
  - ➢ significant judgements or estimates;
  - ➢ going-concern assessment;
  - ➢ uncorrected misstatements;
  - ➢ key audit matters;
  - ➢ significant and unusual events; and
  - ➢ compliance with the MMLR and the applicable Financial Reporting Standards and other legal and regulatory requirements.

5. Annual Report

- reviewed and endorsed the following statements/reports before submission to the Board for approval and inclusion in the 2020 Annual Report:
  - ➢ Corporate Governance Overview Statement;
  - ➢ AC Report;
  - ➢ Statement on Risk Management and Internal Control;
  - ➢ Sustainability Statement; and
  - ➢ Corporate Governance Report.
- reviewed the applicable amendments to the MMLR and CG Code and the extent of the Group's compliance with recommendations set out in the CG Code.

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

6. Related Party Transactions

- reviewed the Related Party Transactions ("RPT") and Recurrent Related Party Transactions ("RRPT") that may arise within the Group to ensure that such transactions are undertaken at arm's length basis, on normal commercial terms and on terms not favourable to the related party(ies) than those generally available to the public and are not detrimental to the interests of the minority shareholders; and

- reviewed the draft Circular to Shareholders in relation to the proposed Renewal of Shareholders' Mandate for RRPT of a Revenue or Trading Nature and the Board has approved the recommendation made by the AC, of which was subsequently approved by the shareholders at the AGM held on 27 August 2020.

TRAINING

During the financial year, the AC members have attended on-line seminars, webinars and kept abreast of relevant developments in accounting and auditing standards, practices and rules. The details are available on pages 38 to 40 of this Annual Report.

INTERNAL AUDIT FUNCTION

The AC is supported by an independent and adequately resourced in-house IAD, which is essential in assisting the AC in obtaining the assurance it requires regarding the effectiveness of the system 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 adopts a risk-based auditing approach towards planning and conducting their audits. The IAD adopts a professional recognised framework, i.e. Internal Professional Practices Framework (IPPF) in the internal audit function of the Group in order to carry out their internal audit work in a systematic, disciplined and creditable manner.

The IAD consists of five (5) independent associates and is headed by Ms. Suenitha Chupaya. The IAD associates consist of three (3) Qualified Professionals and two (2) Accounting & Finance Degree Holders.

The main functions of the IAD are to:

- undertake regular and systematic reviews of the effectiveness and adequacy of the systems of internal control. The review and assessment process must be carried out impartially, proficiently and with due professional care;

- assess and report on the Management's progress and effectiveness in addressing weaknesses in internal controls and update on the extent to which recommendations have been implemented within the required time-frame to ensure that all potential weaknesses under review are mitigated or are within acceptable levels; and

- investigate and report on suspected fraud or malpractices (if any).

INTERNAL AUDIT WORK CARRIED OUT FOR THE YEAR

During the financial year ended 31 December 2020, work carried out by the IAD covered:

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

All audit works for the internal audit function during the year were conducted in-house.

The IAD performs routine audit and reviews on all operating business units within the Group. However, the overseas audits scheduled for 2020 have been postponed indefinitely due to travel restrictions imposed by the Government to curb the spread of coronavirus pandemic ("COVID-19"). The IAD was also not able to carry out their on-site audits due to the Movement Control Order ("MCO"), which was imposed from 18 March 2020 to 3 May 2020. Thus, out of the planned twenty-seven (27) internal audit reports, only eighteen (18) internal audit reports were completed and presented to the AC incorporating findings, recommendations for improvement on the weaknesses noted and Management's comments on the findings:

Segment	No. Of Reports
Manufacturing	6
Hotels and Resort	3
Property Development and Investment	6
Plantations	3
Share Investment	-
Total	**18**

The IAD met up with the External Auditors without the presence of the Board or Management on 23 November 2020, to discuss on its audit coverage during the year, issues that arose during the course of their audit, their resolutions and any other areas of audit concern. This meeting was held to ensure that the audit coverage is efficient and effective for both the Internal and External Auditors and to exchange information.

During the financial year ended 31 December 2020, the internal audit function incurred a total cost of RM686,800 (RM685,000 in 2019). This cost includes depreciation and all other operational cost for the IAD.

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 year ended 31 December 2020. This SORMIC is made in compliance with Paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and is guided by the Statement on Risk Management & Internal Control: Guidelines for Directors of Listed Issuers.

BOARD'S COMMITMENT

The Board sets the tone and fosters the culture towards managing key risks. It believes that internal control is an ongoing process, to be effected by employees at every level.

The Board is aware that the environment in which the Group operates is continuously evolving, and as a result, the risks that the Group faces are also changing. Thus, the Board continually articulates, implements and reviews the adequacy and effectiveness of the Group's system of risk management and internal control. The Board also recognises that a sound system of risk management and internal control manages 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.

The emergence of the unforeseen coronavirus pandemic ("COVID-19") has impacted KSM Group's business operations. Necessary actions have been taken by our operating business units to mitigate and manage the risks that may cause interruption to critical business functions. These actions involved taking steps to protect our people, property and operations and to ensure compliance with rules and regulations imposed by respective authorities during lockdowns, movement control order periods and upon resumption of operations. For further details of initiatives taken by our business units to combat the spread of COVID-19, please refer to page 68 of this Annual Report.

The Board is committed to maintaining a sound system of risk management and internal control to ensure:

- the operations are effective and efficient;
- there is adequate financial transparency and the financial information is reliable;
- compliance with laws and regulations; and
- safeguarding of shareholders' investment, stakeholders' interests and the assets of the Group.

ROLES AND RESPONSIBILTIES

Board of Directors

The Board affirms its responsibility for maintaining a sound system of risk management and internal control framework for KSM Group. Key elements of KSM Group's risk management and internal control are amongst others, the following:

- ensuring that there is risk management system in place to identify, analyse, evaluate and monitor risks, as well as to develop mitigating measures within defined risk parameters to address these risks;
- promoting and facilitating risk and control processes as continuous processes that are embedded into relevant levels and functions of each business unit in the Group;
- reviewing the Group's risk management report, risk appetite, matters relating to risk management as well as business propositions which require the Board's review and guidance on the risk aspects thereof; and
- safeguarding shareholders' investments, other stakeholders' interests and Group assets.

Board Committee

The Audit Committee ("AC") is established to assist the Board in fulfilling its statutory and fiduciary responsibilities in the governance of financial processes, accounting and financial reporting, systems of risk management and internal controls 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 and evaluated, and internal controls are adequate and effective to address these risks.

Internal Audit Department

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

Risk and Sustainability Committees

Risk and Sustainability Committees ("RSC") were established for key business units to assist the Managing Director in performing regular risk management and sustainability assessments. The key roles of the RSC are:

- identifying, evaluating, monitoring and managing key risks and sustainability matters;
- recommending risk mitigating measures, if required;
- updating existing risks and sustainability matters to reflect changes in ratings, status and action plans;
- reviewing and updating policies, procedures and guidelines, where necessary; and
- ensuring policies, laws and regulations are complied with.

KEY RISK MANAGEMENT AND INTERNAL CONTROL PROCESSES

The key processes of risk management and internal control are described below:

- defined organisational structures with clear delegation of responsibilities and authorities;
- regular review of documented policies and procedures on monitoring and regulating financial and operating activities;
- Code of Conduct and Anti-Bribery & Anti-Corruption Policy clearly sets out the expected behaviour of Directors and employees, whilst the Whistleblowing Policy provides support to individuals to raise genuine concerns without fear and retaliation;
- regular reports and information are conveyed to the Board, covering financial performance and key business indicators;
- monthly monitoring of financial performance by the Management;
- regular meetings between the Managing Director, Executive Directors and Management;
- regular operational meetings;
- annual insurance review to ensure adequate coverage against losses; and
- maintaining an experienced human capital function to oversee the Group's human capital related matters.

RISK MANAGEMENT FRAMEWORK AND REVIEWS

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

During the financial year ended 31 December 2020, ten (10) Risk Assessment Analysis ("RAA") reports have been tabled before the AC and the Board for deliberation. The RAA reports have been communicated to respective risk owners in the business units for implementation.

The Code of Conduct and Corruption Risks have been incorporated in the respective RAA reports in 2020. The Group has identified and evaluated the following risk areas:

- Strategic – risks that affect business directions (market shifts, consumer trends, competitors);
- Operational – risks that affect the business operations i.e. delivery of products and services (safety & health, business continuity, environmental, manpower, supply sources);
- Compliance – risks that affect legal, statutory and governance (certifications and accreditations);
- Information Technology – risks that affect data and information system security;
- Financial – risks that affect financial processes and reporting (credit, liquidity, interest rates and foreign currency exchange rates); and
- Code of Conduct and Corruption – risks that affect human rights, diversity, ethical standing, company reputation, bribery and corruption.

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

BOARD ASSESSMENT AND CONCLUSION

The Board understands that the disruptions and impact brought about by COVID-19 highlights the inherent limitations of any risk management system. The Board has received assurance from the Managing Director, the respective operating business units' General Manager and Head of Accounts/Finance concurring that the Group and respective business units' have taken necessary actions to mitigate the risks that arose from COVID-19 and that the systems of risk management and internal control are operating adequately and effectively, in all material aspects. The IAD has also provided assurance to the Board that the Group's system of internal control is adequate.

The Board, thus concludes and confirms that the:

- Group has taken the necessary measures to the mitigate its COVID-19 risks exposure to an acceptable level and ensure business continuity;
- Group's system of risk management and internal control are operating adequately and effectively;
- risk management process in identifying, analysing, evaluating and managing the significant risks faced by the Group has been in place up to the date of this Statement; and
- 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 2020 Annual Report.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

The external auditors, Ernst & Young PLT have reviewed this Statement on Risk Management and Internal Control for inclusion in the 2020 Annual Report. 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.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board of Directors dated 27 April 2021.

There is no sustainability governance that could be universally applied to every organisation. The Board acknowledges that Keck Seng (Malaysia) Berhad ("KSM") Group's culture, needs, size, business diversity and maturity in responding to sustainability matters, have to be duly considered before the Board adopts its sustainability materiality scope and governance structure.

REPORTING SCOPE

KSM Group's principal activities have remained unchanged during the financial year ended 31 December 2020, comprising mainly of oil palm cultivation, processing of oil palm and palm oil products, property development, property investment, operating hotels and resort and investment holding. Activities of the Company and business units ("BU") that fall under the main four (4) business segments that generate the most revenue and/or bring about the most sustainability impacts are covered in this Sustainability Statement. The four (4) business segments comprising Plantations, Manufacturing, Property Development & Investment and Hotels & Resort.

The details of the respective BU and the Group's segmental information can be found on pages 161 to 165 of this Annual Report.

SUSTAINABILITY GOVERNANCE STRUCTURE

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

Board →	• Responsible for the Group's material sustainability matters ("MSM") and the Sustainability Statement.
Audit Commitee ("AC") →	• Oversees the management of identified MSM. • Reviews MSM reports and recommends to the Board for approval. • Oversees the preparation of the Sustainability Statement.
Managing Director ("MD") →	• Reviews the MSM reports and ensures that proper initiatives have been taken. • Approves MSM reports prior to presentation to the AC.
Risk and Sustainability Committees ("RSC") →	• Assist the MD to identify, report and oversee the day-to-day management of sustainability matters ("SM"). • Catergorise and priortise SM to identified MSM, at least on an annual basis. • Ensure that SM are managed.
Department Managers →	• Manage sustainability risks and opportunities. • Ensure that objectives and targets are achieved through policies and action plans. • Monitor implementation and reports on sustainability performance.

SUSTAINABILITY MATTERS

The rapid global spread of coronavirus ("COVID-19") in 2020 has halted international travel and the widespread national lockdowns resulting Gross Domestic Products ("GDP") contraction in many countries around the world. KSM Group was not spared the effects of COVID-19, its hotels and resort being severely impacted by the temporary suspension of its operations for most of the financial year. Due to this unprecedented disruption to the hotels' and resort's operations, the Board notes that the hotels' and resort's waste, energy and water conservation data for 2020 will not be presented in this Statement as it is deemed meaningless under such circumstances. However, their environmental conservation commitment and efforts remain as mentioned on pages 64 to 65 of this Annual Report.

Amidst the new normal, the Group is doing its best to manage the sustainability risks and related challenges. It continues to take a universal approach in addressing its sustainability risks and opportunities.

Stakeholders' Engagements and Prioritisation

Meaningful engagements with our key stakeholders are crucial towards understanding and fulfilling their expectations. In 2020, the respective RSC while adhering to the standard operating procedures ("SOP") imposed by the government, through different modes of engagements with their respective key stakeholders, have identified SM that impact their respective operations.

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

SUSTAINABILITY MATTERS (cont'd)

Stakeholders' Engagements and Prioritisation (cont'd)

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

Although there were no material changes to the Group's BU and business activities in 2020, the implementation of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 and COVID-19 have brought about greater emphasis on compliance to laws & regulations and health & safety matters. The Group's sustainability focus in 2020 is on:

Economics

- Integrity and Ethics
- Laws and Regulations
- Quality Products and Services

ENVIRONMENTAL

- Agricultural Practices
- Waste, Effluent and Emission Management
- Energy and Water Management

SOCIAL

- Diversity
- Employment Practices and Human Rights
- Safety and Health
- Community Service and Projects

ECONOMIC

Integrity & Ethics and Laws & Regulations

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

Our directors and employees are governed by our Code of Conduct ("COC") and the Anti-Bribery & Anti-Corruption ("ABAC") Policy, which reinforces our value of integrity by providing guidance on moral, ethical behaviour in laws, business dealings, policies, standards and procedures. During the financial year, in line with Guidelines on Adequate Procedures by MACC, steps were taken to communicate our ABAC standpoint to our employees and business associates. Our Whistleblowing Policy has been in place since 2017 to facilitate reporting on any violation of our COC, concerns of wrongdoing, corruption and fraud.

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

KSM Group understands the importance of adhering to respective government guidelines and regulations in combating the spread of COVID-19. Strict mitigating procedures and preventive measures have been taken by the respective BU, including restricting movements and utilising technology where possible.

ECONOMIC (cont'd)

Quality Products and Services

The Group is committed in developing safe products for consumption and delivering quality products and services. 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:

➢ Roundtable Sustainable Palm Oil (RSPO);

➢ Malaysian Sustainable Palm Oil (MSPO);

➢ 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; and

➢ Kosher and Halal certifications.

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

Besides ensuring that quality and value for money properties are built, our Bandar Baru Kangkar Pulai township is also developed with value added and lifestyle improving enhancements e.g. developing a nature park, which benefits the homeowners, investors and surrounding communities.

In addition, our overseas hotels are managed under the Marriott and Hilton business standards accordingly.

ENVIRONMENTAL

Agricultural Practices

Plantations

Keck Seng Oil Palm Estates agricultural practices include but are not limited to the following:

(a) Soil Protection:

- restricting estate land of certain terrain from new development or new planting;
- conserving existing cover crop and vegetation on flat or low gradient land. Enrichment planting of forest plants is recommended;
- maintaining soil condition, moisture and stability and avoid soil erosion; and
- carrying out soil erosion management plan and action plan, which includes identifying areas prone to erosion and its impact.

ENVIRONMENTAL (cont'd)

Agricultural Practices (cont'd)

Plantations (cont'd)

(b) Buffer Zone or Riparian Area:

- marking of palms and placing signages of warning to ensure awareness;
- no new planting or replanting are carried out;
- no spraying or fertilizer application is allowed;
- water management plan encompassing strict monitoring, water sampling and analysis; and
- educating workers on the importance of maintaining riparian reserves.

(c) Peat Land Development:

- committed to not planting on peat land.

(d) Integrated Pest Management ("IPM"):

- strict chemical handling methods;
- ensuring that the delicate equilibrium between the destructive insect pests and the natural biological agents is always maintained. This is achieved through the integrated combination of biological, cultural, physical, judicious and responsible use of chemical control measures;
- close monitoring to ensure that pest infestation in our oil palm plantations is under control and maintained below the economic damage threshold level; and
- introduce mitigating measures to reduce dependence on chemical-based herbicides and pesticides.

(e) High Conservation Value Areas ("HCV") and Biodiversity:

- maintaining and/or enhancing identified HCV areas;
- maintaining a retention buffer zone at HCV area and boundary;
- putting up warning signages and frequent monitoring of the area;
- preserving our HCV areas and protecting habitats for any endangered flora and fauna; and
- conducting monitoring activities, patrolling activities, carrying out annual joint inspection with the Johor Forestry Department and prohibit hunting on our plantations.

A baby palm civet rescued and handed over to the Johor Wildlife Department

Elephant sighted at surrounding mangrove forests

ENVIRONMENTAL (cont'd)

Waste, Effluent and Emission Management

Plantations

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

All other forms of open burnings are also prohibited within our plantations, workers' quarters and premises. Other efforts include reducing nitrogen emission from fertiliser application by adopting the Agronomist's oil palm manuring recommendation, planting of legumes cover crops such as Mucuna bracteate to recycle nitrogen back into the soil and performing timely maintenance on our tractors to reduce carbon emission from such vehicles.

Plantations' wastes are either recycled or disposed through licensed contractors.

Manufacturing

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

We continue to closely monitor and engage in improvement plans to ensure that water effluent discharge resulting from our palm oil processing and the amount of smoke produced by our boilers are managed and comply with the requirements of the relevant authority. Due to COVID-19, the commissioning of a new dust particulate arrestor system has been postponed to end 2021 instead of 2020.

Property Development

Our Property Division is committed to ensuring that it complies with the relevant environmental rules and regulations. Professionals such as Environmental Consultants and Erosion and Sediment Control professional are engaged to conduct environmental impact studies and eliminate soil erosion issues for our property development projects.

The Property Division keeps a close tab on Department of Environment ("DOE") guidelines to ensure that the following are prevented or kept within the approved levels for our development projects:

- waste, effluent and emission.
- air, water and noise pollution.
- soil erosion.

ENVIRONMENTAL (cont'd)

Waste, Effluent and Emission Management (cont'd)

Hotels and Resort

Our Hotels and Resort Division continues to be committed to reuse, recycle and reprocess. The recycling efforts may include one or more of the followings:

- Promote and provide eco-friendly utensils;
- Refurbish furniture to extend its useful life;
- Control overages on employee meals or prepare to-order meals;
- Eliminate disposable containers used in employee lounge and replacing them with chinaware plating and silver utensils;
- Monitor food temperatures, rotate their stock and track food waste to decrease the need to discard food;
- Food cooked should commensurate with the occupancy rates;
- Ensure that produce ordered and delivered are fresh with adequate shelf life;
- Use environmentally friendly cleaning agents and chemicals;
- Use latex paint to eliminate the use of thinners; and
- Recycle used computer paper for office use.

Energy and Water Management

Manufacturing

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

Water is widely used in our palm oil processing complex. We are committed to consistently supply safe drinking water for our staff and workers' domestic usage and that the treated water meets our operational process requirements without compromising on the quality of our Refinery's end products.

During the financial year ended 31 December 2020, even though lesser fresh fruit bunches ("FFB") were processed by POM as compared to 2019, water was still needed to generate sufficient steam to supply to our Refinery and vitamin extraction plants. Therefore, the average water consumption to process one tonne of FFB has gone up from 2.27m^3 to 2.29m^3.

Hotels and Resort

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

- Employees are educated to monitor areas and locate the root cause of energy wastage or leakage;
- Provide remedial training to employees when necessary;

ENVIRONMENTAL (cont'd)

Energy and Water Management (cont'd)

Hotels and Resort (cont'd)

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

Property Investment

The energy source used by our commercial property in Kuala Lumpur is purchased electricity. Our energy conservation efforts include carrying out regular maintenance on its plant and equipment or replacement of non-efficient equipment.

Kuala Lumpur is often plagued by water disruptions. Thus, efforts to reduce water wastage in cleaning of common areas and faster response in repair works have and continue to be practiced.

Our commercial property's energy and water consumption for 2020 have dropped due to the movement control order imposed by the Government and the fall in occupancy rates.

SOCIAL

Our Employees

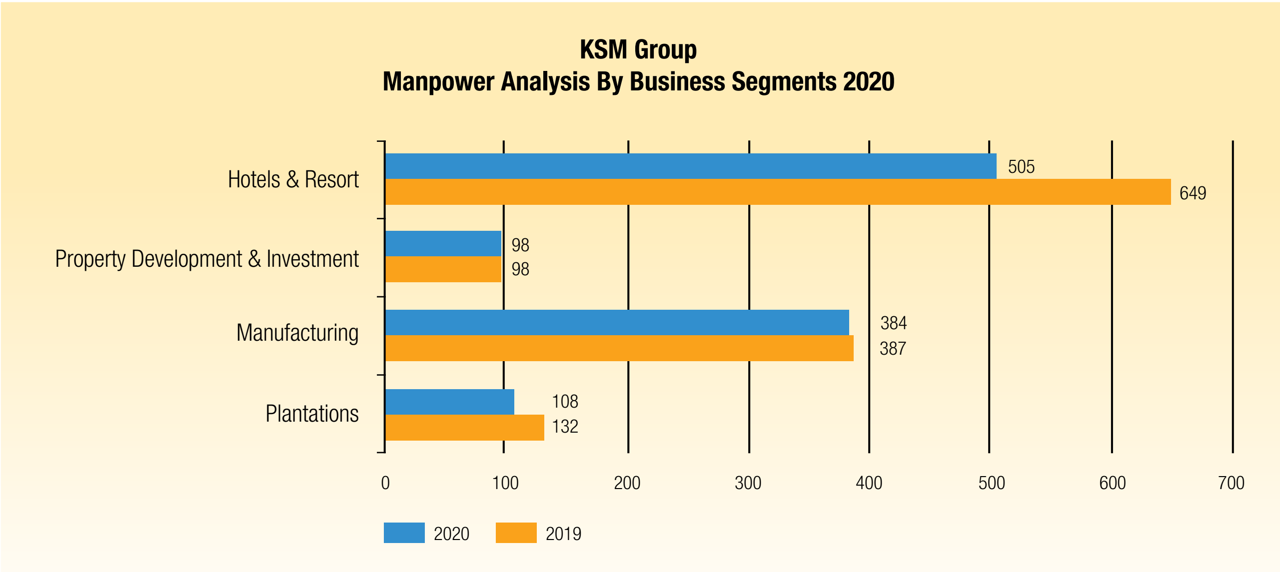
Diversity

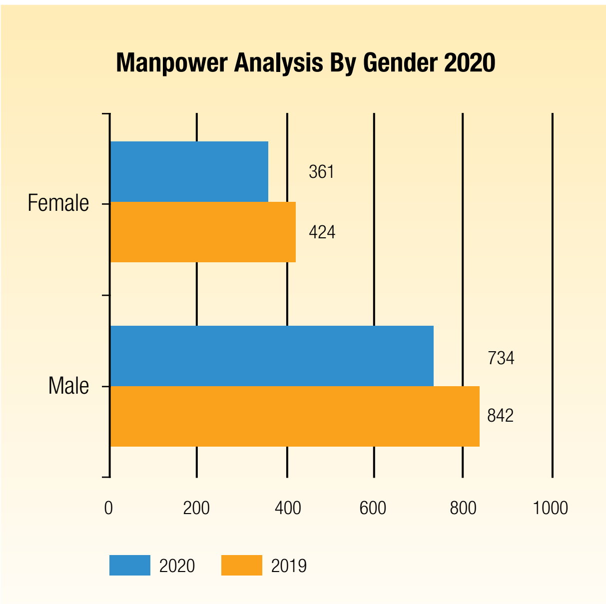
Management believes that an organisation is as good as its people. Our employees form the backbone of our success. We are committed to diversity in our work place, striving to create a balanced and inclusive working environment, prioritising people development and promoting a well-balanced work life. As at 31 December 2020, we have a total of 1,095 (1,266 in 2019) employees and 95 (112 in 2019) contract workers engaged across our major business segments. The fall in headcount arose mainly from the Hotels and Resort segment, which was severely affected by COVID-19.

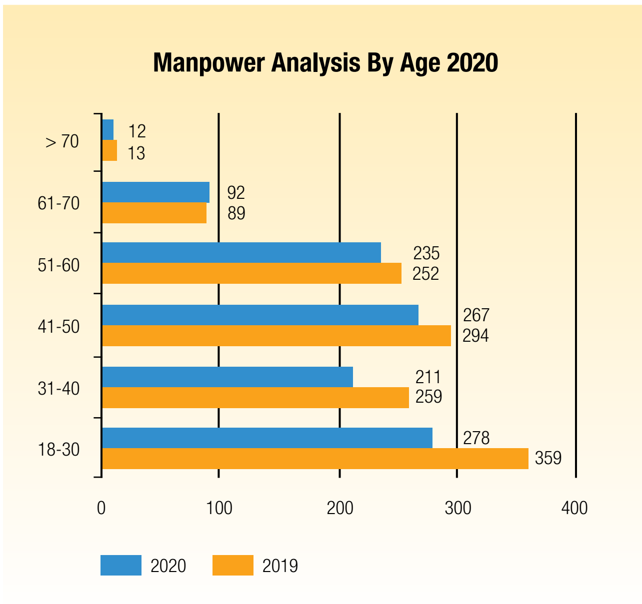
Presented below is an analysis of our manpower as at 31 December 2020 (excluding contract workers):-

Manpower Analysis

By Business Segments:



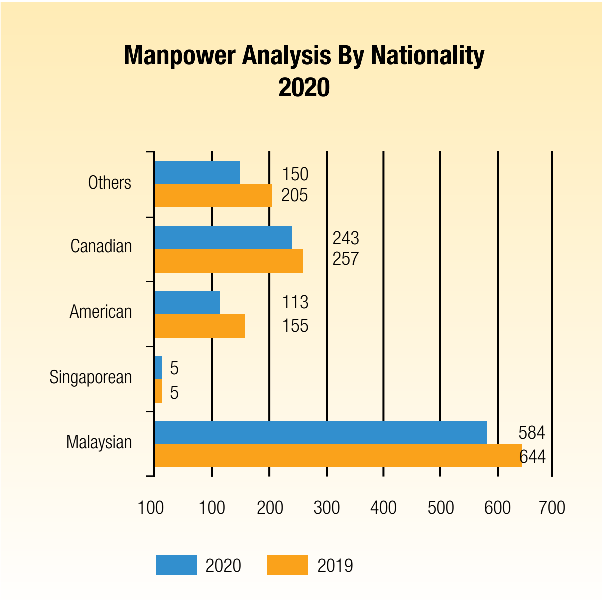


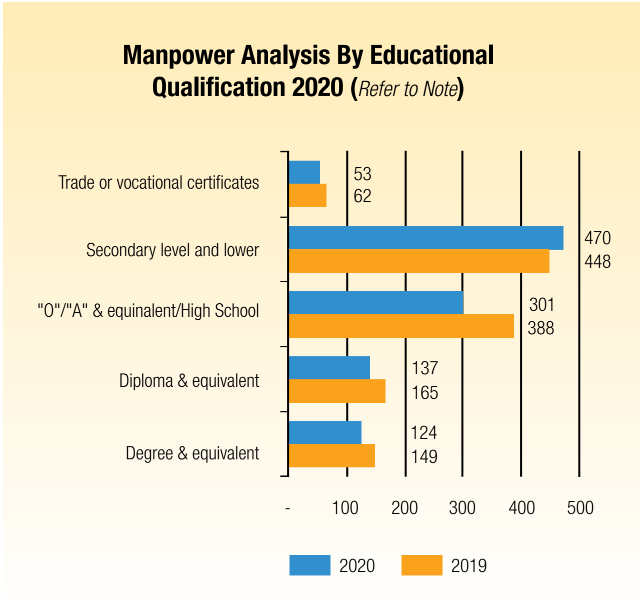


SOCIAL (cont'd)

Manpower Analysis (cont'd)

By Business Segments: (cont'd)





Note:
The educational qualification of our 10 (54 in 2019) New York employees is not included and disclosed in the manpower analysis by educational qualification due to certain privacy laws.

Employment Practices and Human Rights

Keck Seng (Malaysia) Berhad recognises that our people are our assets. We are committed to ensuring that our people and other stakeholders succeed to secure a sustainable future. Therefore, we take a strong stand on upholding our following principles:

- To treat our people fairly;
- To respect human rights;
- To resolve disputes, grievances or complaints amicably;
- To prevent sexual harassment;
- To protect women's reproductive rights;
- To respect the right to form and join trade unions and to bargain collectively;
- To never engage in forced, trafficked or child (less than 16 years old) labour; and
- To comply with the respective countries' applicable labour laws, rules and regulations.

SOCIAL (cont'd)

Safety and Health

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

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

We are pleased to report that no work place fatalities occurred during 2020.

During the financial year 2020, specific SOP and guidelines were implemented by our BU to protect our employees, workers and business associates at our properties and work sites from the COVID-19 infection. Among others, the initiatives included:

- Forming a joint COVID-19 committee to develop SOP and guidelines;
- Conducting daily temperature screening on all employees, workers and visitors;
- Train, create COVID-19 awareness and inculcate good hygiene practices, which includes frequent hand washing and sanitisation;
- Postponing and/or cancelling group events, social activities (*) and trainings;
- Changing office layouts and reducing capacity in public places to enable social distancing to be carried out;
- Disinfecting/Sanitising workplaces frequently and effectively;
- Providing adequate personal protective equipment (“PPE”) to employees and workers;
- Enforcing quarantine rules and limiting the number of visitors to our premises in accordance with the health authorities’ regulations;
- Ensuring that swab tests are carried out on workers, when necessary; and
- Utilising technology to reduce physical meetings and business transactions.

(*) The group events or social activities presented below were held prior to government imposed movement control orders (“MCO”) or lockdowns. Events, if any conducted during the MCO or lockdowns were carried out following strict SOPs.

SOCIAL (cont'd)

Work-Life Balance

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

Keck Seng Sports and Recreation Club – Chinese New Year Celebration Party (7 February 2020)

Our Community

Safety and Health

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

Safety-coordination meetings are held on our work sites by our contractors' competent safety officers. Adequate first aid boxes and safety green books are available on-site and other safety and health matters are also attended to regularly.

No major accidents or incidents occurred in 2020.

Community Service and Projects

Our BU have always been actively involved in community activities or participated in initiatives that will strengthen community growth and welfare. During the year ended 31 December 2020, the following corporate social responsibility activities were carried out by our respective BU:

Local BU

- cash donations to schools in support of the respective schools' Parent Teachers Associations and activities.
- donated Personal Protection Kits consisting of hand sanitisers and protective face masks to government authorities i.e., local town councils, land offices and police departments.

Donated Personal Protection Kits – 15 May 2020 & 20 May 2020

SOCIAL (cont'd)

Community Service and Projects (cont'd)

- festive contributions made to senior citizens and employees.

Overseas BU

- our employees in KSD Enterprises Limited in Toronto, Canada participated in Marriott's "The Coldest Night of the Year" event on 22 February 2020. The event was a family-friendly walk to raise funds for charities serving the hungry, homeless and hurting people within their community.

The Coldest Night of the Year Event
(22 February 2020)

CONCLUSION

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

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 2020.

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
(Loss)/Profit net of tax	(71,974)	61,153
(Loss)/Profit net of tax attributable to:		
Owners of the parent	(64,561)	61,153
Non-controlling interests	(7,413)	-
	(71,974)	61,153

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

No dividend has been paid or declared by the Company since the end of the previous financial year. The directors do not recommend the payment of any dividend for the current financial year.

DIRECTORS

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

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

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

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

Tan Ee Leng	
Chua Teck Ngin	
Kang Tai Peng	
Chua Ngeun Seong	
Chung Yet Yong	(Resigned on 5 August 2020)
Dato' Dr. Abdul Rahim Bin Ramli	
Tea Hing San	
Gan Kim Buan	
Tse See Fan Paul	
Peter Wong	
Evelyn Chow Yuet Chu	
Cheah Siu Hoe	
Lee Beng Ghee	

During the financial year, the total amount of indemnity coverage and insurance premium paid for the directors and the officers of the Group and of the Company are RM20,000,000 and RM25,000 respectively.

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the directors might acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the directors or the fixed salary of a full-time employee of the Company as shown in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any director or with a firm of which he is a member, or with a company in which he has a substantial financial interest, except as disclosed in Note 38 to the financial statements.

DIRECTORS' BENEFITS (cont'd)

The directors' benefits are as follows:

	Group RM'000	Company RM'000
Salaries and other emoluments	4,500	3,425
Fees	1,185	1,085
Bonus	2,966	3,062
Defined contribution plan	639	583
Estimated money value of benefits-in-kind	31	28
	9,321	8,183

DIRECTORS' INTERESTS

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

		Number of ordinary shares		
The Company	**1.1.2020**	**Acquired**	**Sold**	**31.12.2020**
Ho Kim Swee @ Ho Kian Guan				
- direct interest	24,395,538	-	-	24,395,538
- indirect interest	99,826,873	1,964,600	-	101,791,473
Dato' Ho Cheng Chong @ Ho Kian Hock				
- direct interest	24,898,087	1,600	-	24,899,687
- indirect interest	99,826,873	1,964,600	-	101,791,473
Ho Eng Chong @ Ho Kian Cheong				
- direct interest	24,662,436	-	-	24,662,436
- indirect interest	18,000,000	-	-	18,000,000
Lee Huee Nan @ Lee Hwee Leng				
- direct interest	88,593	-	-	88,593
Chan Lui Ming Ivan				
- direct interest	102,000	-	-	102,000
Ho Chung Kain (He ChongJing)				
- direct interest	470,500	29,500	-	500,000
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 2020, the Company held as treasury shares a total of 2,174,000 of its 361,477,000 issued ordinary shares. Such treasury shares are held at a carrying amount of RM7,054,000 and further relevant details are disclosed in Note 34(c) to the financial statements.

OTHER STATUTORY INFORMATION

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

(i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate allowance had been made for doubtful debts; and

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

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

(i) the amount written off for bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and

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

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

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

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

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

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

(f) In the opinion of the directors :

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

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

SIGNIFICANT EVENT

Details of a significant event are disclosed in Note 43 to the financial statements.

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	247	120
Other services	44	44
	291	164

Signed on behalf of the Board in accordance with a resolution of the directors dated 27 April 2021.

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 83 to 165 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 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 27 April 2021.

Ho Kim Swee @ Ho Kian Guan

Dato' Ho Cheng Chong @ Ho Kian Hock

STATUTORY DECLARATION
PURSUANT TO SECTION 251(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 83 to 165 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by)
the abovenamed Reuson Seet at)
Johor Bahru in the State of Johor)
on 27 April 2021.)

Reuson Seet
(MIA 15467)

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

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

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Keck Seng (Malaysia) Berhad, which comprise the statements of financial position as at 31 December 2020 of the Group and the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 83 to 165.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and the Company as at 31 December 2020, 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
(Refer to Notes 2.9, 2.12, 3.2(c) and 14 to the financial statements)

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

Due to the outbreak of COVID-19, certain subsidiaries of the Group which are involved in the operation of hotels recorded losses during the financial year, indicating that the carrying amount of the CGUs comprising the property, plant and equipment of these subsidiaries of RM413.62 million, representing 16% of the Group's total assets, may be impaired. The management engaged independent valuers to determine the fair values of the hotel properties. The management has assessed that the fair value less costs of disposal ("FVLCD") of the hotel properties exceed their value in use and therefore, FVLCD will be used as the recoverable amount. The estimation of FVLCD of these hotel properties is based on assumptions that are highly judgmental, in particular, the assumptions on capitalisation rate of the expected level of potential net income to be generated, discount rate and revenue per available room. Management's assessment resulted in the recording of impairment losses amounting to RM66.465 million during the current financial year in respect of property, plant and equipment of the Group. Given the significance of the carrying amount, the magnitude of the impairment and the judgements and estimates involved in the assessment of the recoverable amounts, we have identified this to be a key matter for our audit.

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 (cont'd)
(Refer to Notes 2.9, 2.12, 3.2(c) and 14 to the financial statements)

How our audit addressed the matter

We involved the component auditors in our evaluation of the assessments of recoverable amounts of the property, plant and equipment of the CGUs. The component auditors involved their internal valuation experts in evaluating the valuation and key assumptions. 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.

- Held discussions with component auditors and their internal valuation expert.

- 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.

We have also evaluated the adequacy of the note disclosures concerning those key assumptions to which the outcome of the impairment test is most sensitive. The disclosures on key assumptions are included in Note 3.2 and 14 to the financial statements.

Revenue and cost of sales from property development activities recognised based on percentage of completion method
(Refer to Notes 2.22(i)(d), 3.2(a), 4 and 5 to the financial statements)

A significant proportion of the Group's and the Company's profits are derived from property development contracts. Significant judgement 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.

For the financial year ended 31 December 2020, property development revenue represents 17.3% and 18.9% of total revenue of the Group and the Company while its related cost of sales represents 12.6% and 13.5% of total cost of sales of the Group and the Company. The gross profits generated from property development activities represent 42.3% and 52.2% 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.

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

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

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

Key audit matters (cont'd)

Revenue and cost of sales from property development activities recognised based on percentage of completion method (cont'd)
(Refer to Notes 2.22(i)(d), 3.2(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 construction and total estimated revenue collectively, we have:

- obtained an understanding of the internal controls over the accuracy and timing of revenue recognised in the financial statements;

- Inspected the sales and purchase agreements signed with property purchasers to obtain an understanding of the specific terms and conditions. We also read the construction contracts including letters of award entered into with contractors;

- obtained an understanding of the process in deriving the percentage of completion by verifying work done to supporting evidence such as certified progress claims from contractors 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 3.2(d), 19 and 39 to the financial statements)

The Group classifies its investment in unquoted instruments of A2I Holdings S.A R.L ("A2I") as financial assets 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"). 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. 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 2020, the carrying amount of the Group's investment in A2I amounted to approximately RM71.36 million and the Group has recorded a fair value loss of RM56.75 million in respect of the investment during the current financial year. We focused on the valuation of the investment in A2I because of the significance of the fair value changes and the judgements involved in the estimation of the fair value.

How our audit addressed the matter

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

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

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

- We verified the net assets value to the audited financial statements of AIG and A2I.

- We assessed the appropriateness of the key adjustments in deriving the adjusted net asset value which comprises the gross asset value of the hotel assets of AIG by agreeing to the valuation reports issued by independent valuers.

- We evaluated the competence, capabilities, objectivity and independence of the valuers and assessed the appropriateness of the methodologies used and the key assumptions based on our knowledge of the hotel industry.

- 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 key unobservable inputs. The disclosures are included in Note 39 to the financial statements.

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

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.

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:

(a) 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.

(b) 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.

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

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: (cont'd):

(d) 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.

(e) 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.

(f) 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
03348/01/2022 J
Chartered Accountant

Johor Bahru, Malaysia
Date: 27 April 2021

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		Group		Company	
	Note	**2020**	2019	**2020**	2019
		RM'000	RM'000	**RM'000**	RM'000
Revenue	4	**874,463**	978,606	**801,503**	706,274
Cost of sales	5	**(735,307)**	(721,052)	**(688,717)**	(588,597)
Gross profit		**139,156**	257,554	**112,786**	117,677
Other income	6	**25,081**	50,291	**17,233**	27,991
Distribution costs		**(14,138)**	(21,531)	**(8,568)**	(9,272)
Administrative expenses		**(92,930)**	(108,710)	**(34,679)**	(55,643)
Other expenses		**(136,924)**	(67,573)	**(9,212)**	(4,802)
Operating (loss)/profit		**(79,755)**	110,031	**77,560**	75,951
Finance costs	10	**(5,475)**	(8,265)	**(1,875)**	(859)
(Loss)/Profit before tax	7	**(85,230)**	101,766	**75,685**	75,092
Income tax	11	**13,256**	(10,125)	**(14,532)**	(14,871)
(Loss)/Profit net of tax		**(71,974)**	91,641	**61,153**	60,221
(Loss)/Profit net of tax attributable to:					
Owners of the parent		**(64,561)**	88,317	**61,153**	60,221
Non-controlling interests		**(7,413)**	3,324	**-**	-
		(71,974)	91,641	**61,153**	60,221
(Loss)/Earnings per share attributable to owners of the parent (sen per share)					
Basic	12	**(17.97)**	24.58		
Diluted	12	**N/A**	N/A		

STATEMENTS OF COMPREHENSIVE INCOME (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
Other comprehensive(loss)/income:					
Items that may be reclassified subsequently to profit or loss in subsequent periods (net of tax)					
Foreign currency translation, representing net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		**(2,414)**	(1,853)	**-**	-
Items that will not be reclassified subsequently to profit or loss in subsequent periods (net of tax)					
Net (loss)/gain on equity instruments designated at fair value through other comprehensive income, representing net other comprehensive (loss)/income that will not be reclassified to profit or loss in subsequent periods		**(23,500)**	(55,633)	**5,499**	14,942
Other comprehensive (loss)/income for the year, net of tax		**(25,914)**	(57,486)	**5,499**	14,942
Total comprehensive (loss)/income for the year, net of tax		**(97,888)**	34,155	**66,652**	75,163
Total comprehensive (loss)/income attributable to:					
Owners of the parent		**(90,623)**	29,802	**66,652**	75,163
Non-controlling interests		**(7,265)**	4,353	**-**	-
		(97,888)	34,155	**66,652**	75,163

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

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	14	**485,925**	582,343	**32,456**	35,467
Investment properties	15	**177,303**	152,882	**82,991**	54,965
Right-of-use assets	16	**18,612**	19,610	**-**	-
Bearer plants	17	**17,968**	15,541	**9,926**	7,490
Investment in subsidiaries	18	**-**	-	**177,050**	177,029
Investment securities	19	**411,045**	489,066	**168,592**	164,724
Intangible assets	20	**89**	104	**1**	7
Inventories:					
- land held for property development	21(a)	**249,738**	226,481	**240,099**	216,842
Other receivables	24	**-**	-	**314,800**	299,268
Deferred tax assets	36	**32,668**	14,928	**14,389**	14,928
		1,393,348	1,500,955	**1,040,304**	970,720
Current assets					
Inventories:					
- property development costs	21(b)	**28,741**	57,082	**28,741**	57,082
- others	22	**136,607**	113,611	**123,095**	96,716
Biological assets	23	**579**	609	**39**	25
Trade and other receivables	24	**98,172**	62,770	**225,566**	215,692
Other current assets	25	**47,089**	54,759	**45,470**	52,065
Tax recoverable		**14,568**	194	**-**	-
Derivatives	26	**83**	-	**83**	-
Short term funds	27	**199,607**	217,225	**27,680**	54,861
Cash and bank balances	28	**736,437**	788,723	**513,113**	493,631
		1,261,883	1,294,973	**963,787**	970,072
TOTAL ASSETS		**2,655,231**	2,795,928	**2,004,091**	1,940,792

STATEMENTS OF FINANCIAL POSITION (cont'd)

AS AT 31 DECEMBER 2020

	Note	Group 2020 RM'000	Group 2019 RM'000	Company 2020 RM'000	Company 2019 RM'000
EQUITY AND LIABILITIES					
Current liabilities					
Loans and borrowings	29	**60,749**	235,563	**48,818**	36,586
Trade and other payables	30	**109,429**	140,747	**148,659**	161,134
Other current liabilities	31	**412**	537	**277**	223
Lease liabilities	32	**-**	707	**-**	-
Tax payable		**2,096**	5,214	**77**	4,428
		172,686	382,768	**197,831**	202,371
Net current assets		**1,089,197**	912,205	**765,956**	767,701
Non-current liabilities					
Trade and other payables	30	**13,741**	12,370	**11,719**	10,450
Non-refundable deposits		**735**	817	**735**	817
Deferred tax liabilities	36	**5,097**	8,221	**-**	-
Loans and borrowings	29	**169,108**	-	**-**	-
		188,681	21,408	**12,454**	11,267
Total liabilities		**361,367**	404,176	**210,285**	213,638
Net assets		**2,293,864**	2,391,752	**1,793,806**	1,727,154
Equity attributable to owners of the parent					
Share capital	33	**372,005**	372,005	**372,005**	372,005
Other reserves	34	**140,051**	168,720	**103,812**	98,780
Retained earnings	35	**1,642,081**	1,704,035	**1,317,989**	1,256,369
		2,154,137	2,244,760	**1,793,806**	1,727,154
Non-controlling interests		**139,727**	146,992	**-**	-
Total equity		**2,293,864**	2,391,752	**1,793,806**	1,727,154
TOTAL EQUITY AND LIABILITIES		**2,655,231**	2,795,928	**2,004,091**	1,940,792

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 2020

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (cont'd)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

		<— Attributable to owners of the parent								
			<— Non-distributable			—>	Distributable —>			
	Note	Share capital (Note 33) RM'000	Treasury shares (Note 34) RM'000	Translation reserve (Note 34) RM'000	Premium on acquisition of Fair value reserve (Note 34) RM'000	Non-non-controlling interests RM'000	Retained earnings (Note 35) RM'000	Total RM'000	controlling interests RM'000	Total equity RM'000
At 1 January 2019		372,005	(7,054)	102,886	133,466	(633)	1,643,438	2,244,108	151,420	2,395,528
Total comprehensive income		-	-	(2,882)	(55,633)	-	88,317	29,802	4,353	34,155
		372,005	(7,054)	100,004	77,833	(633)	1,731,755	2,273,910	155,773	2,429,683
Acquisition of non-controlling interests		-	-	-	-	-	6,781	6,781	(8,781)	(2,000)
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition		-	-	-	(1,430)	-	1,430	-	-	-
Dividends	13	-	-	-	-	-	(35,931)	(35,931)	-	(35,931)
At 31 December 2019		372,005	(7,054)	100,004	76,403	(633)	1,704,035	2,244,760	146,992	2,391,752

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 2020

	Note	Share capital (Note 33) RM'000	<– Non-distributable –> Treasury shares (Note 34) RM'000	Fair value reserve (Note 34) RM'000	Distributable Retained earnings (Note 35) RM'000	Total equity RM'000
At 1 January 2020		372,005	(7,054)	105,834	1,256,369	1,727,154
Total comprehensive loss		-	-	5,499	61,153	66,652
		372,005	(7,054)	111,333	1,317,522	1,793,806
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition		-	-	(467)	467	-
At 31 December 2020		372,005	(7,054)	110,866	1,317,989	1,793,806
At 1 January 2019		372,005	(7,054)	92,264	1,230,707	1,687,922
Total comprehensive income		-	-	14,942	60,221	75,163
		372,005	(7,054)	107,206	1,290,928	1,763,085
Transfer of fair value reserve of equity instruments designated at fair value through other comprehensive income upon derecognition		-	-	(1,372)	1,372	-
Dividends	13	-	-	-	(35,931)	(35,931)
At 31 December 2019		372,005	(7,054)	105,834	1,256,369	1,727,154

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 2020

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Cash flows from operating activities				
(Loss)/Profit before tax	**(85,230)**	101,766	**75,685**	75,092
Adjustments for:				
Amortisation of intangible assets	**31**	32	**6**	7
Depreciation of right-of-use assets	**996**	993	**-**	-
Depreciation of property, plant and equipment	**32,937**	33,873	**3,644**	4,255
Depreciation of investment properties	**4,700**	4,658	**1,027**	716
Depreciation of bearer plants	**601**	518	**17**	16
Dividend income	**(6,776)**	(12,164)	**(20,618)**	(14,092)
Property, plant and equipment written off	**12**	31	**7**	26
Bearer plants written off	**-**	31	**-**	31
Bad debts written off	**64**	22	**-**	-
Investment property written off	**-**	1	**-**	-
Inventories written off	**-**	1	**-**	-
Inventories written back	**(59)**	(395)	**(56)**	(419)
Write down/(reversal of write down) of land held for development	**44**	(454)	**44**	(454)
Loss on disposal of property, plant and equipment	**7**	22	**25**	21
(Gain)/Loss on disposal of investment property	**(3)**	18	**-**	-
Gain on compulsory acquisition of land	**-**	(854)	**-**	-
Net fair value (gain)/loss on derivatives	**(83)**	45	**(83)**	45
Fair value loss/(gain)on financial assets at fair value through profit or loss	**56,743**	(23,787)	**8**	(159)
Loss/(Gain) on fair value change in biological assets	**30**	55	**(14)**	(10)
Interest expenses on notes payable and bank overdraft	**5,448**	8,191	**1,875**	859
Interest expense on lease liabilities	**27**	74	**-**	-
Interest income	**(13,208)**	(21,784)	**(14,916)**	(25,008)
Impairment loss on trade receivables	**460**	74	**-**	-
Impairment loss on amount due from a subsidiary	**-**	-	**7,232**	26,808
Impairment loss on property, plant and equipment	**66,465**	45,401	**-**	-
Unrealised foreign exchange (gain)/loss	**(5,907)**	6,615	**6,500**	4,757
Operating profit before changes in working capital	**57,299**	142,983	**60,383**	72,491
Receivables	**(28,229)**	(15,459)	**(29,218)**	(16,866)
Payables	**(30,180)**	32,310	**(11,266)**	25,344
Inventories	**(22,929)**	(20,097)	**(26,324)**	(16,028)
Property development costs	**31,323**	136	**31,323**	136
Cash generated from operations	**7,284**	139,873	**24,898**	65,077
Interest paid	**(1,875)**	(859)	**(1,875)**	(859)
Income tax paid	**(27,696)**	(31,124)	**(18,209)**	(24,405)
Net cash (used in)/generated from operating activities	**(22,287)**	107,890	**4,814**	39,813

STATEMENTS OF CASH FLOWS (cont'd)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Cash flows from investing activities				
Purchase of property, plant and equipment	**(6,191)**	(20,108)	**(690)**	(2,492)
Purchase of intangible assets	**(16)**	(18)	**-**	-
Purchase of investment properties	**(29,114)**	(9,014)	**(29,053)**	(8,109)
Purchase of investment securities	**(1,818)**	(1,424)	**(1,278)**	(606)
Addition to bearer plants	**(3,028)**	(5,788)	**(2,453)**	(5,124)
Addition to right-of-use assets	**-**	(1,876)	**-**	-
Addition to land held for property development	**(26,283)**	(13,651)	**(26,283)**	(13,651)
Acquisition of non-controlling interests	-	(2,000)	**(21)**	(2,015)
Proceeds from disposal of investment securities	**6,255**	13,655	**2,908**	13,561
Proceeds from disposal of property, plant and equipment	**44**	73	**25**	73
Proceeds from disposal of investment properties	**4**	7	**-**	-
Proceeds from compulsory acquisition of land	**-**	865	**-**	-
Dividends received	**6,642**	11,674	**20,483**	13,918
Interest received	**13,250**	21,865	**14,916**	25,008
Capital repayment from unquoted investment	**-**	6,006	**-**	-
Advance to subsidiaries	**-**	-	**(2,837)**	(10,263)
Withdrawal of funds in money market	**17,624**	7,040	**27,172**	21,676
Placement of deposits with maturity more than three months	**(61,942)**	(9,829)	**(61,727)**	(2,681)
Net cash (used in)/generated from investing activities	**(84,573)**	(2,523)	**(58,838)**	29,295
Cash flows from financing activities				
Dividends paid	**-**	(35,931)	**-**	(35,931)
Interest paid	**(3,573)**	(7,332)	**-**	-
Interest expense on lease liability paid	**(27)**	(74)	**-**	-
Repayment of lease liabilities	**(705)**	(655)	**-**	-
Repayment of loans and borrowings	**(15,375)**	(24,337)	**-**	-
Net cash used in financing activities	**(19,680)**	(68,329)	**-**	(35,931)
Net (decrease)/increase in cash and cash equivalents	**(126,540)**	37,038	**(54,024)**	33,177
Effects of exchange rate changes on cash and cash equivalents	**(21,692)**	(2,237)	**(22,208)**	(2,206)
Cash and cash equivalents at 1 January	**600,343**	565,542	**317,746**	286,775
Cash and cash equivalents at 31 December (Note 28)	**452,111**	600,343	**241,514**	317,746

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

1. CORPORATE INFORMATION

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

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

2.2 Changes in accounting policies

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

On 1 January 2020, the Group and the Company adopted the following amended MFRSs mandatory for annual financial periods beginning on or after 1 January 2020.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 3: Definition of a Business	1 January 2020
Amendments to MFRS 101 and 108: Definition of Material	1 January 2020
Amendments to references to the Conceptual Framework in MFRS Standards	1 January 2020
Amendments to MFRS 9, MFRS 139 and MFRS 7: Interest Rate Benchmark Reform	1 January 2020

Adoption of the above amendments did not have any significant impact on the financial performance or position of the Group and the Company.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.3 Standards issued but not yet effective

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

Description	**Effective for annual periods beginning on or after**
Amendment to MFRS 16: Covid-19-Related Rent Concessions	1 June 2020
Amendment to MFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying MFRS 9	17 August 2020
Amendments to MFRS 9, MFRS 139, MFRS 7, MFRS 4 and MFRS 16: Interest Rate Benchmark Reform—Phase 2	1 January 2021
Annual Improvements to MFRS Standards 2018–2020	1 January 2022
Amendments to MFRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to MFRS 116: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to MFRS 137: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
MFRS 17 Insurance Contracts	1 January 2023
Amendments to MFRS 101: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

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

2.4 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.5 Fair value measurement

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

- In the principal market for the asset or liability; or

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

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

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

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

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.6 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied for like transactions and events in similar circumstances.

The Group controls an investee if and only if the Group has all the following:

(i) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);

(ii) exposure, or rights, to variable returns from its investment with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

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

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

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

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

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

2.7 Transactions with non-controlling interests

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.8 Foreign currency

(a) Functional and presentation currency

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

(b) Foreign currency transactions

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

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

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

(c) Foreign operations

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

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

2.9 Property, plant and equipment

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.9 Property, plant and equipment (cont'd)

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

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

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

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

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

2.10 Investment properties

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

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

Building	2 - 10%

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

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

2.11 Patents

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.12 Impairment of non-financial assets

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

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

In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

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

2.13 Financial instruments - Initial recognition and subsequent measurement

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

(a) Financial assets

Initial recognition and measurement

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(a) Financial assets (cont'd)

Subsequent measurement

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

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

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

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

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

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

and

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

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(a) Financial assets (cont'd)

Subsequent measurement (cont'd)

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

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

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

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

Derecognition

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(a) Financial assets (cont'd)

Derecognition (cont'd)

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

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

Impairment of financial assets

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

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

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

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

(b) Financial liabilities

Initial recognition and measurement

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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

(b) Financial liabilities (cont'd)

Subsequent measurement

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

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

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

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

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

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

- ***Loans and borrowings***

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

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

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

Derecognition

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

(c) Offsetting of financial instruments

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

2.14 Cash and cash equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.15 Inventories

(i) Inventory properties

Land held for property development

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

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

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

Property development costs

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

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

(ii) Inventory - others

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

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

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

2.16 Contract assets and contract liabilities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.17 Provisions

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

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

2.18 Government grants

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

2.19 Borrowing costs

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

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

2.20 Employee benefits

Defined contribution plans

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

2.21 Leases

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

(a) The Group and the Company as lessee

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.21 Leases (cont'd)

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

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

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

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

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

(b) The Group and the Company as lessor

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

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

2.22 Revenue and other income recognition

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Revenue and other income recognition (cont'd)

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

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

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

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

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

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

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

The following describes the performance obligation in contracts with customers:

(i) Revenue

(a) Sale of goods

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

(b) Delivery service

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

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

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

(c) Rendering of services

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

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Revenue and other income recognition (cont'd)

(i) Revenue (cont'd)

(d) Sales of properties

Contracts with customers may include multiple promises to customers and therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on the percentage of completion method. The percentage of completion is determined by the proportion of property development costs incurred for work performed to date over the estimated cost for the respective development projects.

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

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

This is generally established when:

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

(ii) the Group and the Company have the right to payment for performance completed to date and is entitled to continue to transfer to the customer the development units promised and has the rights to complete the construction of the properties and enforce its rights to full payment.

(iii) If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group and the Company recognise revenue over time using the percentage of completion method using input method which is based on the actual cost incurred to date on the property development project as compared to the total estimated cost for the respective development projects.

The Group and the Company recognise sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group and the Company will collect the considerations to which it will be entitled to in exchange for the assets sold.

(e) Revenue from hotel operations

Revenue from rental of hotel rooms, sale of food and beverage and other related income are recognised on an accrual basis.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.22 Revenue and other income recognition (cont'd)

(i) Revenue (cont'd)

(f) Revenue from golf club and resort operations

Revenue from club operations consists of monthly subscription fees, golf, sports and other facilities. Where there are more than one performance obligations, the transaction price will be allocated to each of the separate performance obligations. When these are not directly observerable, they are estimated based on expected cost plus margin.

Revenue from club activities excluding membership fees are recognised when the services are rendered. The payment of the transaction price is due immediately upon delivery of the services. Subscription fees are recognised as income on an accrual basis.

Revenue from rental of resort room, sale of food and beverage and other related income are recognised on accrual basis.

(g) Dividend income

Dividend income is recognised when the Group's right to receive payment is established.

(h) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(ii) Other income

(a) Interest income

Interest income is recognised using the effective interest method.

(b) Management fees

Management fees are recognised when services are rendered.

2.23 Taxation

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.23 Taxation (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not be reversed in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- in respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) Sales and Services Tax ("SST")

Revenue are recognised net of the amount of SST.

The amount of SST incurred in a purchase of assets or services is not recoverable from the taxation authority and is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

The amount of SST payable to the taxation authority is included as part of payables in the statements of financial position.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 42, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.25 Share capital and share issuance expenses

An equity instrument is any contract that evidences a residual interest in the assets of the Group and the Company after deducting all of its liabilities.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are approved.

2.26 Treasury shares

When shares of the Company, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

2.27 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group.

2.28 Bearer plants

Bearer plants are living plant that are used in the production or supply of agriculture produce for more than one period and have remote likelihood of being sold as agriculture produce, except for incidental scrap sales. The bearer plants that are available for use are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes plantation expenditure, which represents the total cost incurred from land clearing to the point of harvesting. Bearer plants have an average life cycle of twenty-five (25) years with the first three (3) years as immature bearer plants and the remaining years as mature bearer plants. The mature bearer plants are depreciated over its remaining useful lives of twenty-two (22) years on a straight-line basis. The immature bearer plants are not depreciated until such time when it is available for use.

2.29 Biological assets

Produce growing on bearer plants are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell of produce growing on bearer plants are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from the produce growing on bearer plants. The expected net cash flows are estimated using expected output method and the estimated market price of the produce growing on bearer plants.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Property development

Revenue on property development activities are recognised in accordance with the accounting policy set out in Note 2.22 (i)(d) above. The terms of the property development contracts and the laws that apply to these contracts, will determine whether the control of the properties sold is transferred and the corresponding revenue is recognised over time or at a point in time.

The Group and the Company recognise certain of their property development activities based on the percentage of completion method using input method which is based on the actual cost incurred to date on the property development project as compared to the total estimated cost for the respective development projects.

Estimation is required in determining the progress towards complete satisfaction of the performance obligation and this includes determining the extent of property development costs incurred and the total estimated costs of property development, which in turn is used to determine the percentage of completion and gross profit margin of property development activities undertaken by the Group and the Company. In making these judgements, management relies on past experience and the work of specialists.

(b) Income taxes and deferred tax assets

Judgement is involved in determining the Group's provision for income taxes as there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax provisions in the period in which such determination is made.

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 resognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Assumptions about generation of future taxable profits depend on management's estimates of future cash flows. These are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position.

Further details on deferred tax assets are disclosed in Note 36.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (cont'd)

3.1 Key sources of estimation uncertainty (cont'd)

(c) Impairment of property, plant and equipment

The Group and the Company assess whether there are any indicators of impairment for all property, plant and equipment at each reporting date.

Property, plant and equipment are tested for impairment when indications of potential impairment exist. 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 less cost of disposal is derived based on comparison sales approach or income approach. The value in use calculation is based on discounted cash flows arising from the future operating performance, revenue generating capacity of the assets and future market conditions. Changes in circumstances may lead to changes in estimates and assumptions, and result in changes to the recoverable amounts of assets and impairment losses needed.

During the current financial year, the Group has recognised impairment losses of approximately RM66,465,000 in respect of a foreign subsidiary's hotel property. The recoverable amount is determined based on a valuation done by an accredited independent valuer using the income capitalisation approach. The key assumptions used to determine the fair value, including the discount rate and capitalisation rate, are disclosed in Note 14 to the financial statements.

(d) Fair value of investment in A2I Holdings S.A.R.L ("A2I")

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. The investment in A2I comprises equity instrument and investment in Tracking Preferred Equity Certificates ("TPEC") of A2I which is considered a debt instrument. The fair value of investment in A2I is determined based on the adjusted net assets of the investee discounted using an appropriate rate. Judgements and estimates include considerations of the appropriate discount for lack of control and marketability and inputs in measuring the fair value of the underlying hotel assets of the investee. Further details about the determination of fair value are disclosed in Note 39 to the financial statements.

4. REVENUE

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Type of revenue				
Oil palm produce	**627,664**	525,883	**623,445**	528,392
Sale of properties	**151,513**	158,069	**151,513**	158,069
Dividend income	**6,776**	12,164	**20,618**	14,092
Management and operation of golf club	**9,065**	17,464	**-**	-
Operation of hotel and conference centre	**54,805**	238,911	**-**	-
Revenue from contracts with customers	**849,823**	952,491	**795,576**	700,553
Rental income	**24,640**	26,115	**5,927**	5,721
	874,463	978,606	**801,503**	706,274
Timing of revenue recognition				
- at a point in time	**682,855**	647,643	**662,753**	555,252
- over time	**166,968**	304,848	**132,823**	145,301
	849,823	952,491	**795,576**	700,553

4. REVENUE (cont'd)

4.1 CONTRACT BALANCES

	Group and Company	
	2020	2019
	RM'000	RM'000
Contract assets (Note 25)	**36,938**	43,268
At beginning of the year	**43,268**	29,417
Consideration paid and payable to customers	**8,306**	8,477
Revenue recognised during the year	**151,513**	158,069
Progress billings during the year	**(166,149)**	(152,695)
At end of the year	**36,938**	43,268

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 as compared to the total estimated cost for the respective development projects.

The transaction price allocated to the unsatisfied performance obligations as at 31 December 2020 for the Group and the Company is RM27,744,000 (2019: RM40,641,000). The remaining performance obligations are expected to be recognised as follows:

Group and Company	**2020**	2019
	RM'000	RM'000
Within 1 year	**27,744**	38,594
Between 1 and 4 years	**-**	2,047
	27,744	40,641

5. COST OF SALES

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Property development costs	**92,634**	95,751	**92,634**	95,751
Cost of inventories sold	**569,485**	474,342	**596,083**	492,846
Cost of services rendered	**73,188**	150,959	**-**	-
	735,307	721,052	**688,717**	588,597

6. OTHER INCOME

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Interest income from deposits	**13,208**	21,784	**7,895**	15,127
Interest income from subsidiaries	**-**	-	**7,021**	9,881
	13,208	21,784	**14,916**	25,008
Unrealised gain on foreign exchange	**5,907**	-	**-**	-
Realised gain on foreign exchange	**-**	29	**-**	84
Net fair value gain on derivatives	**83**	-	**83**	-
Management fee received from subsidiaries	**-**	-	**1,192**	1,192
Gain on fair value change in biological assets	**-**	-	**14**	10
Gain on trading of palm oil	**-**	299	**-**	299
Gain on redemption of short term funds	**13**	1,231	**13**	-
Fair value gain on financial assets at fair value through profit or loss	**6**	23,787	**-**	159
Gain on compulsory acquisition of land	**-**	854	**-**	-
Miscellaneous	**5,864**	2,307	**1,015**	1,239
	25,081	50,291	**17,233**	27,991

7. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax after charging/(crediting) the following items:

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Auditors' remuneration:				
Statutory audits				
- Current year				
- Ernst & Young PLT	**247**	247	**120**	120
- Other auditors	**1,247**	1,072	**-**	-
- Underprovision in prior years				
- Ernst & Young PLT	**-**	45	**-**	45
Other services				
- Ernst & Young PLT	**44**	30	**44**	30
- Other auditors	**455**	93	**-**	-
Bad debts written off	**64**	22	**-**	-
Employee benefits expense (Note 8)	**81,734**	136,966	**28,501**	28,981
Direct operating expenses arising from revenue generating properties	**6,761**	7,079	**883**	726
Amortisation of intangible assets (Note 20)	**31**	32	**6**	7
Depreciation of property, plant and equipment (Note 14)	**32,937**	33,873	**3,644**	4,255
Depreciation of investment properties (Note 15)	**4,700**	4,658	**1,027**	716
Depreciation of right-of-use assets (Note 16)	**996**	993	**-**	-
Depreciation of bearer plants (Note 17)	**601**	518	**17**	16
Bearer plants written off	**-**	31	**-**	31
Property, plant and equipment written off	**12**	31	**7**	26
Investment property written off	**-**	1	**-**	-
Inventories written off	**-**	1	**-**	-
Inventories written back	**(59)**	(395)	**(56)**	(419)

7. (LOSS)/PROFIT BEFORE TAX (cont'd)

(Loss)/Profit before tax after charging/(crediting) the following items: (cont'd)

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Write down/(reversal of write down) of land held for development (Note 21 (a))	**44**	(454)	**44**	(454)
Impairment loss on trade receivables (Note 24)	**460**	74	**-**	-
Impairment loss on amount due from a subsidiary (Note 24)	**-**	-	**7,232**	26,808
Realised loss/(gain) on foreign exchange	**2,058**	(29)	**2,091**	(84)
Unrealised (gain)/loss on foreign exchange	**(5,907)**	6,615	**6,500**	4,757
Loss/(Gain) on fair value change in biological assets (Note 23)	**30**	55	**(14)**	(10)
Fair value loss /(gain) on financial assets at fair value through profit or loss	**56,743**	(23,787)	**8**	(159)
Gain on redemption of short term funds	**(13)**	(1,231)	**(13)**	-
Fair value (gain)/loss on derivatives	**(83)**	45	**(83)**	45
Impairment loss on property, plant and equipment (Note 14)	**66,465**	45,401	-	**-**
Gross dividends from quoted investments:				
- Malaysian corporations	**(1,671)**	(1,722)	**(1,591)**	(1,577)
- Foreign corporations	**(4,273)**	(9,936)	**(3,015)**	(3,540)
Gross dividends from unquoted investments:				
- Malaysian corporations	**(832)**	(506)	**(832)**	(506)
- Subsidiaries	**-**	-	**(15,180)**	(8,469)
	(6,776)	(12,164)	**(20,618)**	(14,092)
(Gain)/Loss on disposal of investment properties	**(3)**	18	**-**	-
Loss on disposal of property, plant and equipment	**7**	22	**25**	21

8. EMPLOYEE BENEFITS EXPENSE (excluding key management personnel)

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Wages and salaries	**64,723**	105,611	**25,969**	26,359
Social security and employee insurance contributions	**408**	416	**259**	247
Contributions to defined contribution plan	**3,281**	3,535	**2,273**	2,375
Other benefits	**13,322**	27,404	**-**	-
	81,734	136,966	**28,501**	28,981

9. COMPENSATION OF KEY MANAGEMENT PERSONNEL

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Directors' remuneration:				
Fees	**1,185**	911	**1,085**	811
Salaries, bonus and other emoluments	**8,105**	10,027	**7,070**	8,143
Benefits-in-kind	**31**	31	**28**	28
	9,321	10,969	**8,183**	8,982

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	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Interest expenses on notes payable and bank overdraft	**5,448**	8,191	**1,875**	859
Interest expense on lease liabilities	**27**	74	**-**	-
	5,475	8,265	**1,875**	859

11. INCOME TAX EXPENSE

Components of income tax expense

The components of income tax expense for the years ended 31 December 2020 and 2019 are:

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Statement of comprehensive income:				
Current income tax :				
- Malaysian income tax	**22,921**	30,511	**13,795**	25,370
- Foreign tax	**(14,225)**	5,274	**157**	206
- Real property gain tax	**-**	7,316	**-**	7,316
	8,696	43,101	**13,952**	32,892
Under/(Over)provision in prior years:				
- Malaysian income tax	**16**	(799)	**41**	(69)
- Foreign tax	**(263)**	(412)	**-**	-
	(247)	(1,211)	**41**	(69)
Deferred income tax (Note 36):				
- Origination and reversal of temporary differences	**(22,245)**	(31,835)	**16**	(18,025)
- Underprovision in prior years	**540**	70	**523**	73
	(21,705)	(31,765)	**539**	(17,952)
Income tax expense recognised in statements of comprehensive income	**(13,256)**	10,125	**14,532**	14,871

11. INCOME TAX EXPENSE (cont'd)

Components of income tax expense (cont'd)

The current foreign tax benefit arose as certain foreign subsidiaries are entitled to claim a tax refund under the Coronavirus Aid, Relief, and Economic Security (CARES) Act ("CARES Act) enacted in the United States of America. Under the CARES Act, net operating losses arising in tax years beginning after December 31, 2017, and before January 1, 2021 may be carried back to each of the five tax years preceding the tax year of such loss. The Group is in the midst of preparing the amended tax returns for the affected carryback years.

Reconciliation between tax expense and accounting profit

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 is as follows:

	2020 RM'000	2019 RM'000
Group		
(Loss)/Profit before tax	**(85,230)**	101,766
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**(20,455)**	24,424
Different tax rates in other countries	**6,598**	281
Income not subject to tax	**(16,034)**	(16,821)
Expenses not deductible for tax purposes	**13,015**	4,900
Tax on transfer of land held for property development to investment properties	**145**	7,770
Deferred tax asset recognised on future tax benefit arising from real property gain tax paid on transfer of land from property, plant and equipment to land held for property development	**-**	(10,209)
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(3,056)**	(248)
Deferred tax asset not recognised on unabsorbed capital allowances and unutilised business losses	**6,238**	1,169
Overprovision of income tax in prior years	**(247)**	(1,211)
Underprovision of deferred tax in prior years	**540**	70
Income tax expense recognised in profit or loss	**(13,256)**	10,125

11. INCOME TAX EXPENSE (cont'd)

Reconciliation between tax expense and accounting profit (cont'd)

	2020 RM'000	2019 RM'000
Company		
Profit before tax	**75,685**	75,092
Taxation at Malaysian statutory tax rate of 24% (2019: 24%)	**18,164**	18,022
Income not subject to tax	**(8,108)**	(8,609)
Expenses not deductible for tax purposes	**3,990**	8,104
Tax on transfer of land held for property development to investment properties	**145**	7,770
Deferred tax asset recognised on future tax benefit arising from real property gain tax paid on transfer of land from property, plant and equipment to land held for property development	**-**	(10,209)
Different tax rates in other countries	**(223)**	(211)
Under/(Over)provision of income tax in prior years	**41**	(69)
Underprovision of deferred tax in prior years	**523**	73
Income tax expense recognised in profit or loss	**14,532**	14,871

Domestic income tax is calculated at the Malaysian statutory tax rate of 24% (2019: 24%) of the estimated assessable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

12. (LOSS)/EARNINGS PER SHARE

Basic (loss)/earnings per share amounts are calculated by dividing (loss)/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	
	2020	2019
(Loss)/Profit net of tax attributable to owners of the parent (RM'000)	**(64,561)**	88,317
Weighted average number of ordinary shares in issue ('000)	**359,303**	359,303
Basic (loss)/earnings per share (sen)	**(17.97)**	24.58

No diluted (loss)/earnings per share have been presented as there were no dilutive potential ordinary shares outstanding as at 31 December 2020 and 31 December 2019.

13. DIVIDENDS

	Group and Company	
	2020 RM'000	2019 RM'000
Recognised during the financial year:		
Dividends on ordinary shares:		
- Final single tier dividend for 2018: 6 sen per share	**-**	21,559
- Interim single tier dividend for 2019: 4 sen per share	**-**	14,372
	-	35,931

The directors do not recommend the payment of dividend for the current financial year.

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 2020:					
At cost	773,606	135,611	127,479	10,078	1,046,774
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	797,016	128,197	127,479	10,078	1,062,770
Additions	1,195	381	1,281	3,334	6,191
Reclassification	5,202	21	1,142	(6,365)	-
Write offs	(9)	(60)	(244)	-	(313)
Disposals	-	(491)	(518)	-	(1,009)
Exchange differences	(7,894)	-	(607)	(56)	(8,557)
At 31 December 2020	795,510	128,048	128,533	6,991	1,059,082
Representing:					
At cost	772,100	135,462	128,533	6,991	1,043,086
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	795,510	128,048	128,533	6,991	1,059,082
Accumulated depreciation and impairment					
At 1 January 2020:					
At cost	274,123	119,677	94,041	-	487,841
Government grant	-	(7,414)	-	-	(7,414)
	274,123	112,263	94,041	-	480,427
Charge for the year (Note 7)	18,915	2,768	11,254	-	32,937
Write offs	(9)	(57)	(235)	-	(301)
Disposals	-	(442)	(516)	-	(958)
Impairment loss (Note 7)	66,465	-	-	-	66,465
Exchange differences	(4,810)	-	(603)	-	(5,413)
At 31 December 2020	354,684	114,532	103,941	-	573,157
Representing:					
At cost	354,684	121,946	103,941	-	580,571
Government grant	-	(7,414)	-	-	(7,414)
	354,684	114,532	103,941	-	573,157
Net carrying amount					
At 31 December 2020					
At cost	417,416	13,516	24,592	6,991	462,515
At deemed cost	23,410	-	-	-	23,410
	440,826	13,516	24,592	6,991	485,925

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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 2019:					
At cost	765,694	135,469	118,682	10,168	1,030,013
At deemed cost	23,421	-	-	-	23,421
Government grant	-	(7,414)	-	-	(7,414)
	789,115	128,055	118,682	10,168	1,046,020
Additions	4,260	740	7,020	8,088	20,108
Transfers to:					
- land held for property development (Note 21(a))	(1,130)	-	-	-	(1,130)
- Investment properties (Note 15)	(56)	-	-	-	(56)
- Inventories	-	-	-	(55)	(55)
Reclassification	6,198	90	1,999	(8,287)	-
Write offs	-	(688)	(363)	-	(1,051)
Disposals	(11)	-	(627)	-	(638)
Exchange differences	(1,360)	-	768	164	(428)
At 31 December 2019	797,016	128,197	127,479	10,078	1,062,770
Representing:					
At cost	773,606	135,611	127,479	10,078	1,046,774
At deemed cost	23,410	-	-	-	23,410
Government grant	-	(7,414)	-	-	(7,414)
	797,016	128,197	127,479	10,078	1,062,770
Accumulated depreciation and impairment					
At 1 January 2019:					
At cost	207,805	117,090	83,318	-	408,213
Government grant	-	(7,390)	-	-	(7,390)
	207,805	109,700	83,318	-	400,823
Recognised in statements of comprehensive income (Note 7)	19,447	3,234	11,192	-	33,873
Charge for the year	19,447	3,258	11,192	-	33,897
Government grant	-	(24)	-	-	(24)
Write offs	-	(671)	(349)	-	(1,020)
Disposals	-	-	(532)	-	(532)
Impairment loss (Note 7)	45,401	-	-	-	45,401
Exchange differences	1,470	-	412	-	1,882
At 31 December 2019	274,123	112,263	94,041	-	480,427
Representing:					
At cost	274,123	119,677	94,041	-	487,841
Government grant	-	(7,414)	-	-	(7,414)
	274,123	112,263	94,041	-	480,427
Net carrying amount					
At 31 December 2019					
At cost	499,483	15,934	33,438	10,078	558,933
At deemed cost	23,410	-	-	-	23,410
	522,893	15,934	33,438	10,078	582,343

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

Company	**Estates, land and buildings RM'000**	**Plant and machinery RM'000**	**Vehicles, furniture and equipment RM'000**	**Work-in-progress RM'000**	**Total RM'000**
Cost/Deemed cost					
At 1 January 2020	29,059	109,740	15,759	764	155,322
Additions	144	273	264	9	690
Write offs	-	(36)	(95)	-	(131)
Disposals	-	(491)	(347)	-	(838)
At 31 December 2020	29,203	109,486	15,581	773	155,043
Representing:					
At cost	20,189	109,486	15,581	773	146,029
At deemed cost	9,014	-	-	-	9,014
	29,203	109,486	15,581	773	155,043
Accumulated depreciation					
At 1 January 2020	9,967	97,535	12,353	-	119,855
Charge for the year (Note 7)	654	2,089	901	-	3,644
Write offs	-	(33)	(91)	-	(124)
Disposals	-	(442)	(346)	-	(788)
At 31 December 2020	10,621	99,149	12,817	-	122,587
Net carrying amount					
At 31 December 2020					
At cost	9,568	10,337	2,764	773	23,442
At deemed cost	9,014	-	-	-	9,014
	18,582	10,337	2,764	773	32,456

14. PROPERTY, PLANT AND EQUIPMENT (cont'd)

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 2019	29,592	109,885	15,406	419	155,302
Additions	653	478	930	431	2,492
Transfers to:					
- land held for property development (Note 21(a))	(1,130)	-	-	-	(1,130)
- Investment properties (Note 15)	(56)	-	-	-	(56)
- Inventories	-	-	-	(55)	(55)
Reclassification	-	131	-	(31)	-
Write offs	-	(654)	(105)	-	(759)
Disposals	-	-	(472)	-	(472)
At 31 December 2019	29,059	109,740	15,759	764	155,322
Representing:					
At cost	20,045	109,740	15,759	764	146,308
At deemed cost	9,014	-	-	-	9,014
	29,059	109,740	15,759	764	155,322
Accumulated depreciation					
At 1 January 2019	9,317	95,604	11,790	-	116,711
Charge for the year (Note 7)	650	2,570	1,035	-	4,255
Write offs	-	(639)	(94)	-	(733)
Disposals	-	-	(378)	-	(378)
At 31 December 2019	9,967	97,535	12,353	-	119,855
Net carrying amount					
At 31 December 2019					
At cost	10,078	12,205	3,406	764	26,453
At deemed cost	9,014	-	-	-	9,014
	19,092	12,205	3,406	764	35,467

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
2020				
At deemed cost -				
Freehold estates	**23,410**	**-**	**23,410**	**-**
At cost -				
Freehold estates	**3,361**	**-**	**3,361**	**-**
Golf course	**78,739**	**22,353**	**56,386**	**900**
Freehold land and buildings	**690,000**	**332,331**	**357,669**	**18,015**
	772,100	**354,684**	**417,416**	**18,915**
Total	**795,510**	**354,684**	**440,826**	**18,915**
2019				
At deemed cost -				
Freehold estates	23,410	-	23,410	-
At cost -				
Freehold estates	4,231	-	4,231	-
Golf course	78,739	21,454	57,285	901
Freehold land and buildings	691,506	252,669	438,837	18,546
	773,606	274,123	499,483	19,447
Total	797,016	274,123	522,893	19,447

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
2020				
At deemed cost -				
Freehold estates	**9,014**	**-**	**9,014**	**-**
At cost -				
Freehold estates	**3,146**	**-**	**3,146**	**-**
Freehold land and buildings	**17,043**	**10,621**	**6,422**	**654**
	20,189	**10,621**	**9,568**	**654**
Total	**29,203**	**10,621**	**18,582**	**654**
2019				
At deemed cost -				
Freehold estates	9,014	-	9,014	-
At cost -				
Freehold estates	3,146	-	3,146	-
Freehold land and buildings	16,899	9,967	6,932	650
	20,045	9,967	10,078	650
Total	29,059	9,967	19,092	650

(ii) Property, plant and equipment of certain subsidiaries of RM293,219,000 (2019: RM374,314,000) are pledged for bank facilities purposes as disclosed in Note 29.

(iii) The carrying amount of the property, plant and equipment of the Group's hotel and resort segment amounted to RM413.62million (2019: RM321.75million). In 2020, an impairment loss of RM66,465,000 (2019: RM45,401,000) was recognised on certain property, plant and equipment of a subsidiary involved in hotel and resort segment, KSNY Enterprises Ltd ("KSNY") as a result of unfavorable market conditions. This was recognised in the statement of profit or loss as other expenses. The recoverable amount of RM186,854,000 (2019: RM254,261,000) as at 31 December 2020 was based on fair value less costs of disposal and was determined at the level of the CGU of KSNY. The fair value less costs of disposal was based on income capitalization approach which utilises the discounted cash flow technique, measures the present value of projected income flows and the reversion of the property sale. The significant unobservable valuation inputs are as below:

	2020	2019
Revenue per available room	**USD 103 to USD 305**	USD 217 to USD 317
Discount rate	**8.50%**	8.00%
Capitalisation rate	**6.50%**	6.50%

15. INVESTMENT PROPERTIES

Group	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
Cost			
At 1 January 2020	236,027	17,222	253,249
Additions	28,254	860	29,114
Disposals	(104)	-	(104)
Exchange differences	-	17	17
At 31 December 2020	264,177	18,099	282,276
Accumulated depreciation			
At 1 January 2020	94,009	6,358	100,367
Charge for the year (Note 7)	4,662	40	4,700
Disposals	(103)	-	(103)
Exchange differences	-	9	9
At 31 December 2020	98,566	6,407	104,973
Net carrying amount			
At 31 December 2020	165,611	11,692	177,303
Cost			
At 1 January 2019	228,078	11,351	239,429
Additions	8,991	23	9,014
Transfer from land held for property development (Note 21(a))	332	5,820	6,152
Transfer from property, plant and equipment (Note 14)	56	-	56
Write offs	(1,132)	-	(1,132)
Disposals	(298)	-	(298)
Exchange differences	-	28	28
At 31 December 2019	236,027	17,222	253,249
Accumulated depreciation			
At 1 January 2019	90,755	6,342	97,097
Charge for the year (Note 7)	4,658	-	4,658
Write offs	(1,131)	-	(1,131)
Disposals	(273)	-	(273)
Exchange differences	-	16	16
At 31 December 2019	94,009	6,358	100,367
Net carrying amount			
At 31 December 2019	142,018	10,864	152,882

15. INVESTMENT PROPERTIES (cont'd)

Company	Freehold land and buildings RM'000	Leasehold land and buildings RM'000	Total RM'000
2020			
Cost			
At 1 January 2020	58,348	5,843	64,191
Additions	28,193	860	29,053
At 31 December 2020	86,541	6,703	93,244
Accumulated depreciation			
At 1 January 2020	9,226	-	9,226
Charge for the year (Note 7)	987	40	1,027
At 31 December 2020	10,213	40	10,253
Net carrying amount			
At 31 December 2020	76,328	6,663	82,991
2019			
Cost			
At 1 January 2019	49,874	-	49,874
Additions	8,086	23	8,109
Transfer from land held for property development (Note 21(a))	332	5,820	4,761
Transfer from property, plant and equipment (Note 14)	56	-	56
At 31 December 2019	58,348	5,843	64,191
Accumulated depreciation			
At 1 January 2019	8,510	-	8,510
Charge for the year (Note 7)	716	-	716
At 31 December 2019	9,226	-	9,226
Net carrying amount			
At 31 December 2019	49,122	5,843	54,965

15. INVESTMENT PROPERTIES (cont'd)

The fair value of investment properties as at 31 December 2020 for the Group and Company is approximately RM609,566,000 (2019:RM597,743,000) and RM306,894,000 (2019:RM296,061,000) respectively. The fair values of certain investment properties of the Group valued at RM73,457,000 (2019: RM73,349,000) were estimated by directors using the comparison method.

Other than as disclosed above, the valuations were conducted by an independent professional valuer using the comparison and investment methods.

The fair value measurement of the Group's and 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.

16. RIGHT-OF-USE ASSETS

Group	Car park land RM'000	State-owned land RM'000	Total RM'000
Cost			
At 1 January 2019	1,324	17,365	18,689
Additions	-	1,876	1,876
Exchange differences	42	-	42
At 31 December 2019 and 1 January 2020	1,366	19,241	20,607
Exchange differences	8	-	8
At 31 December 2020	1,374	19,241	20,615
Accumulated depreciation			
At 1 January 2019	-	-	-
Charge for the year (Note 7)	679	314	993
Exchange differences	4	-	4
At 31 December 2019 and 1 January 2020	683	314	997
Charge for the year (Note 7)	681	315	996
Exchange differences	10	-	10
At 31 December 2020	1,374	629	2,003
Net carrying amount			
At 31 December 2019	683	18,927	19,610
At 31 December 2020	-	18,612	18,612

The Group has right-of-use over state-owned land which is used for the cultivation of oil palm. The right-of-use has a remaining tenure of 95 years (2019: 96 years) expiring in 2115.

17. BEARER PLANTS

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Cost/Deemed cost				
At 1 January	**20,932**	17,148	**7,858**	4,738
Additions	**3,028**	5,788	**2,453**	5,124
Write offs	**-**	(2,004)	**-**	(2,004)
At 31 December	**23,960**	20,932	**10,311**	7,858
Accumulated depreciation				
At 1 January	**5,391**	6,846	**368**	2,325
Charge for the year (Note 7)	**601**	518	**17**	16
Write offs	**-**	(1,973)	**-**	(1,973)
At 31 December	**5,992**	5,391	**385**	368
Net carrying amount				
At 31 December	**17,968**	15,541	**9,926**	7,490
Analysis of bearer plants:				
At 31 December				
Immature	**10,327**	7,792	**9,778**	5,999
Matured	**7,641**	7,749	**148**	1,491
	17,968	15,541	**9,926**	7,490

18. INVESTMENT IN SUBSIDIARIES

	Company 2020 RM'000	Company 2019 RM'000
Unquoted shares, at cost		
In Malaysia	**226,237**	226,216
Outside Malaysia	**4**	4
	226,241	226,220
Impairment losses	**(49,191)**	(49,191)
	177,050	177,029

Details of the subsidiaries are as follows:

Name of subsidiaries	Country of incorporation	Principal activities	Proportion of ownership interest 2020 %	Proportion of ownership interest 2019 %
Held by the Company				
Johore (Masai) Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
Kota Tinggi Oil Palm Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
Lian Huap Oil Palm Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
Sin Lian Oil Palm Plantations Sdn. Bhd.	Malaysia	Oil palm estate and investment holding	**100**	100
HKH Holdings Sdn. Bhd.	Malaysia	Property investment	**100**	100
Ragamo Sdn. Bhd.	Malaysia	Processing of palm kernel products and investment holding	**100**	100
Lim & Lim Plantations Berhad	Malaysia	Oil palm estate and investment holding	**99.8**	99.8
Supervitamins Sdn. Bhd.	Malaysia	Manufacturing and trading of nutraceutical and health-care materials	**100**	100
Tanjong Puteri Golf Resort Berhad	Malaysia	Operation of golf club	**99.97**	99.97
Keck Seng Investments Pte. Ltd.*	Singapore	Investment holding	**100**	100
Brosna Limited*	Hong Kong	Investment holding	**100**	100

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 2020 %	2019 %
Held by the Company (cont'd)				
Keck Seng International Private Limited*	Singapore	Dormant	**100**	100
Lusaka Holdings Sdn. Bhd.	Malaysia	Property investment	**70**	70
Siris Management Sdn. Bhd.	Malaysia	Dormant	**100**	100
K.S.F. Enterprises Sdn. Bhd.	Malaysia	Investment holding	**50+1****	50+1**
Held by K.S.F. Enterprises Sdn. Bhd.				
KSD Enterprises Ltd. *	Canada	Operation of hotels	**50+1****	50+1**
Held by Brosna Limited				
Promas Limited*	Hong Kong	Investment holding	**100**	100
K.S.A Enterprises Limited*	Canada	Dormant	**100**	100
KSG Enterprises Ltd.*	United States	Operation of hotels	**100**	100
KSNY Enterprises Ltd.*	United States	Operation of hotels	**100**	100

* Audited by firms of auditors other than Ernst & Young PLT
** The equity interest of the Company is 50% plus one share

18. INVESTMENT IN SUBSIDIARIES (cont'd)

Summarised financial information on subsidiaries with significant non-controlling interests

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	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Non-current assets	**50,098**	52,341	**56,448**	68,175	**79,206**	81,882	**185,752**	202,398
Current assets	**62,825**	57,010	**7,359**	20,277	**3,763**	4,437	**73,947**	81,724
Total assets	**112,923**	109,351	**63,807**	88,452	**82,969**	86,319	**259,699**	284,122
Current liabilities	**3,351**	3,947	**9,562**	17,213	**37,197**	31,131	**50,110**	52,291
Non-current liabilities	**2,401**	2,315	**-**	-	**2,549**	3,819	**4,950**	6,134
Total liabilities	**5,752**	6,262	**9,562**	17,213	**39,746**	34,950	**55,060**	58,425
Net assets	**107,171**	103,089	**54,245**	71,239	**43,223**	51,369	**204,639**	225,697
Equity attributable to:								
- owners of the Company	**93,020**	90,162	**27,127**	35,624	**(54,974)**	(46,828)	**65,173**	78,958
- non-controlling interests	**14,151**	12,927	**27,118**	35,615	**98,197**	98,197	**139,466**	146,739
	107,171	103,089	**54,245**	71,239	**43,223**	51,369	**204,639**	225,697

refers to K.S.F. Enterprises Sdn. Bhd. and its subsidiary, i.e. KSD Enterprises Ltd.

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	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Revenue	**14,511**	15,087	**23,087**	84,813	**9,065**	17,464	**46,663**	117,364
Profit/(Loss) for the year attributable to :								
- owners of the Company	**4,657**	4,777	**(8,645)**	857	**(5,348)**	(3,179)	**(9,336)**	2,455
- non-controlling interests	**1,224**	1,276	**(8,645)**	857	**-**	-	**(7,421)**	2,133
	5,881	6,053	**(17,290)**	1,714	**(5,348)**	(3,179)	**(16,757)**	4,588
Other comprehensive income attributable to :								
- owners of the Company	**-**	-	**148**	1,030	**-**	-	**148**	1,030
- non-controlling interests	**-**	-	**147**	1,029	**-**	-	**147**	1,029
Other comprehensive income for the year	**-**	-	**295**	2,059	**-**	-	**295**	2,059
Total comprehensive income/(loss) attributable to :								
- owners of the Company	**4,657**	4,777	**(8,497)**	1,887	**(5,348)**	(3,179)	**(9,188)**	3,485
- non-controlling interests	**1,224**	1,276	**(8,498)**	1,886	**-**	-	**(7,274)**	3,162
Total comprehensive income/(loss) for the year	**5,881**	6,053	**(16,995)**	3,773	**(5,348)**	(3,179)	**(16,462)**	6,647

refers to K.S.F. Enterprises Sdn. Bhd. and its subsidiary, i.e. KSD Enterprises Ltd.

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	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000	**2020 RM'000**	2019 RM'000
Net cash generated from/(used in) operating activities	**5,878**	7,404	**(8,561)**	20,308	**1,377**	1,801	**(1,306)**	29,513
Net cash used in investing activities	**(4,436)**	(5,235)	**(1,813)**	(11,111)	**(130)**	(1,217)	**(6,379)**	(17,563)
Net cash used in financing activities	**(1,800)**	(1,800)	**(705)**	(656)	**(1,231)**	(1,093)	**(3,736)**	(3,549)
Net (decrease)/increase in cash and cash equivalents	**(358)**	369	**(11,079)**	8,541	**16**	(509)	**(11,421)**	8,401
Effects of exchange rate changes on cash and cash equivalents	**-**	-	**(48)**	290	**-**	-	**(48)**	290
Cash and cash equivalents at beginning of the year	**1,119**	750	**16,204**	7,373	**732**	1,241	**18,055**	9,364
Cash and cash equivalents at end of the year	**761**	1,119	**5,077**	16,204	**748**	732	**6,586**	18,055

refers to K.S.F. Enterprises Sdn. Bhd. and its subsidiary, i.e. KSD Enterprises Ltd.

19. INVESTMENT SECURITIES

	2020 RM'000	2019 RM'000
Group		
Financial assets at fair value through other comprehensive income		
Equity instruments		
Quoted in Malaysia	**56,520**	63,275
Quoted outside Malaysia	**279,922**	306,716
Unquoted in Malaysia	**3,240**	141
	339,682	370,132
Financial assets at fair value through profit or loss		
Debt instrument		
Unquoted outside Malaysia*	**71,363**	82,907
Equity instrument		
Unquoted outside Malaysia*	**-**	36,027
	71,363	118,934
	411,045	489,066
Company		
Financial assets at fair value through other comprehensive income		
Quoted in Malaysia	**53,508**	60,053
Quoted outside Malaysia	**111,846**	104,533
Unquoted in Malaysia	**3,238**	138
	168,592	164,724

* The unquoted instruments are related to investment in A2I Holdings S.A R.L. ("A2I"), a company incorporated in Luxembourg and engaged in investment holdings. The Group's intention is to hold the investment for long term contractual cash flow return. The determination of fair value is described in Note 39 (a).

20. INTANGIBLE ASSETS

	Group		Company	
	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
Cost				
At 1 January	**1,918**	1,900	**1,495**	1,495
Addition	**16**	18	**-**	-
At 31 December	**1,934**	1,918	**1,495**	1,495
Accumulated amortisation				
At 1 January	**1,814**	1,782	**1,488**	1,481
Amortisation for the year (Note 7)	**31**	32	**6**	7
At 31 December	**1,845**	1,814	**1,494**	1,488
Net carrying amount				
At 31 December	**89**	104	**1**	7

21. INVENTORIES

(a) Land held for property development

Group	Freehold land RM'000	Leasehold land RM'000	Development costs RM'000	Total RM'000
2020				
At 1 January 2020	**62,733**	**47,308**	**116,440**	**226,481**
Additions	**2,441**	**11,870**	**11,972**	**26,283**
Write down (Note 7)	**-**	**(44)**	**-**	**(44)**
Transfer to property development cost (Note 21(b))	**(160)**	**(1,567)**	**(1,255)**	**(2,982)**
At 31 December 2020	**65,014**	**57,567**	**127,157**	**249,738**
Representing:				
At cost	**65,014**	**57,305**	**126,502**	**248,821**
At net realisable value	**-**	**262**	**655**	**917**
	65,014	**57,567**	**127,157**	**249,738**
2019				
At 1 January 2019	61,602	53,739	118,526	233,867
Additions	77	899	12,675	13,651
Reversal of write down (Note 7)	-	-	454	454
Transfer from property, plant and equipment (Note 14)	1,130	-	-	1,130
Transfer to property development cost (Note 21(b))	-	(4,068)	(12,401)	(16,469)
Transfer to investment properties (Note 15)	(76)	(3,262)	(2,814)	(6,152)
At 31 December 2019	62,733	47,308	116,440	226,481
Representing:				
At cost	62,733	47,046	115,785	225,564
At net realisable value	-	262	655	917
	62,733	47,308	116,440	226,481

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
At 1 January 2020	**53,094**	**47,308**	**116,440**	**216,842**
Additions	**2,441**	**11,870**	**11,972**	**26,283**
Write down (Note 7)	**-**	**(44)**	**-**	**(44)**
Transfer to property development cost (Note 21(b))	**(160)**	**(1,567)**	**(1,255)**	**(2,982)**
At 31 December 2020	**55,375**	**57,567**	**127,157**	**240,099**
Representing:				
At cost	**55,375**	**57,305**	**126,502**	**239,182**
At net realisable value	**-**	**262**	**655**	**917**
	55,375	**57,567**	**127,157**	**240,099**
2019				
At 1 January 2019	51,963	53,739	118,526	224,228
Additions	77	899	12,675	13,651
Reversal of write down (Note 7)	-	-	454	454
Transfer from property, plant and equipment (Note 14)	1,130	-	-	1,130
Transfer to property development cost (Note 21(b))	-	(4,068)	(12,401)	(16,469)
Transfer to investment properties (Note 15)	(76)	(3,262)	(2,814)	(6,152)
At 31 December 2019	53,094	47,308	116,440	216,842
Representing:				
At cost	53,094	47,051	115,780	215,925
At net realisable value	-	257	660	917
	53,094	47,308	116,440	216,842

21. INVENTORIES (cont'd)

(b) Property development costs

	Group and Company	
	2020	2019
	RM'000	RM'000
At cost :		
At 1 January :		
Freehold land	**133**	329
Leasehold land	**4,905**	4,180
Development costs	**52,044**	36,240
	57,082	40,749
Development costs incurred during the year	**69,017**	90,361
Cost recognised in profit or loss during the year	**(75,112)**	(78,684)
Transfer from land held for property development (Note 21(a))	**2,982**	16,469
Transfer to inventory	**(25,228)**	(11,813)
	(22,246)	4,656
Property development costs at 31 December	**28,741**	57,082

22. INVENTORIES - OTHERS

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
At cost :				
Refined oil products	**15,681**	39,677	**6,067**	26,264
Crude palm oil, crude palm kernel oil and palm kernel	**24,352**	24,299	**24,578**	24,328
Spare parts and chemicals	**5,960**	6,224	**4,407**	4,774
Completed properties	**41,661**	26,190	**41,661**	26,190
Food, beverage and utensils	**1,432**	1,745	**-**	-
	89,086	98,135	**76,713**	81,556
At net realisable value :				
Refined oil products	**44,861**	12,769	**43,722**	12,453
Completed properties	**2,660**	2,707	**2,660**	2,707
	47,521	15,476	**46,382**	15,160
	136,607	113,611	**123,095**	96,716

23. BIOLOGICAL ASSETS

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
At fair value				
At 1 January	**609**	664	**25**	15
Changes in fair value (Note 7)	**(30)**	(55)	**14**	10
At 31 December	**579**	609	**39**	25

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 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	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade receivables				
Third parties	**80,385**	55,016	**70,720**	42,880
Less: Allowance for impairment	**(511)**	(2,664)	**-**	(2,573)
	79,874	52,352	**70,720**	40,307
Other receivables				
Due from subsidiaries	**-**	-	**179,428**	196,065
Refundable deposits	**3,676**	3,774	**2,385**	2,474
Sundry receivables	**14,622**	6,644	**7,073**	3,654
	18,298	10,418	**188,886**	202,193
Less: Allowance for impairment	**-**	-	**(34,040)**	(26,808)
	18,298	10,418	**154,846**	175,385
Total trade and other receivables (current)	**98,172**	62,770	**225,566**	215,692
Non-current				
Other receivables				
Due from subsidiaries	**-**	-	**314,800**	299,268
Total trade and other receivables (current and non-current)	**98,172**	62,770	**540,366**	514,960
Add: Contract assets (Note 25)	**36,938**	43,268	**36,938**	43,268
Add: Cash and bank balances(Note 28)	**736,437**	788,723	**513,113**	493,631
Total financial assets at amortised cost	**871,547**	894,761	**1,090,417**	1,051,859

24. TRADE AND OTHER RECEIVABLES (cont'd)

(a) Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 30 days (2019 : 14 to 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Ageing analysis of trade receivables

The ageing analysis of the Group's and the Company's trade receivables is as follows:

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Neither past due nor impaired	**70,797**	45,208	**66,738**	37,080
1 to 30 days past due not impaired	**4,892**	4,940	**1,581**	2,498
31 to 60 days past due not impaired	**1,375**	1,627	**1,141**	348
61 to 90 days past due not impaired	**1,375**	35	**328**	-
91 to 120 days past due not impaired	**484**	391	**471**	381
More than 120 days past due not impaired	**951**	151	**461**	-
	9,077	7,144	**3,982**	3,227
Impaired	**511**	2,664	**-**	2,573
	80,385	55,016	**70,720**	42,880

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	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Trade receivables - nominal amounts	**511**	2,664	**-**	2,573
Less: Allowance for impairment	**(511)**	(2,664)	**-**	(2,573)
	-	-	**-**	-
Movement in allowance accounts:				
At 1 January	**2,664**	2,648	**2,573**	2,573
Charge for the year (Note 7)	**460**	74	**-**	-
Written off	**(2,613)**	(58)	**(2,573)**	-
At 31 December	**511**	2,664	**-**	2,573

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.

24. TRADE AND OTHER RECEIVABLES (cont'd)

(b) Amounts due from subsidiaries

Current

Amounts due from subsidiaries are unsecured, non-interest bearing and repayable upon demand. Included in the amounts are RM145,340,000 (2019: RM169,211,000) placed in a foreign financial institution under a foreign subsidiary's name.

Non-Current

Amounts due from a subsidiary are unsecured, bear interest ranging from 1.50% to 6.06% per annum (2019: 2.90% to 6.06% per annum) and are not expected to be repaid within the next twelve months.

	Individually impaired Company	
	2020	2019
	RM'000	RM'000
Movement in allowance accounts:		
At 1 January	**26,808**	-
Charge for the year (Note 7)	**7,232**	26,808
At 31 December	**34,040**	26,808

25. OTHER CURRENT ASSETS

	Group		**Company**	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Prepayments	**6,608**	7,082	**4,989**	4,388
Deposits paid	**3,543**	4,409	**3,543**	4,409
Accrued billings in respect of property development costs	**34,776**	39,772	**34,776**	39,772
Consideration paid/payable to customers	**2,162**	3,496	**2,162**	3,496
Contract assets (Note 4.1)	**36,938**	43,268	**36,938**	43,268
	47,089	54,759	**45,470**	52,065

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

	<---------2020---------->		<----------2019---------->	
	Contract/ Notional Amount RM'000	**Asset RM'000**	Contract/ Notional Amount RM'000	Asset RM'000
Group and Company				
Non-hedging derivatives: Current				
Forward currency contracts	**7,599**	**83**	-	-

The Group and the Company use forward currency contracts to manage some of the exposure of foreign currency transactions. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency transaction exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting.

Forward currency contracts are used to reduce the level of foreign currency risk for the Group's and the Company's sales denominated in USD for which firm commitments exist as at the reporting date.

27. SHORT TERM FUNDS

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Money market funds, at fair value through profit or loss	**199,607**	217,225	**27,680**	54,861

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.

The weighted average effective interest rate of the investments as at the reporting date for the Group and the Company were 2.64% per annum (2019: 3.10% per annum) and 2.58% per annum (2019: 2.82% per annum) respectively. The maturities of the investments as at the reporting date for the Group and the Company were 1 to 31 days (2019: 1 to 31 days) and 1 day (2019: 1 day) respectively.

28. CASH AND BANK BALANCES

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Cash at banks and on hand	**161,015**	156,325	**116,306**	87,683
Deposits with:				
Licensed banks	**288,404**	309,109	**152,329**	149,271
Foreign financial institutions	**287,018**	323,289	**244,478**	256,677
Cash and bank balances (Note 24)	**736,437**	788,723	**513,113**	493,631

28. CASH AND BANK BALANCES (cont'd)

Included in cash and bank balances of the Group and of the Company is an amount of RM76,874,000 (2019: RM49,033,000) held pursuant to Section 7A of the Housing Development (Control and Licensing) Act 1966, and are restricted from use in other operations.

Short-term deposits are made for varying periods of between one to twelve months depending on the immediate cash requirements of the Group and of the Company, and earn interest at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2020 for the Group and the Company were 0.56% per annum (2019: 1.90% per annum) and 0.60% per annum (2019: 2.00% 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	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Cash and bank balances	**736,437**	788,723	**513,113**	493,631
Less:				
Bank overdrafts (Note 29)	**(48,818)**	(36,586)	**(48,818)**	(36,586)
Deposits with licensed banks with maturity more than three months	**(235,508)**	(151,794)	**(222,781)**	(139,299)
Cash and cash equivalents	**452,111**	600,343	**241,514**	317,746

29. LOANS AND BORROWINGS

	Maturity	Group		Company	
		2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
Current					
Unsecured:					
Bank overdrafts (Note 28)	On demand	**48,818**	36,586	**48,818**	36,586
Secured:					
Notes payable	2021	**11,931**	198,977	**-**	-
		60,749	235,563	**48,818**	36,586
Non-Current					
Secured:					
Notes payable	2023	**169,108**	-	**-**	-
Total loans and borrowings (Note 30)		**229,857**	235,563	**48,818**	36,586

The remaining maturities of the loans and borrowings as at 31 December 2020 and 2019 are as follows:-

	Group		Company	
	2020 RM'000	2019 RM'000	**2020 RM'000**	2019 RM'000
On demand or within 1 year	**60,749**	235,563	**48,818**	36,586
More than 1 year and less than 5 years	**169,108**	-	**-**	-
	229,857	235,563	**48,818**	36,586

29. LOANS AND BORROWINGS (cont'd)

Bank overdrafts
Bank overdrafts were denominated in RM and bore interest at BLR + 0.75% (2019: BLR + 0.75%) per annum.

Notes payable
The notes payable of the Group bear interest ranging from LIBOR + 1.03% to 1.05% (2019: LIBOR + 1.03% to 1.05%) per annum and mature in July 2023. The loans are denominated in USD, secured by corporate guarantee from the Company and are collateralized by a Deed of Trust over property, plant and equipment of the Group amounting to RM293,219,000 (2019: RM374,314,000) as disclosed in Note 14.

30. TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Current				
Trade payables				
Third parties	**62,855**	78,079	**59,733**	73,378
Due to a subsidiary	**-**	-	**67,267**	61,793
	62,855	78,079	**127,000**	135,171
Other payables				
Accruals	**19,718**	28,263	**10,516**	9,625
Sundry payables	**21,736**	28,675	**10,106**	15,420
Refundable deposits	**5,120**	5,730	**1,036**	918
Due to a subsidiary	**-**	-	**1**	-
	46,574	62,668	**21,659**	25,963
Total: Current	**109,429**	140,747	**148,659**	161,134
Non-current				
Trade payables				
Retention sum	**9,647**	8,322	**9,647**	8,322
Other payables				
Refundable deposits	**4,094**	4,048	**2,072**	2,128
Total: Non-current	**13,741**	12,370	**11,719**	10,450
Total trade and other payables	**123,170**	153,117	**160,378**	171,584
Add: Loans and borrowings (Note 29)	**229,857**	235,563	**48,818**	36,586
Add: Lease liability (Note 32)	**-**	707	**-**	-
Total financial liabilities carried at amortised cost	**353,027**	389,387	**209,196**	208,170

(a) Trade payables - third parties

Trade payables are non-interest bearing and are normally settled on 30 to 45 days (2019: 30 to 45 days) terms.

(b) Other payables

Other payables are non-interest bearing and are normally settled on 30 to 60 days (2019: 30 to 60 days) terms.

(c) Amounts due to subsidiaries

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

31. OTHER CURRENT LIABILITIES

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
Deposits received from tenants	**412**	537	**277**	223

32. LEASE LIABILITIES

The Group's lease liability is for land which is being used as a parking lot. The lease expires in 2020 and contains no renewal option.

	Group	
	2020	2019
	RM'000	RM'000
Lease liability		
Current	**-**	**707**

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

	Group	
	2020	2019
	RM'000	RM'000
At 1 January	**707**	1,324
Interest expense on lease liabilities (Note 7)	**27**	74
Payments of:		
- Principal	**(705)**	(655)
- Interest (Note 7)	**(27)**	(74)
Exchange differences	**(2)**	38
At 31 December	**-**	707

33. SHARE CAPITAL

	Number of ordinary shares		Amount	
	2020	2019	**2020**	2019
	'000	'000	**RM'000**	RM'000
Issued and fully paid :				
At 1 January/31 December	**361,477**	361,477	**372,005**	372,005

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

34. OTHER RESERVES

The nature and purpose of each category of reserves are as follows:

Non-distributable reserves

(a) Fair value reserve
Fair value reserve represents the cumulative fair value changes, net of tax, of financial assets measured at fair value through other comprehensive income until they are disposed of.

(b) Translation reserve
The translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(c) Treasury shares
Treasury shares relate to ordinary shares of the Company that are reacquired and held by the Company. The amount consists of acquisition costs.

The shareholders of the Company, by an ordinary resolution passed in an Annual General Meeting held on 27 August 2020, renewed their approval for the Company's plan to repurchase its own shares. The directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the reacquired plan can be applied in the best interests of the Company and its shareholders. The shares reacquired are being held as treasury shares in accordance with the requirement of Section 127(6) of the Companies Act 2016.

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

Of the total 361,477,000 (2019: 361,477,000) issued and fully paid ordinary shares, 2,174,000 (2019: 2,174,000) are held as treasury shares by the Company. The number of outstanding ordinary shares after set-off is 359,303,000 (2019: 359,303,000).

35. RETAINED EARNINGS

The entire retained earnings of the Company as at 31 December 2020 and 31 December 2019 may be distributed as dividends under the single tier system.

36. DEFERRED TAXATION

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

Group	As at 1 January 2019 RM'000	Recognised in profit or loss (Note 11) RM'000	Exchange differences RM'000	As at 31 December 2019 RM'000	Recognised in profit or loss (Note 11) RM'000	Exchange differences RM'000	As at 31 December 2020 RM'000
Deferred tax liabilities:							
Property, plant and equipment and investment properties	20,289	(937)	(165)	19,187	(753)	(238)	18,196
Bearer plants	2,473	1,257	-	3,730	582	-	4,312
Biological assets	160	(13)	-	147	(7)	-	140
Right-of-use assets	2,141	(43)	-	2,098	(43)	-	2,055
Inventories - land held for property development	1,288	(28)	-	1,260	(16)	-	1,244
Receivables	4,162	(2,169)	(21)	1,972	(190)	(27)	1,755
Derivatives	11	(11)	-	-	21	-	21
Others	329	32	-	361	(277)	-	84
	30,853	(1,912)	(186)	28,755	(683)	(265)	27,807
Deferred tax assets:							
Property, plant and equipment	-	(13,052)	52	(13,000)	(19,108)	1,006	(31,102)
Receivables	(4)	(541)	-	(545)	545	-	-
Unutilised tax losses, investment tax, allowances and capital allowances	(1,208)	1,208	-	-	(2,291)	91	(2,200)
Provisions	(2,575)	(44)	4	(2,615)	79	1	(2,535)
Inventories - others	(1,394)	132	-	(1,262)	(194)	-	(1,456)
Inventories - land held for property development	-	(17,525)	-	(17,525)	-	-	(17,525)
Other payables	(489)	(31)	5	(515)	(53)	8	(560)
	(5,670)	(29,853)	61	(35,462)	(21,022)	1,106	(55,378)
Deferred tax liabilities/(assets)	25,183	(31,765)	(125)	(6,707)	(21,705)	841	(27,571)

Group	**2020 RM'000**	2019 RM'000
Presented after appropriate offsetting as follows :		
Deferred tax assets	(32,668)	(14,928)
Deferred tax liabilities	5,097	8,221
	(27,571)	(6,707)

36. DEFERRED TAXATION (cont'd)

Company	As at 1 January 2019 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2019 RM'000	Recognised in profit or loss (Note 11) RM'000	As at 31 December 2020 RM'000
Deferred tax liabilities:					
Property, plant and equipment	2,936	(204)	2,732	(179)	2,553
Bearer plants	579	1,218	1,797	585	2,382
Biological assets	4	3	7	3	10
Inventories - land held for property development	1,288	(28)	1,260	(16)	1,244
Receivables	2,218	(2,218)	-	-	-
Derivatives	12	(11)	1	20	21
Others	285	32	317	(277)	40
	7,322	(1,208)	6,114	136	6,250
Deferred tax assets:					
Provisions	(2,360)	12	(2,348)	(119)	(2,467)
Receivables	-	(540)	(540)	540	-
Inventories - others	(730)	101	(629)	14	(615)
Inventories - land held for property development	-	(17,525)	(17,525)	-	(17,525)
Unutilised tax losses	(1,208)	1,208	-	(32)	(32)
	(4,298)	(16,744)	(21,042)	403	(20,639)
Deferred tax liabilities/(assets)	3,024	(17,952)	(14,928)	539	(14,389)

Company	**2020 RM'000**	2019 RM'000
Deferred tax assets	(14,389)	(14,928)

As at 31 December 2020, deferred tax assets of approximately RM26,449,000 (2019 : RM18,308,000) arising principally from the unabsorbed tax losses and capital allowances of certain subsidiaries have not been recognised for the Group as it is not probable that the subsidiaries concerned will have sufficient future taxable profits available to utilise and realise the unabsorbed tax losses and capital allowances.

37. COMMITMENTS

	Group		Company	
	2020	2019	**2020**	2019
	RM'000	RM'000	**RM'000**	RM'000
(a) Capital expenditures :				
Approved and contracted for				
- property, plant and equipment	**3,949**	7,665	**2,886**	2,882
- investment properties	**1,134**	28,204	**983**	28,075
	5,083	35,869	**3,869**	30,957
(b) Future minimum rentals receivable:				
Within one year	**20,151**	22,371	**6,295**	7,090
Within two to five years	**15,516**	17,550	**5,297**	6,219
After five years	**206**	354	**206**	349
	35,873	40,275	**11,798**	13,658

(c) Management and franchise license agreement

(i) KSG Enterprises Ltd. ("KSG") has an agreement with DoubleTree Management LLC to operate a hotel. Under the agreement, KSG is required to pay a base management fee and incentive fee.

(ii) KSNY Enterprises Ltd. ("KSNY") has an agreement with SpringHill FMC,LLC to operate a hotel. Under the agreement, KSNY is required to pay a base management fee and incentive fee.

(iii) KSD Enterprises Ltd. ("KSD") has a franchise license agreement with Global Hospitality Licensing S.A R.L. to operate a Delta Hotel and Resorts Canadian franchise which allows the hotel to use the brand name of Delta at a fee mutually agreed by both parties.

38. RELATED PARTY DISCLOSURES

Sale and purchase of goods and services

In addition to the related party balances disclosed in Notes 24 and 30, the following related party transactions between the Company and related parties that took place at terms agreed between the parties during the financial year :

	Company	
	2020	2019
	RM'000	RM'000
Subsidiaries:		
Purchases	**48,416**	33,868
Sales	**52,105**	41,009
Rental income	**855**	1,232
Gross dividends	**15,180**	8,469
Interest income	**7,021**	9,881
Management fees	**1,192**	1,192

38. 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	
	2020	2019
	RM'000	RM'000
Commission on sales and purchases	**5,954**	4,969

During the year, consultancy fees amounting to RM978,000 (2019: RM1,091,000) was paid by a foreign subsidiary to an entity related to a Director of the foreign subsidiary.

39. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Determination of fair value

Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value:

	Note
Trade and other receivables (current and non-current)	24
Short term funds (current)	27
Trade and other payables (current and non-current)	30
Loans and borrowings (current and non-current)	29

The carrying amounts of current financial assets and liabilities are reasonable approximations of fair values due to their short-term nature and the insignificant impact of discounting.

The carrying amounts of non-current financial assets and liabilities are reasonable approximations of fair values as the interest charge on these loans and borrowings are pegged to, or close to, market interest rates near or at reporting date.

Quoted equity instruments

The fair value of quoted equity instruments is determined directly by reference to their published market closing bid price at the reporting date.

Unquoted equity instruments in Malaysia

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

Unquoted equity and debt instruments 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.

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

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

Unquoted equity and debt instruments outside Malaysia (cont'd)

Information on fair value measurement of the above unquoted equity and debt instruments are as follows:

a) Valuation techniques: Adjusted net assets value

b) Significant unobservable input:
(i) Valuation of underlying hotel assets using income approach;
(ii) Discount for lack of control and marketability: 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% (2019: 5%) on the underlying asset values would have increased/decreased the Group's profit by RM3,568,000 (2019: RM5,947,000). 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% (2019: 1%) would have increased/decreased the Group's profit by RM714,000 (2019: RM1,189,000).

Short term funds

The short term funds for money market funds are valued using a valuation technique with market observable inputs.

Derivatives

The derivative for forward currency contracts are valued using a valuation technique with market observable inputs.

(b) Fair value hierarchy

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

At 31 December 2020

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	56,520	56,520	-	-
(quoted outside Malaysia)	279,922	279,922	-	-
(unquoted in Malaysia)	3,240	-	-	3,240
Fair value through profit or loss				
- Debt instrument				
(unquoted outside Malaysia)	71,363	-	-	71,363
- Short term funds				
(money market funds)	199,607	-	199,607	-
- Derivatives	83	-	83	-
	610,735	336,442	199,690	74,603

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

(b) Fair value hierarchy (cont'd)

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Company				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	53,508	53,508	-	-
(quoted outside Malaysia)	111,846	111,846	-	-
(unquoted in Malaysia)	3,238	-	-	3,238
Fair value through profit or loss				
- Short term funds (money market funds)	27,680	-	27,680	-
- Derivatives	83	-	83	-
	196,355	165,354	27,763	3,238

At 31 December 2019

	Total RM'000	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000
Group				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	63,275	63,275	-	-
(quoted outside Malaysia)	306,716	306,716	-	-
(unquoted in Malaysia)	141	-	-	141
Fair value through profit or loss				
- Debt instrument (unquoted outside Malaysia)	82,907	-	-	82,907
- Equity instrument (unquoted outside Malaysia)	36,027	-	-	36,027
- Short term funds (money market funds)	217,225	-	217,225	-
	706,291	369,991	217,225	119,075
Company				
Assets measured at fair value				
Fair value through other comprehensive income				
- Equity instruments				
(quoted in Malaysia)	60,053	60,053	-	-
(quoted outside Malaysia)	104,533	104,533	-	-
(unquoted in Malaysia)	138	-	-	138
Fair value through profit or loss				
- Short term funds (money market funds)	54,861	-	54,861	-
	219,585	164,586	54,861	138

40. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include interest rate risk, foreign currency risk, liquidity risk, credit risk and market price risk.

The Board of Directors decides and reviews policies and procedures for the management of these risks and the Group's policy is not to engage in speculative transactions.

It is and has been the Group's policy throughout the current and previous financial year that no derivatives be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group and the Company do not apply hedge accounting.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group had no substantial long-term interest-bearing assets as at 31 December 2020. The investment in financial assets are mainly short term in nature and have been mostly placed in fixed deposits, marketable securities and occasionally, in short term commercial papers which yield better returns than deposits with banks.

The Group's and the Company's primary interest rate risk relates to interest-bearing borrowings and money market funds. The Group and the Company manage its interest rate exposure by maintaining a prudent mix of fixed and floating rate borrowings. Interest on financial instruments subject to floating interest rates is contractually repriced at intervals determined by the financial institutions. Interest on financial instruments at fixed rates are fixed until the maturity of the instrument.

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

(a) Interest rate risk (cont'd)

The table below shows the carrying amount and interest rate profile of the interest bearing financial instruments of the Group and the Company as at the reporting date:

	Note	2020 RM'000	2019 RM'000
Group			
Fixed rate instruments			
Deposits with licensed banks and foreign financial institutions	28	**575,422**	632,398
Floating rate instruments			
Money market funds	27	**199,607**	217,225
Bank overdrafts	29	**(48,818)**	(36,586)
Notes Payable	29	**(181,039)**	(198,977)
		(30,250)	(18,338)
Company			
Fixed rate instruments			
Deposits with licensed banks and foreign financial institutions	28	**396,807**	405,948
Floating rate instruments			
Money market funds	27	**27,680**	54,861
Bank overdrafts	29	**(48,818)**	(36,586)
		(21,138)	18,275

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 impact to the Group's and the Company's profit net of tax is RM186,000 (2019 : RM189,000) and RM36,000 (2019 : RM98,000) respectively.

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

(b) Foreign currency risk

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

Group	Euro Dollar ("EUR") RM'000	Canadian Dollar ("CAD") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Total RM'000
2020					
Financial assets					
Trade receivables	**-**	**-**	**7**	**15,588**	**15,595**
Cash and bank balances	**23**	**2,736**	**306,524**	**285,382**	**594,665**
Financial liabilities					
Trade and other payables	**(15)**	**-**	**(182)**	**(60)**	**(257)**
Net financial assets	**8**	**2,736**	**306,349**	**300,910**	**610,003**
Less : Forward currency contracts	**-**	**-**	**-**	**(7,533)**	**(7,533)**
Net exposure	**8**	**2,736**	**306,349**	**293,377**	**602,470**
2019					
Financial assets					
Trade receivables	-	-	6	14,594	14,600
Cash and bank balances	177	8,317	270,760	381,029	660,283
Financial liabilities					
Trade and other payables	-	-	(198)	(6,261)	(6,459)
Net financial assets, representing net exposure	177	8,317	270,568	389,362	668,424

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

(b) Foreign currency risk (cont'd)

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

Company	Euro Dollar ("EUR") RM'000	Singapore Dollar ("SGD") RM'000	United States Dollar ("USD") RM'000	Hong Kong Dollar ("HKD") RM'000	Total RM'000
2020					
Financial assets					
Trade receivables	**-**	**7**	**13,882**	**-**	**13,889**
Due from subsidiaries	**-**	**-**	**145,340**	**308,042**	**453,382**
Cash and bank balances	**-**	**297,572**	**127,341**	**-**	**424,913**
Financial liabilities					
Trade and other payables	**(15)**	**(182)**	**(60)**	**-**	**(257)**
Net financial assets	**(15)**	**297,397**	**286,503**	**308,042**	**891,927**
Less : Forward currency contracts	**-**	**-**	**(7,533)**	**-**	**(7,533)**
Net exposure	**(15)**	**297,397**	**278,970**	**308,042**	**884,394**
2019					
Financial assets					
Trade receivables	-	-	13,402	-	13,402
Due from subsidiaries	-	-	169,212	285,625	454,837
Cash and bank balances	-	248,610	180,873	-	429,483
Financial liabilities					
Trade and other payables	-	(198)	(6,261)	-	(6,459)
Net financial assets, representing net exposure	-	248,412	357,226	285,625	891,263

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

(b) Foreign currency risk (cont'd)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and Company's profit net of tax resulting from change in the exchange rates of USD, SGD, HKD, EUR and CAD against the functional currency of the Group entities since the financial year end until the most practical date of completion of this report.

			Profit net of tax			
			Group		Company	
	2020 strengthened/(weakened)	2019 strengthened/(weakened)	2020 RM'000	2019 RM'000	2020 RM'000	2019 RM'000
USD/RM	**0.7**	2.7	**1,449**	7,931	**1,378**	7,276
SGD/RM	**0.2**	(0.7)	**419**	(1,522)	**407**	(1,397)
HKD/RM	**0.6**	2.6	**-**	-	**1,787**	5,644
EUR/RM	**(1.0)**	(2.4)	**-**	(3)	**-**	-
CAD/RM	**1.1**	0.1	**23**	7	**-**	-
Total			**1,891**	6,413	**3,572**	11,523

If the foreign exchange rates were to fluctuate in the opposite direction, it would cause the loss 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:

2020	On demand or within 1 year RM'000	1 - 5 years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	**109,429**	**13,741**	**123,170**
Loans and borrowings	**62,083**	**171,082**	**233,165**
Total undiscounted financial liabilities	**171,512**	**184,823**	**356,335**
Company			
Financial liabilities:			
Trade and other payables	**148,659**	**11,719**	**160,378**
Loans and borrowings	**48,818**	**-**	**48,818**
Total undiscounted financial liabilities	**197,477**	**11,719**	**209,196**

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

(c) Liquidity risk (cont'd)

2019	On demand or within 1 year RM'000	1 - 5 years RM'000	Total RM'000
Group			
Financial liabilities:			
Trade and other payables	140,747	12,370	153,117
Loans and borrowings	238,367	-	238,367
Lease liabilities	707	-	707
Total undiscounted financial liabilities	379,821	12,370	392,191
Company			
Financial liabilities:			
Trade and other payables	161,134	10,450	171,584
Loans and borrowings	36,586	-	36,586
Total undiscounted financial liabilities	197,720	10,450	208,170

(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. 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 incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. 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.

The Company has a concentration of credit risk in the form of outstanding balances from its subsidiaries representing 85% (2019: 91%) of its total receivables.

The ageing analysis of receivables which are trade in nature is disclosed in Note 24. Short- term funds, short-term deposits with banks and other financial institutions that are neither past due nor impaired are placed with or entered into with reputable banks and financial institutions with high credit ratings and no history of default.

<u>Exposure to credit risk</u>

At the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position, including derivatives with positive values and the following corporate guarantee :

	Company	
	2020 RM'000	2019 RM'000
Corporate guarantees for borrowing facilities granted by financial institutions to subsidiaries	**181,039**	198,977

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

(d) Credit risk (cont'd)

Exposure to credit risk (cont'd)

Financial guarantees have not been recognised in the financial statements as the directors are of the opinion that the fair value on initial recognition was not material and that it is not probable that a future sacrifice of economic benefits will be required.

Credit risk concentration profile

The Group and the Company determine concentrations of credit risk by monitoring the country and industry sector profile of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the reporting date are as follows:

	Group			
	2020		2019	
	RM'000	**% of total**	RM'000	% of total
By country:				
Malaysia	**62,863**	**78**	34,002	62
Singapore	**14,264**	**18**	13,409	24
Other countries	**3,258**	**4**	7,605	14
	80,385	**100**	55,016	100
By industry sectors:				
Manufacturing	**40,121**	**50**	30,901	56
Property development and investment	**38,486**	**48**	16,917	31
Hotel and resort	**1,778**	**2**	7,198	13
	80,385	**100**	55,016	100

	Company			
	2020		2019	
	RM'000	**% of total**	RM'000	% of total
By country:				
Malaysia	**56,102**	**79**	29,471	69
Singapore	**14,264**	**20**	13,409	31
Other countries	**354**	**1**	-	-
	70,720	**100**	42,880	100
By industry sectors:				
Manufacturing	**32,823**	**46**	26,047	61
Property development and investment	**37,897**	**54**	16,833	39
	70,720	**100**	42,880	100

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

(e) Market price risk

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

The Group is exposed to equity price risk arising from its investments in quoted equity instruments quoted on Bursa Malaysia, SGX in Singapore, HKEx in Hong Kong, NYSE and NASDAQ in United States of America and EURONEXT Paris in France. These instruments are classified as available for sale financial assets.

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 1%, 8%, 4%, 11%, and 3% (2019: 17%, 20%, 17%, 13%, and 20%) 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	
	2020	2019	**2020**	2019
Other comprehensive income	**RM'000**	RM'000	**RM'000**	RM'000
Listed in Malaysia				
- increased by	**565**	10,757	**535**	10,209
- decreased by	**(565)**	(10,757)	**(535)**	(10,209)
Listed in Singapore				
- increased by	**8,320**	20,900	**6,657**	15,375
- decreased by	**(8,320)**	(20,900)	**(6,657)**	(15,375)
Listed in Hong Kong				
- increased by	**6,631**	32,479	**740**	2,804
- decreased by	**(6,631)**	(32,479)	**(740)**	(2,804)
Listed in United States of America				
- increased by	**711**	828	**711**	828
- decreased by	**(711)**	(828)	**(711)**	(828)
Listed in France				
- increased by	**110**	960	**110**	960
- decreased by	**(110)**	(960)	**(110)**	(960)

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

(f) Changes in liabilities arising from borrowings

	Group	
	2020	2019
	RM'000	RM'000
At 1 January **	**198,977**	225,047
Interest expense on borrowings	**3,573**	7,332
Cash flows:		
- Repayments of loans and borrowings	**(15,375)**	(24,337)
- Interest paid	**(3,573)**	(7,332)
Deferred loan costs	**344**	587
Foreign exchange movement	**(2,907)**	(2,320)
At 31 December **	**181,039**	198,977

** Exclude bank overdrafts

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in line with the changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

Funds in excess of working capital requirement will be placed with financial institutions in short term interest bearing financial instruments to maximise interest income.

Certain subsidiaries of the Group were subject to certain financial covenants imposed by the lenders. The covenant requires the subsidiaries to maintain their debt service ratio by above 1.3 but due to the outbreak of the pandemic during the year, this was waived by the lenders. The loan balances were also kept to below 50% to 60% of the value of the hotel propertues during the financial year.

The Group monitors capital using the debt-to-equity ratio. The debt-to-equity ratios at 31 December 2020 and at 31 December 2019 were as follows:

	Group	
	2020	2019
	RM'000	RM'000
Total loans and borrowings (Note 29)	**229,857**	235,563
Lease liabilities (Note 32)	**-**	707
Less: Cash and bank balances (Note 28)	**(736,437)**	(788,723)
Net surplus	**(506,580)**	(552,453)
Total equity	**2,293,864**	2,391,752
Debt-to-equity ratio (times)	**N/A**	N/A

42. SEGMENT INFORMATION

(a) Business segments:

The Group is organised on a worldwide basis into four major business segments :

(i) Manufacturing - processing and marketing of refined palm oil products;

(ii) Hotels and resort - operations of hotels and golf resort;

(iii) Property - property development and investment; and

(iv) Plantations - cultivation of oil palm.

Other business segments comprise mainly of share investment holding.

The directors are of the opinion that all inter-segment transactions have been entered into in the normal course of business and have been established on terms and conditions that are mutually agreed upon.

2020	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE AND EXPENSES								
Revenue								
- External sales	627,665	63,870	176,152	-	6,776	-	-	874,463
- Intra/inter-segment sales	73,535	-	856	28,202	15,180	-	(117,773)	-
Total revenue	701,200	63,870	177,008	28,202	21,956	-	(117,773)	874,463
Results								
Operating results	17,196	(140,938)	61,052	9,974	(31,377)	19	(8,835)	(92,909)
Foreign exchange loss	-	-	-	-	-	(61)	7	(54)
Finance costs	(151)	(583)	-	-	(6,279)	(5,475)	7,013	(5,475)
Interest income	-	-	-	-	-	20,229	(7,021)	13,208
Profit/(loss) before tax	17,045	(141,521)	61,052	9,974	(37,656)	14,712	(8,836)	(85,230)
Income tax expense								13,256
Loss net of tax								(71,974)

42. SEGMENT INFORMATION (cont'd)

2019	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Others RM'000	Eliminations RM'000	Consolidated RM'000
REVENUE AND EXPENSES								
Revenue								
- External sales	525,883	256,375	184,184	-	12,164	-	-	978,606
- Intra/inter-segment sales	57,924	-	1,232	18,134	8,469	-	(85,759)	-
Total revenue	583,807	256,375	185,416	18,134	20,633	-	(85,759)	978,606
Results								
Operating results	21,180	(31,869)	64,832	(494)	14,498	3,284	18,383	89,814
Foreign exchange loss	-	-	-	-	-	(1,582)	15	(1,567)
Finance costs	(356)	(721)	-	-	(8,807)	(8,265)	9,884	(8,265)
Interest income	-	-	-	-	-	31,665	(9,881)	21,784
Profit/(loss) before tax	20,824	(32,590)	64,832	(494)	5,691	25,102	18,401	101,766
Income tax expense								(10,125)
Profit net of tax								91,641

42. SEGMENT INFORMATION (cont'd)

2020	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Eliminations RM'000	Consolidated RM'000
ASSETS AND LIABILITIES							
Segment assets	231,594	381,660	758,209	172,638	986,467	77,427	2,607,995
Unallocated assets							47,236
Consolidated total assets							2,655,231
Segment assets	81,617	200,425	69,529	2,331	22	250	354,174
Unallocated assets							7,193
Consolidated total liabilities							361,367
OTHER INFORMATION							
Capital expenditure	2,975	3,160	29,170	3,044	-	-	38,349
Depreciation	4,142	29,029	4,949	1,114	-	-	39,234
Amortisation	14	17	-	-	-	-	31
Impairment loss on trade receivables	-	165	295	-	-	-	460
Impairment loss on property, plant and equipment	-	66,465	-	-	-	-	66,465
Fair value loss on financial assets at fair value through profit or loss	-	56,743	-	-	-	-	56,743

42. SEGMENT INFORMATION (cont'd)

2019	Manufacturing RM'000	Hotels and resort RM'000	Property development and investment RM'000	Plantations RM'000	Share investment holding RM'000	Eliminations RM'000	Consolidated RM'000
ASSETS AND LIABILITIES							
Segment assets	232,078	501,224	676,615	168,456	1,121,463	80,970	2,780,806
Unallocated assets							15,122
Consolidated total assets							2,795,928
Segment assets	85,847	232,265	69,802	2,554	23	250	390,741
Unallocated assets							13,435
Consolidated total liabilities							404,176
OTHER INFORMATION							
Capital expenditure	4,531	14,881	9,478	6,038	-	-	34,928
Depreciation	4,688	29,337	4,987	1,030	-	-	40,042
Amortisation	15	17	-	-	-	-	32
Impairment loss on trade receivables	-	69	5	-	-	-	74
Impairment loss on property, plant and equipment	-	45,401	-	-	-	-	45,401
Fair value loss on financial assets at fair value through profit or loss	-	-	-	-	(23,787)	-	(23,787)

42. SEGMENT INFORMATION (cont'd)

(b) Geographical segments:

The Group's four major business segments are operated in five principal geographical areas of the world. In Malaysia, its home country, the areas of operation are principally manufacturing, plantations, property development and investment, golf resort and share investment holding. Areas of operation in other countries are as follows:

Singapore	- investment holding
Hong Kong	- investment holding
Canada	- operation of hotel
United States of America	- operation of hotel

	Malaysia		Singapore		Hong Kong		Canada		United States of America		Consolidated	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	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	**818,401**	733,242	**783**	1,477	**474**	4,976	**23,086**	84,813	**31,719**	154,098	**874,463**	978,606
Segment assets	**1,831,748**	1,763,644	**163,909**	187,564	**246,094**	339,617	**63,804**	88,448	**349,676**	416,655	**2,655,231**	2,795,928
Capital expenditure	**35,330**	21,272	**-**	-	**-**	-	**1,888**	11,226	**1,131**	2,430	**38,349**	34,928

43. SIGNIFICANT EVENT

After the World Health Organisation had declared the novel coronavirus ("COVID-19") as a global pandemic on 11 March 2020, the Malaysian Government imposed the MCO on 18 March 2020, followed by the Conditional MCO and Recovery MCO until 31 December 2020. Since the outbreak of the pandemic, many countries had to implement various lockdown and border closures measures to control and curtail the spread of the disease.

These measures had adversely impacted tourism globally and the Group's hotels and resort operations in Hawaii, New York, Toronto and Tanjong Puteri Golf Resort in Johor were not spared. These operations were temporarily suspended on 1 April 2020 but gradually resumed from the fourth quarter of 2020 except for the hotel in New York. The resumptions were carried out gradually and cautiously amidst strict compliance with the COVID-19 Standard Operating Procedures issued by relevant authorities so as to put the safety of all our guests and employees as top priority .

In light of the pandemic's impact on the operating performance of the Hotel and Resort segments, impairment on financial and non financial assets held by these segments had been considered and assessed. The assets held by other business segments were not materially affected by COVID-19. As the COVID-19 pandemic continues to evolve with new variants, it is challenging to ascertain when the pandemic will come to an end and the full extent of its impact. Nevertheless, management will continue to monitor the development and impact of the COVID-19 pandemic and to take the necessary steps to safeguard and preserve the Group's financial condition, emphasising on liquidity management to meet its continuing financial commitments and liquidity needs of business operations.

44. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 27 April 2021.

ANALYSIS OF SHAREHOLDINGS AS AT 30 APRIL 2021

Total Number of Issued Shares	:	361,477,110 ordinary shares (including 2,173,500 shares held as treasury shares)
Class of Shares	:	Ordinary shares
Voting Rights	:	One (1) vote per ordinary share

A. SIZE OF SHAREHOLDINGS

Holdings	No. of Holders	%	No. of Shares	%
Less than 100	172	2.330	6,104	0.001
100 to 1,000	915	12.395	738,466	0.206
1,001 to 10,000	4,544	61.555	18,535,232	5.159
10,001 to 100,000	1,552	21.024	45,147,479	12.565
100,001 to less than 5% Issued Shares	194	2.628	85,504,514	23.797
5% and above of Issued Shares	5	0.068	209,371,815	58.272
	7,382	**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 Bch)	76,532,378	21.300
2.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Bank Julius Baer & Co. Ltd. (Hong Kong Branch)	68,648,789	19.106
3.	Ho Eng Chong @ Ho Kian Cheong	23,658,162	6.585
4.	UOB Kay Hian Nominees (Asing) Sdn. Bhd. Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	22,307,486	6.209
5.	Plentong Quarry (M) Sdn Bhd	18,225,000	5.072
6.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for UBS AG Hong Kong (Foreign)	12,013,872	3.344
7.	UOB Kay Hian Nominees (Tempatan) Sdn Bhd Exempt AN for UOB Kay Hian Pte Ltd (A/C Clients)	5,441,825	1.515
8.	Ang Teow Cheng & Sons Sdn Bhd	4,000,000	1.113
9.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8106483)	2,956,100	0.823
10.	Alliancegroup Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Teh Win Kee (8016787)	2,471,450	0.688
11.	Ang Seng Chin	2,023,000	0.563
12.	DB (Malaysia) Nominee (Asing) Sdn Bhd Exempt AN for Deutsche Bank AG Singapore (Maybank SG PWM)	1,975,300	0.550
13.	Tan Jin Tuan	1,918,966	0.534
14.	Tunku Zahrah Binti Tunku Osman	1,545,000	0.430
15.	Chinchoo Investment Sdn. Berhad	1,530,000	0.426
16.	Citigroup Nominees (Asing) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-NR)	1,369,552	0.381
17.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for Credit Suisse (SG BR-TST-Asing)	1,300,000	0.362
18.	UOB Kay Hian Nominees (Asing) Sdn Bhd Exempt AN for UOB Kay Hian (Hong Kong) Limited (A/C Clients)	1,277,250	0.355

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

No.	Name	No. of Shares Held	%^
19.	Thong Weng Tim	1,135,100	0.316
20.	Key Development Sdn. Berhad	1,024,050	0.285
21.	Lim Peng Jin	1,000,000	0.278
22.	Tan Kien Leng	957,000	0.266
23.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Dimensional Emerging Markets Value Fund	919,100	0.256
24.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for OCBC Securities Private Limited (Client A/C-R ES)	898,000	0.250
25.	Firmstead Realty Sendirian Berhad	835,312	0.232
26.	RHB Nominees (Asing) Sdn Bhd Exempt AN for Phillip Securities Pte. Ltd. (A/C Clients)	813,150	0.226
27.	Eu Lee Chuan Enterprise Sdn Berhad	750,000	0.209
28.	Gooi Seow Mee	740,250	0.206
29.	Wong Yu @ Wong Wing Yu	701,000	0.195
30.	HLIB Nominees (Tempatan) Sdn Bhd Pledged Securities Account for Wong Kang Yeow	667,500	0.186
		259,634,592	**72.261**

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

C. SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders as at 30 April 2021

	Direct Interest		Indirect Interest	
	No. of Shares	**(%)**	**No. of Shares**	**(%)**
Ho Yeow Koon And Sons Private Limited	57,546,789	16.02	21,920,512 [1]	6.10
Dato' Ho Cheng Chong @ Ho Kian Hock	24,899,687	6.93	102,279,573 [2]	28.47
Ho Kim Swee @ Ho Kian Guan	24,395,538	6.79	102,279,573 [2]	28.47
Ho Eng Chong @ Ho Kian Cheong	24,662,436	6.86	18,000,000 [3]	5.01
KS Ocean Inc.	22,812,272	6.35	-	-
Plentong Quarry (M) Sdn. Bhd.	18,225,000	5.07	-	-

Notes:

1 *Deemed interested by virtue of its interest in Plentong Quarry (M) Sdn. Bhd., Firmstead Realty Sendirian Berhad and South West Holdings Sdn. Bhd.*

2 *Deemed interested by virtue of his interest in Ho Yeow Koon And Sons Private Limited, Plentong Quarry (M) Sdn. Bhd., Firmstead Realty Sendirian Berhad, South West Holdings Sdn. Bhd. and KS Ocean Inc.*

3 *Deemed interested by virtue of his interest in Laser Ace Ventures Ltd (BVI), Liteace Management Ltd (BVI), Vuitton Assets Ltd (BVI) and Skytrax Ventures Ltd.*

D. DIRECTORS' SHAREHOLDINGS

According to the Register of Directors' Shareholdings as at 30 April 2021

	Name of Directors	Direct Interest		Deemed Interest	
		No. of Shares	%	No. of Shares	%
1.	Dato' Ho Cheng Chong @ Ho Kian Hock	24,899,687	6.93	102,279,573 [1]	28.47
2.	Ho Kim Swee @ Ho Kian Guan	24,395,538	6.79	102,279,573 [1]	28.47
3.	Ho Eng Chong @ Ho Kian Cheong	24,662,436	6.86	18,000,000 [2]	5.01
4.	Chan Lui Ming Ivan	102,000	0.03	–	–
5.	Lee Huee Nan @ Lee Hwee Leng	88,593	0.02	–	–
6.	Maj-Gen (R) Dato' Muhammad Bin Yunus	–	–	–	–
7.	Too Hing Yeap @ Too Heng Yip	–	–	–	–
8.	Tai Lam Shin	–	–	–	–
9.	Mahathir Bin Mohamed Ismail	–	–	–	–
10.	Liew Foong Yuen	–	–	–	–
11.	Ho Chung Kain (He ChongJing) [Alternate to Dato' Ho Cheng Chong @ Ho Kian Hock]	500,000	0.14	–	–
12.	Ho Chung Hui [Alternate to Lee Huee Nan @ Lee Hwee Leng]	–	–	–	–
13.	Ho Chung Tao [Alternate to Chan Lui Ming Ivan]	–	–	–	–
14.	Ho Chung Kiat, Sydney (He ChongJie, Sydney) [Alternate to Ho Eng Chong @ Ho Kian Cheong]	–	–	–	–

Notes:

1 *Deemed interested by virtue of his interest in Ho Yeow Koon And Sons Private Limited, Plentong Quarry (M) Sdn. Bhd., Firmstead Realty Sendirian Berhad, South West Holdings Sdn. Bhd. and KS Ocean Inc.*

2 *Deemed interested by virtue of his interest in Laser Ace Venture Ltd (BVI), Liteace Management Ltd (BVI), Vuitton Assets Ltd (BVI) and Skytrax Ventures Ltd.*

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 of the directors except Maj-Gen (R) Dato' Muhammad Bin Yunus, Too Hing Yeap @ Too Heng Yip, Tai Lam Shin, Mahathir Bin Mohamed Ismail, Liew Foong Yuen, Ho Chung Hui, Ho Chung Tao and Ho Chung Kiat, Sydney (He ChongJie, Sydney), are deemed to be interested in the shares of all subsidiaries of the Company to the extent the Company has an interest.

PARTICULARS OF GROUP PROPERTIES 2020

LAND FOR AGRICULTURE AND HOUSING DEVELOPMENT

Estate/ Housing Project	Location	Tenure	Area	Description	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.	85,339	18-04-1980 #
Bandar Baru Kangkar Pulai	27 km Pontian Road immediately after Kangkar Pulai Village.	Freehold/ Leasehold	1,793,878 sq metres (Development area)	Development of residential & commercial units including area planted with oil palm. The 99 year lease expires in 2102.	181,846	18-04-1980 #
Tanjong Puteri Resort	35 km south-east of Johor Bahru. Adjacent to Pasir Gudang Industrial Estate.	Freehold	2,388,449 sq metres (Development area)	Development of residential & commercial units including area planted with oil palm.	46,757	18-04-1980 #
Taman Daya	13 km north-east of Johor Bahru. (near Kampong Baru, Kangkar Tebrau)	Freehold	143,091 sq metres (Development area)	Development of residential & commercial units.	10,177	18-04-1980 #
Bukit Chantek, Tong Hing & Tanjong Langsat Estate	10 km east of Ulu Tiram and 30 km from Johor Bahru.	Freehold/ Leasehold	2,485 hec (Planted area)	Oil palm estate including 7.32 hectares of industrial land with 3 industrial buildings erected on it. The 99 year lease expires in 2115.	31,087	18-04-1980/ # 30-04-1987
Lim & Lim (Kong Kong)	10 km east of Ulu Tiram and 31 km from Johor Bahru.	Freehold	820 hec (Planted area)	Oil palm estate.	14,611	1980 #

PARTICULARS OF GROUP PROPERTIES 2020 [cont'd]

BUILDING

Building Type	Location	Tenure	Area	Description	Approximate Age Of Building (Years)	Net Carrying Amount RM'000	Date Of Last Revaluation(#) /Date Of Acquisition
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.	49	110,350	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.	7	174,340	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.	25	44,688	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.	56	45,145	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.	30	47,505	11-07-2006
Office Space	Peninsula Plaza, 21st Floor, 111, North Bridge Road, Singapore 179098.	Leasehold	798 sq metres (Floor area)	Office space for rental. The 999 year lease expires in 2828.	41	5,028	25-09-1980
Double-Storey Villa	Tanjong Puteri Golf Resort, Pasir Gudang, Johor.	Freehold	47,219 sq metres (Land area)	34 units for recreation.	24	4,666	29-03-1995
Shop Office	137, Jalan Sri Pelangi, Taman Pelangi, 80400 Johor Bahru.	Freehold	156 sq metres (Land area)	1 unit 3 storey shop office.	40	35	14-07-1981
Shopping Complex	Jalan Daya, Taman Daya, 81100 Johor Bahru, Johor.	Freehold	28,368 sq metres (Land area)	Single storey shopping complex for rental.	11	3,446	01-05-2010
TD Point Retail Mall	Jalan Daya, Taman Daya, 81100 Johor Bahru, Johor.	Freehold	17,974 sq metres (Land area)	32 units of single storey shops and 8 units of double storey shops	2	9,230	01-04-2019
Loon Sing Restaurant	No. 1, Jalan Sagu 21, Taman Daya, 81100 Johor Bahru, Johor.	Freehold	9,837 sq metres (Land area)	Restaurant building	1	7,228	01-03-2020

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Fifty-First Annual General Meeting ("51st AGM") of the Company will be held entirely through live streaming from the **Broadcast Venue at Conference Room, Suite 15-01, 15th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia** on **Tuesday, 22 June 2021** at **10.00 a.m.** for the following purposes:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2020 together with the Reports of the Directors and Auditors thereon. *(Please refer to the Explanatory Notes to the Agenda)*
2. To approve the payment of Directors' fees of RM1,085,000 for the financial year ended 31 December 2020. *(Ordinary Resolution 1)*
3. To approve the payment of Directors' benefits up to an aggregate amount of RM350,000 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company. *(Ordinary Resolution 2)*
4. To re-elect the following Directors who are retiring in accordance with Clause 76(3) of the Constitution of the Company:-
   (i) Dato' Ho Cheng Chong @ Ho Kian Hock *(Ordinary Resolution 3)*
   (ii) Lee Huee Nan @ Lee Hwee Leng *(Ordinary Resolution 4)*
   (iii) Too Hing Yeap @ Too Heng Yip *(Ordinary Resolution 5)*
5. To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration. *(Ordinary Resolution 6)*

AS SPECIAL BUSINESS:

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

6. **Proposed continuation in office of Too Hing Yeap @ Too Heng Yip as Independent Non-Executive Director**

   "**THAT** approval be and is hereby given to Too Hing Yeap @ Too Heng Yip who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance." *(Ordinary Resolution 7)*

7. **Proposed continuation in office of Maj-Gen (R) Dato' Muhammad Bin Yunus as Independent Non-Executive Director**

   "**THAT** approval be and is hereby given to Maj-Gen (R) Dato' Muhammad Bin Yunus who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than twelve (12) years to continue to act as an Independent Non-Executive Director of the Company until the conclusion of the next Annual General Meeting in accordance with the Malaysian Code on Corporate Governance." *(Ordinary Resolution 8)*

8. **Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016**

"**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 capital of the Company, grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer ("New Shares") from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, PROVIDED THAT the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 20% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 20% General Mandate"). *(Ordinary Resolution 9)*

THAT such approval on the Proposed 20% General Mandate shall continue to be in force until 31 December 2021.

THAT with effect from 1 January 2022, the general mandate shall be reinstated from a 20% limit to a 10% limit pursuant to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad provided that the aggregate number of such New Shares to be issued, to be subscribed under any rights granted, to be issued from conversion of any security, or to be issued and allotted under an agreement or option or offer by the Company from time to time, at such price, to such persons and for such purposes and upon such terms and conditions as the Directors may in their absolute discretion deem fit, pursuant to this resolution, when aggregated with the total number of any such shares issued during the preceding 12 months does not exceed 10% of the total number of issued shares (excluding any treasury shares) of the Company for the time being ("Proposed 10% General Mandate").

THAT such approval on the Proposed 10% General Mandate shall continue to be in force until:

(a) the conclusion of the next Annual General Meeting of the Company held after the approval was given;

(b) the expiration of the period within which the next Annual General Meeting of the Company is required to be held after the approval was given; or

(c) revoked or varied by resolution passed by the shareholders of the Company in a general meeting,

whichever is earlier.

(The Proposed 20% General Mandate and Proposed 10% General Mandate shall hereinafter refer to as "Proposed General Mandate".)

THAT the Directors of the Company be and are hereby also empowered to obtain the approval from Bursa Malaysia Securities Berhad for the listing of and quotation for such New Shares on the Main Market of Bursa Malaysia Securities Berhad.

THAT authority be and is hereby given to the Directors of the Company, to give effect to the Proposed General Mandate with full powers to assent to any conditions, modifications, variations and/or amendments as they may deem fit in the best interest of the Company and/or as may be imposed by the relevant authorities.

AND THAT the Directors of the Company, be and are hereby authorised to implement, finalise, complete and take all necessary steps and to do all acts (including execute such documents as may be required), deeds and things in relation to the Proposed General Mandate."

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

"**THAT** subject to the Companies Act 2016, the Constitution of the Company, the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and all other applicable laws, guidelines, rules and regulations, approval be and is hereby given for the Company 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 ("Share Buy-Back Mandate") provided that: ***(Ordinary Resolution 10)***

(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 as at the point of purchase(s);

(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 commence immediately upon 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 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 before the aforesaid expiry date and, in any event, in accordance with the provisions of the Listing Requirements 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 Share Buy-Back Mandate 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 in accordance with the Companies Act 2016, regulations and guidelines."

10. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Constitution of the Company.

By Order of the Board

FONG SOK YEE (MAICSA 7066501) (SSM PC NO. 202008001180)
LIM HOOI MOOI (MAICSA 0799764) (SSM PC NO. 201908000134)
TE HOCK WEE (MAICSA 7054787) (SSM PC NO. 202008002124)
Company Secretaries
Kuala Lumpur

21 May 2021

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 this General Meeting 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 (collectively, "participate") remotely at this General Meeting via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd (the "Share Registrar", "Tricor" or "TIIH") via **TIIH Online** at https://tiih.online. Members are advised to read and follow the procedures provided in the Administrative Guide enclosed herein in order to participate remotely via RPV.*

2. *For the purposes of determining who shall be entitled to attend this General Meeting, the Company shall be requesting the **Record of Depositors as at 11 June 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*

3. *A member entitled to attend and vote at this General Meeting is entitled to 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 of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*

5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*

6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*

7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*

8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting 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
   *The proxy form can be lodged electronically via **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide for further information on electronic lodgement of proxy form via TIIH Online.*

9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*

10. *For a corporate member who has appointed a representative, please deposit the **original or duly certified** certificate of appointment at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if it has not been lodged at the Company's Share Registrar's office earlier. The certificate of appointment should be executed in the following manner:*

    (i) *If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance to the Constitution of the corporate member.*

    (ii) *If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*

        (a) *at least two (2) authorised officers, of whom shall be a director; or*

        (b) *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*

11. *A member who has appointed a proxy or attorney or authorised representative to participate in this General Meeting must request his/her proxy or attorney or authorised representative to register himself/herself for the RPV at the Share Registrar's **TIIH Online** website at https://tiih.online. Please read and follow the procedures provided in the Administrative Guide in order to participate remotely via RPV.*

12. *Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.*

13. *Last date and time for lodging the proxy form is **Sunday, 20 June 2021** at **10.00 a.m.***

14. *Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the notice of general meeting will be put to vote by way of poll.*

EXPLANATORY NOTES TO THE AGENDA

(i) ***Item 1 of the Agenda***
To receive the Audited Financial Statements

This item is meant for discussion only. The provision of Section 340(1)(a) of the Companies Act 2016 does not require a formal approval from the shareholders for the Audited Financial Statements. As such, this Agenda item will not be put forward to vote.

(ii) ***Ordinary Resolution 1***
Payment of Directors' fees

The payment of the Directors' fees of RM1,085,000 for the financial year ended 31 December 2020 will only be made if the proposed Ordinary Resolution 1 has been passed at the 51st AGM of the Company.

(iii) ***Ordinary Resolution 2***
Payment of Directors' benefits

Directors' benefits include benefits-in-kind and allowances payable to Directors and in determining the estimated amount, the Board has considered various factors including the current board size and number of scheduled meetings for the Board and Board Committees for the period from the date of the forthcoming AGM until the next AGM as well as the number of Independent Directors involved in the meeting. In the event the proposed amount is insufficient (due to more meetings/enlarged board size), approval will be sought at the next AGM for the shortfall.

(iv) ***Ordinary Resolutions 3, 4 and 5***
Re-election of Directors

Dato' Ho Cheng Chong @ Ho Kian Hock, Lee Huee Nan @ Lee Hwee Leng and Too Hing Yeap @ Too Heng Yip are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at the 51st AGM.

The Board of Directors has through the Nominating Committee carried out the necessary assessment on the aforesaid Directors and concluded that they met the criteria as prescribed under Paragraph 2.20A of the Main Market Listing Requirements on character, experience, integrity, competence and time commitment to effectively discharge their roles as Directors.

(v) ***Ordinary Resolution 6***
<u>Re-appointment of Auditors</u>

The Board has 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 51st AGM are disclosed in the Audit Committee Report of the Annual Report 2020.

(vi) ***Ordinary Resolutions 7 and 8***
<u>Proposed continuation in office as Independent Non-Executive Directors</u>

Practice 4.2 of the Malaysian Code on Corporate Governance provides that shareholders' approval be sought in the event that the Company intends for an Independent Director who has served in that capacity for more than nine (9) years, to continue to act as Independent Director of the Company.

The Board is recommending to the shareholders for Too Hing Yeap @ Too Heng Yip and Maj-Gen (R) Dato' Muhammad Bin Yunus who have served as Independent Non-Executive Directors of the Company for a cumulative term of more than nine (9) years and twelve (12) years respectively to continue to act as Independent Non-Executive Directors of the Company.

The Board through the Nominating Committee, had assessed and endorsed that Too Hing Yeap @ Too Heng Yip and Maj-Gen (R) Dato' Muhammad Bin Yunus be retained as Independent Non-Executive Directors of the Company as they have continued to display high level of integrity and are objective in their judgement and decision-making in the best interest of the Company, shareholders and stakeholders and are able to express unbiased views without any influence, the detailed justifications are set out in the Annual Report 2020.

(vii) ***Ordinary Resolution 9***
<u>Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016</u>

The proposed ordinary resolution, if passed, will empower the Directors of the Company to issue and allot ordinary shares of the Company from time to time and to grant rights to subscribe for shares in the Company, convert any securities into shares in the Company, or allot shares under an agreement or option or offer, provided that the aggregate number of shares allotted pursuant to this resolution does not exceed 20% of the total number of issued shares (excluding treasury shares) of the Company for the time being ("Proposed 20% General Mandate") up to 31 December 2021. With effect from 1 January 2022, the Proposed 20% General Mandate will be reinstated to a 10% limit ("Proposed 10% General Mandate") according to Paragraph 6.03 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The authority for the Proposed 10% General Mandate will, unless revoked or varied by the Company in a general meeting, expire at the conclusion of the next Annual General Meeting or the expiration of the period within which the next Annual General Meeting is required by law to be held, whichever is earlier.

This proposed resolution is a renewal of the previous year's mandate. This 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 Board of Directors of the Company is of the view that the Proposed 20% General Mandate is in the best interest of the Company and its shareholders as it would allow the Company to raise funds quickly and efficiently during this challenging 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, acquisitions and/or for issuance of shares as settlement of purchase consideration, or other circumstances arise which involve grant of rights to subscribe for shares, conversion of any securities into shares, or allotment of shares under an agreement or option or offer, or such other application as the Directors may deem fit in the best interest of the Company.

As at the date of this notice, the Company did not implement its proposal for new allotment of shares under the general mandate pursuant to Sections 75 and 76 of the Companies Act 2016 which was approved by the shareholders at the last Annual General Meeting held on 27 August 2020 and will lapse at the conclusion of the 51st Annual General Meeting scheduled to be held on 22 June 2021. As at the date of this notice, there is no decision to issue new shares. Should there be a decision to issue new shares after the general mandate is sought, the Company will make an announcement of the actual purpose and utilisation of proceeds arising from such issuance of shares.

(viii) ***Ordinary Resolution 10***
Proposed Renewal of Shareholders' Mandate for Share Buy-Back

The proposed resolution, if passed, will empower the Company to purchase its own shares up to ten percent (10%) of the total number of issued shares of the Company. This authority, unless revoked or varied at a general meeting, will expire at the next AGM of the Company.

Further information relating to this proposed resolution is set out in the Statement to Shareholders dated 21 May 2021 which is available at https://my.keckseng.com/statementtosh/AnnualReport2020/Statement_to_Shareholder.pdf .

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

CDS Account No.
No. of shares held

PROXY FORM

*I/*We ______________________________ (NRIC No./Passport No./Company No. ____________________)
[Full name in Block Letters]

of ____
[Full address]

being a *member/members of KECK SENG (MALAYSIA) BERHAD ("KSMB") hereby appoint the following person(s):-

Name of proxy, NRIC No. & Address	No. of shares to be represented by proxy	%
1.		
and		
2.		

or failing *him/her, the Chairman of the Meeting as *my/our *proxy/proxies to attend and vote for *me/us on *my/our behalf at the Fifty-First Annual General Meeting ("51st AGM") of KSMB to be conducted entirely through live streaming from the **Broadcast Venue** at **Conference Room, Suite 15-01, 15th Floor, Menara Keck Seng, 203 Jalan Bukit Bintang, 55100 Kuala Lumpur, Malaysia** on **Tuesday, 22 June 2021** at **10.00 a.m.** and at any adjournment thereof.

	Ordinary Resolutions	For	Against
1.	To approve the payment of Directors' Fees of RM1,085,000 for the financial year ended 31 December 2020.		
2.	To approve the payment of Directors' benefits up to an aggregate amount of RM350,000 from the date of the forthcoming Annual General Meeting until the next Annual General Meeting of the Company.		
3.	To re-elect Dato' Ho Cheng Chong @ Ho Kian Hock as Director.		
4.	To re-elect Lee Huee Nan @ Lee Hwee Leng as Director.		
5.	To re-elect Too Hing Yeap @ Too Heng Yip as Director.		
6.	To re-appoint Ernst & Young PLT as Auditors of the Company and to authorise the Board of Directors to fix their remuneration.		
7.	Proposed continuation in office of Too Hing Yeap @ Too Heng Yip as Independent Non-Executive Director.		
8.	Proposed continuation in office of Maj-Gen (R) Dato' Muhammad Bin Yunus as Independent Non-Executive Director.		
9.	Proposed Authority to Allot and Issue Shares pursuant to Sections 75 and 76 of the Companies Act 2016.		
10.	Proposed Renewal of Shareholders' Mandate for Share Buy-Back.		

(Please indicate with an "X" in the space provided above on how you wish your vote to be cast. If you do not do so, the proxy will vote or abstain from voting at his/her discretion).

Signed this_______________ day of ______________________ 2021.

____
Signature/Common Seal of Member(s)   Contact No: ______________________________

* Manner of execution:
(a) If you are an individual member, please sign where indicated.
(b) If you are a corporate member which has a common seal, this proxy form should be executed under seal in accordance with the constitution of your corporation.
(c) If you are a corporate member which does not have a common seal, this proxy form should be affixed with the rubber stamp of your company (if any) and executed by:
   (i) at least two (2) authorised officers, of whom one shall be a director; or
   (ii) any director and/or authorised officers in accordance with the laws of the country under which your corporation is incorporated.

Fold this flap for sealing

NOTES:

1. *The Broadcast Venue is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the Chairman of the meeting to be present at the main venue of the meeting.*

   *Members/proxies/corporate representatives/attorneys **WILL NOT BE ALLOWED** to attend this General Meeting 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 (collectively, "participate") remotely at this General Meeting via Remote Participation and Voting facilities ("RPV") provided by Tricor Investor & Issuing House Services Sdn Bhd (the "Share Registrar", "Tricor" or "TIIH") via **TIIH Online** at https://tiih.online. Members are advised to read and follow the procedures provided in the Administrative Guide enclosed herein in order to participate remotely via RPV.*
2. *For the purposes of determining who shall be entitled to attend this General Meeting, the Company shall be requesting the **Record of Depositors as at 11 June 2021**. Only a member whose name appears on this Record of Depositors shall be entitled to attend this General Meeting or appoint a proxy to attend, participate, speak and vote on his/her/its behalf.*
3. *A member entitled to attend and vote at this General Meeting is entitled to 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 of the Company who is entitled to attend and vote at a General Meeting of the Company may appoint not more than two (2) proxies to attend, participate, speak and vote instead of the member at the General Meeting.*
5. *Where a member of the Company is an authorised nominee as defined in the Securities Industry (Central Depositories) Act 1991 ("Central Depositories Act"), it may appoint not more than two (2) proxies in respect of each securities account it holds in ordinary shares of the Company standing to the credit of the said securities account.*
6. *Where a member of the Company is an exempt authorised nominee which holds ordinary shares in the Company for multiple beneficial owners in one securities account ("omnibus account"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the Central Depositories Act which is exempted from compliance with the provisions of Section 25A(1) of the Central Depositories Act.*
7. *Where a member, an authorised nominee or an exempt authorised nominee appoints more than one (1) proxy, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies. The appointment shall not be valid unless he specifies the proportions of his holdings to be represented by each proxy.*
8. *The appointment of a proxy may be made in a hard copy form or by electronic means in the following manner and must be received by the Company not less than forty-eight (48) hours before the time appointed for holding the General Meeting 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, BangsarSouth, 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*

   *The proxy form can be lodged electronically via **TIIH Online** website at https://tiih.online. Please refer to the Administrative Guide for further information on electronic lodgement of proxy form via TIIH Online.*

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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

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9. *Any authority pursuant to which such an appointment is made by a power of attorney must be deposited with the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia not less than forty-eight (48) hours before the time appointed for holding the General Meeting or adjourned General Meeting at which the person named in the appointment proposes to vote. A copy of the power of attorney may be accepted provided that it is certified notarially and/or in accordance with the applicable legal requirements in the relevant jurisdiction in which it is executed.*
10. *For a corporate member who has appointed a representative, please deposit the **original or duly certified** certificate of appointment at the Company's Share Registrar at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia or alternatively, the Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur, Malaysia if it has not been lodged at the Company's Share Registrar's office earlier. The certificate of appointment should be executed in the following manner:*

    (i) *If the corporate member has a common seal, the certificate of appointment should be executed under seal in accordance to the Constitution of the corporate member.*

    (ii) *If the corporate member does not have a common seal, the certificate of appointment should be affixed with the rubber stamp of the corporate member (if any) and executed by:*

    (a) *at least two (2) authorised officers, of whom shall be a director; or*

    (b) *any director and/or authorised officers in accordance with the laws of the country under which the corporate member is incorporated.*
11. *A member who has appointed a proxy or attorney or authorised representative to participate in this General Meeting must request his/her proxy or attorney or authorised representative to register himself/herself for the RPV at the Share Registrar's **TIIH Online** website at https://tiih.online. Please read and follow the procedures provided in the Administrative Guide in order to participate remotely via RPV.*
12. *Please ensure **ALL** the particulars as required in the proxy form are completed, signed and dated accordingly.*
13. *Last date and time for lodging the proxy form is **Sunday, 20 June 2021** at **10.00 a.m.***
14. *Pursuant to Paragraph 8.29A(1) of the Listing Requirements, all resolutions set out in the notice of general meeting will be put to vote by way of poll.*

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