

**CONDENSED CONSOLIDATED STATEMENTS OF PROFIT OR LOSS (UNAUDITED)**  
**FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

	Quarter ended			Year-to-date ended		
	31.3.2024 RM'000	31.3.2023 RM'000	Increase/ (Decrease)	31.3.2024 RM'000	31.3.2023 RM'000	Increase/ (Decrease)
<b>Revenue</b>	1,339,421	1,591,303	(16%)	1,339,421	1,591,303	(16%)
Operating expenses	(1,105,765)	(1,427,825)		(1,105,765)	(1,427,825)	
Net other operating income	33,725	1,523		33,725	1,523	
<b>Operating profit</b>	267,381	165,001	62%	267,381	165,001	62%
Finance costs	(48,040)	(50,763)		(48,040)	(50,763)	
Share of results of associates and joint ventures	4,614	5,500		4,614	5,500	
<b>Profit before tax</b>	223,955	119,738	87%	223,955	119,738	87%
Tax expense	(67,920)	(47,060)		(67,920)	(47,060)	
<b>Profit for the period</b>	156,035	72,678	115%	156,035	72,678	115%
<b>Profit attributable to:</b>						
Owners of the Company	137,277	50,765	170%	137,277	50,765	170%
Non-controlling interests	18,758	21,913		18,758	21,913	
	156,035	72,678		156,035	72,678	
<b>Earnings per share (sen)</b>						
Basic	5.51	2.04	170%	5.51	2.04	170%
Diluted	N/A	N/A		N/A	N/A	

*The Condensed Consolidated Statements of Profit or Loss should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements*

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE FIRST QUARTER AND YEAR-TO-DATE ENDED 31 MARCH 2024**

	Quarter ended		Year-to-date ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
<b>Profit for the period</b>	156,035	72,678	156,035	72,678
<b>Other comprehensive income/(expense) net of tax:</b>				
<i>Items that will be reclassified subsequently to profit or loss</i>				
Foreign currency translation differences for foreign operations	10,121	15,220	10,121	15,220
Share of foreign currency translation differences of associates and joint ventures	(3,553)	1,398	(3,553)	1,398
Change in fair value of cash flow hedge	715	8,939	715	8,939
<b>Total other comprehensive income for the period</b>	7,283	25,557	7,283	25,557
<b>Total comprehensive income for the period</b>	<u>163,318</u>	<u>98,235</u>	<u>163,318</u>	<u>98,235</u>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	142,456	72,837	142,456	72,837
Non-controlling interests	20,862	25,398	20,862	25,398
	<u>163,318</u>	<u>98,235</u>	<u>163,318</u>	<u>98,235</u>

*The Condensed Consolidated Statements of Comprehensive Income should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements*

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)  
AS AT 31 MARCH 2024**

	<b>As at 31.3.2024</b>	<b>As at 31.12.2023</b>
	RM'000	RM'000 <i>(Audited)</i>
<b>Non-current assets</b>		
Property, plant and equipment	4,704,057	4,650,184
Investment properties	2,795,937	2,775,011
Investment in associates	501,475	500,795
Investment in joint ventures	1,175	672
Land held for property development	2,662,298	2,628,022
Intangible assets	66,780	67,248
Trade and other receivables	1,119,904	1,170,257
Other financial assets	1,320	1,314
Deferred tax assets	65,472	67,356
	<u>11,918,418</u>	<u>11,860,859</u>
<b>Current assets</b>		
Inventories	1,494,320	1,608,515
Property development costs	105,924	107,191
Biological assets	32,723	20,433
Trade and other receivables	1,569,031	1,435,075
Contract assets	19,684	13,272
Tax recoverable	107,407	130,070
Other financial assets	72,918	54,287
Money market deposits	1,631,109	1,146,549
Cash and bank balances	2,119,641	2,274,383
	<u>7,152,757</u>	<u>6,789,775</u>
<b>TOTAL ASSETS</b>	<u>19,071,175</u>	<u>18,650,634</u>

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED) (Continued)**  
**AS AT 31 MARCH 2024**

	<b>As at 31.3.2024</b>	<b>As at 31.12.2023</b>
	RM'000	RM'000
		<i>(Audited)</i>
<b>Equity attributable to owners of the Company</b>		
Share capital	3,519,554	3,519,554
Reserves	4,490,373	4,357,006
	<hr/>	<hr/>
	8,009,927	7,876,560
Less: Treasury shares	(113)	(113)
	<hr/>	<hr/>
	8,009,814	7,876,447
<b>Non-controlling interests</b>	1,388,306	1,398,287
<b>TOTAL EQUITY</b>	<hr/>	<hr/>
	9,398,120	9,274,734
<b>Non-current liabilities</b>		
Trade and other payables	183,483	186,199
Contract liabilities	37,028	37,028
Employee benefits	1,436	1,412
Borrowings	4,418,152	4,141,221
Lease liabilities	122,463	109,387
Deferred tax liabilities	498,218	497,478
	<hr/>	<hr/>
	5,260,780	4,972,725
<b>Current liabilities</b>		
Trade and other payables	1,087,085	1,216,684
Contract liabilities	83,610	76,327
Provisions	318,894	319,321
Tax payable	64,141	64,108
Borrowings	2,831,570	2,693,040
Lease liabilities	26,320	24,609
Other financial liabilities	655	9,086
	<hr/>	<hr/>
	4,412,275	4,403,175
<b>TOTAL LIABILITIES</b>	<hr/>	<hr/>
	9,673,055	9,375,900
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/>	<hr/>
	19,071,175	18,650,634
<b>Net assets per share (RM)</b>	<hr/>	<hr/>
	3.22	3.16
Number of shares net of treasury shares ('000)	2,489,670	2,489,670

*The Condensed Consolidated Statements of Financial Position should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements*

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)  
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2024**

	← Attributable to owners of the Company →				Total RM'000	Non- controlling interests RM'000	Total equity RM'000
	Share capital RM'000	Non- distributable reserves RM'000	Distributable reserves RM'000	Treasury shares RM'000			
<b>At 1 January 2024</b>	3,519,554	144,914	4,212,092	(113)	7,876,447	1,398,287	9,274,734
Profit for the period	-	-	137,277	-	137,277	18,758	156,035
Total other comprehensive income for the period	-	5,179	-	-	5,179	2,104	7,283
Total comprehensive income for the period	-	5,179	137,277	-	142,456	20,862	163,318
Changes in ownership interest in subsidiaries	-	-	(9,089)	-	(9,089)	(6,682)	(15,771)
Dividends paid to non-controlling interests	-	-	-	-	-	(24,161)	(24,161)
<b>At 31 March 2024</b>	<b>3,519,554</b>	<b>150,093</b>	<b>4,340,280</b>	<b>(113)</b>	<b>8,009,814</b>	<b>1,388,306</b>	<b>9,398,120</b>
<b>At 1 January 2023</b>	3,519,554	118,654	4,035,566	(113)	7,673,661	1,320,562	8,994,223
Profit for the period	-	-	50,765	-	50,765	21,913	72,678
Total other comprehensive income for the period	-	22,072	-	-	22,072	3,485	25,557
Total comprehensive income for the period	-	22,072	50,765	-	72,837	25,398	98,235
Acquisition of subsidiary	-	-	-	-	-	3,865	3,865
Dividends paid to non-controlling interests	-	-	-	-	-	(27,619)	(27,619)
<b>At 31 March 2023</b>	<b>3,519,554</b>	<b>140,726</b>	<b>4,086,331</b>	<b>(113)</b>	<b>7,746,498</b>	<b>1,322,206</b>	<b>9,068,704</b>

*The Condensed Consolidated Statements of Changes in Equity should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements*

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)  
FOR THE YEAR-TO-DATE ENDED 31 MARCH 2024**

	<b>Year-to-date ended</b>	
	<b>31.3.2024</b>	<b>31.3.2023</b>
	RM'000	RM'000
<b>Cash flows from operating activities</b>		
Profit before tax	223,955	119,738
Adjustments for:		
Non-cash items	34,208	36,484
Non-operating items	(5,901)	(5,798)
Dividend income	(3,228)	(10,124)
Net interest expense	32,373	43,182
Operating profit before working capital changes	281,407	183,482
Net changes in working capital	(79,058)	11,217
Net changes in loan receivables	(21,482)	8,559
Net tax paid	(42,850)	(52,689)
Net interest paid	(67,361)	(71,208)
Net changes in land held for property development	(11,536)	(7,362)
<b>Net cash flows generated from operating activities</b>	<b>59,120</b>	<b>71,999</b>
<b>Cash flows from investing activities</b>		
Dividends received from money market deposits	3,228	9,936
Increase in money market deposits	(472,232)	(380,477)
Acquisition of subsidiary net of cash acquired	-	3,665
Acquisition of shares from non-controlling interests	(15,771)	-
Proceeds from disposal of property, plant and equipment	1,637	403
Purchase of property, plant and equipment	(78,688)	(64,609)
Additions to investment properties	(14,772)	(10,818)
<b>Net cash flows used in investing activities</b>	<b>(576,598)</b>	<b>(441,900)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to non-controlling interests	(24,161)	(27,619)
Net drawdown of borrowings	392,652	114,043
Payment of lease liabilities	(6,553)	(5,406)
<b>Net cash flows generated from financing activities</b>	<b>361,938</b>	<b>81,018</b>
<b>Net increase in cash and cash equivalents</b>	<b>(155,540)</b>	<b>(288,883)</b>
Effects on exchange rate changes	798	2,242
<b>Cash and cash equivalents at beginning of the year</b>	<b>2,274,383</b>	<b>1,431,980</b>
<b>Cash and cash equivalents at end of the year</b>	<b>2,119,641</b>	<b>1,145,339</b>
<b>Cash and cash equivalents comprise the following amounts:</b>		
Deposits with licensed banks	860,216	551,873
Cash in hand and at bank	1,259,425	593,466
	<b>2,119,641</b>	<b>1,145,339</b>

*The Condensed Consolidated Statements of Cash Flows should be read in conjunction with the Audited Financial Statements for the financial year ended 31 December 2023 and the accompanying explanatory notes attached to the Interim Financial Statements*

## Basis of Preparation

These interim financial statements have been prepared in accordance with the requirements of Malaysian Financial Reporting Standard ["MFRS"] 134, *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ["Bursa Securities"], and should be read in conjunction with the Group's audited financial statements for the financial year ended 31 December 2023.

## Part A: Explanatory Notes Pursuant to MFRS 134

### 1. Accounting policies

The accounting policies and presentation adopted by the Group in these interim financial statements are consistent with those adopted in the audited financial statements for the year ended 31 December 2023.

### 2. Comments on the seasonality or cyclicity of operations

The seasonal or cyclical factors affecting the results of the operations of the Group are as follows:

- (a) The performances of the Group's Property Division and Building Materials Division were influenced by the slowdown in construction activities in the first quarter of the financial year attributable to the timing of seasonal festive period.
- (b) The Group's Plantation Division performance was influenced by general climatic conditions, age profile of oil palms, the cyclical nature of annual production and movements in commodity prices.

### 3. Nature and amount of items affecting assets, liabilities, equity, net income, or cash flows that are unusual because of their nature, size or incidence

Save for the information disclosed in this interim financial report, there were no unusual items affecting assets, liabilities, equity, net income or cash flow during the interim period.

### 4. Nature and amount of changes in estimates of amounts reported in prior interim periods of the current financial year or changes in estimates of amounts reported in prior financial years

There were no changes in estimates of amounts reported in prior financial years.

### 5. Issues, cancellations, repurchases, resale and repayments of debt and equity securities

During the current quarter, there was no buyback of shares, resale nor cancellation of treasury shares.

As at 31 March 2024, the Company held 12,000 ordinary shares as treasury shares and the issued share capital of the Company remained unchanged at 2,489,681,583 ordinary shares.

### 6. Dividends

There was no dividend paid out of shareholders' equity for ordinary shares during the interim period and preceding year corresponding period.

**7. Segment information**

	Plantation RM'000	Property RM'000	Credit financing RM'000	Automotive RM'000	Trading RM'000	Building materials RM'000	Other non- reportable segments RM'000	Eliminations RM'000	Consolidated RM'000
<b>Current quarter/Year-to-date ended 31 March 2024</b>									
<b>Revenue</b>									
External revenue	159,003	220,620	32,610	147,884	587,276	192,028	-	-	1,339,421
Inter-segment revenue	-	6,295	12,384	3,502	56,633	31,151	-	(109,965)	-
<b>Total revenue</b>	<b>159,003</b>	<b>226,915</b>	<b>44,994</b>	<b>151,386</b>	<b>643,909</b>	<b>223,179</b>	<b>-</b>	<b>(109,965)</b>	<b>1,339,421</b>
<b>Operating profit</b>	<b>49,299</b>	<b>120,168</b>	<b>40,120</b>	<b>8,959</b>	<b>34,931</b>	<b>34,419</b>	<b>7,198</b>	<b>(27,713)</b>	<b>267,381</b>
Finance costs									(48,040)
Share of results of associates and joint ventures									4,614
<b>Profit before tax</b>									<b>223,955</b>
<b>Segment assets</b>	<b>2,427,165</b>	<b>8,103,633</b>	<b>2,557,735</b>	<b>618,708</b>	<b>1,357,150</b>	<b>1,987,208</b>	<b>1,344,047</b>	<b>-</b>	<b>18,395,646</b>
<b>Segment liabilities</b>	<b>77,701</b>	<b>1,743,014</b>	<b>931,041</b>	<b>193,812</b>	<b>463,759</b>	<b>1,210,797</b>	<b>4,490,572</b>	<b>-</b>	<b>9,110,696</b>
<b>Current quarter/Year-to-date ended 31 March 2023</b>									
<b>Revenue</b>									
External revenue	159,934	90,853	50,049	465,461	648,028	176,978	-	-	1,591,303
Inter-segment revenue	-	7,298	11,838	2,379	55,308	25,683	-	(102,506)	-
<b>Total revenue</b>	<b>159,934</b>	<b>98,151</b>	<b>61,887</b>	<b>467,840</b>	<b>703,336</b>	<b>202,661</b>	<b>-</b>	<b>(102,506)</b>	<b>1,591,303</b>
<b>Operating profit</b>	<b>32,297</b>	<b>18,699</b>	<b>42,239</b>	<b>29,166</b>	<b>44,824</b>	<b>40,197</b>	<b>(9,990)</b>	<b>(32,431)</b>	<b>165,001</b>
Finance costs									(50,763)
Share of results of associates and joint ventures									5,500
<b>Profit before tax</b>									<b>119,738</b>
<b>Segment assets</b>	<b>2,379,842</b>	<b>7,749,507</b>	<b>2,405,507</b>	<b>858,534</b>	<b>1,442,918</b>	<b>1,684,070</b>	<b>1,535,677</b>	<b>-</b>	<b>18,056,055</b>
<b>Segment liabilities</b>	<b>71,767</b>	<b>1,178,156</b>	<b>842,284</b>	<b>368,948</b>	<b>652,687</b>	<b>1,044,069</b>	<b>4,972,733</b>	<b>-</b>	<b>9,130,644</b>



## 8. Events after the end of the interim period

Save for the subsequent events disclosed at Note 10 of Part B, the following is the only event which occurred after the end of the interim period and up to 24 May 2024:

On 3 May 2024, Hafary Pte Ltd ["HPL"], a wholly-owned subsidiary of Hafary Holdings Limited ["Hafary"], a 50.82%-owned listed subsidiary of the Company, incorporated a subsidiary, namely PT ICMH Ceramic Indonesia ["PT ICMH"] in Indonesia with an issued share capital of IDR10,000,000,000 comprising 100,000 ordinary shares. PT ICMH is principally involved in trading and distribution of tiles.

## 9. Effect of changes in the composition of the Group during the interim period, including business combinations, obtaining or losing control of subsidiaries and long-term investments, restructuring and discontinued operations

There were no changes in the composition of the Group during the interim period, except for the following:

- (a) On 18 January 2024, HPL completed the acquisition of the remaining 19% shareholding in World Furnishing Hub Pte Ltd ["WFHPL"] at a cash consideration of S\$4,465,000. With such completion, WFHPL has become a wholly-owned subsidiary of Hafary on even date. WFHPL is a property investment holding company with leasehold interest of property located at 18 Sungei Kadut Street 2, Singapore, 729236.
- (b) On 5 February 2024, \*HSC Melbourne Holding Pte Ltd ["HSC Melbourne"] was struck off from Accounting and Corporate Regulatory of Singapore. HSC Melbourne was incorporated in Singapore on 1 November 2017 as a private limited company, principally involved in investment holding and was a dormant company since 28 September 2023.
- (c) On 22 February 2024, \*Hap Seng Land Development Sdn Bhd entered into a share sale agreement to acquire the remaining 9,000 ordinary shares representing 20% of the issued share capital of Sierra Ventures Sdn Bhd ["Sierra Ventures"] from Pegawai Penerima dan Pelikuidasi for Trio Dynasty Sdn Bhd (in liquidation), for a cash consideration of RM13,500. Sierra Ventures is principally involved in carrying out food and beverage business. With the completion of the aforesaid acquisition, Sierra Ventures became a wholly-owned subsidiary of the Company.

\* These are the Company's wholly-owned subsidiaries.

## 10. Significant events and transactions

There were no events or transactions which are significant to an understanding of the changes in financial position and performance of the Company since the end of the last annual reporting period and up to 25 May 2024.

## 11. Changes in contingent liabilities or contingent assets since the end of the last annual reporting period

Since the end of the last annual reporting period, the Group does not have any contingent liability or contingent asset as at the end of the financial year which is expected to have an operational or financial impact on the Group.

## 12. Capital commitments

The Group has the following capital commitments:

	<b>As at</b>	<b>As at</b>
	<b>31.3.2024</b>	<b>31.12.2023</b>
	RM'000	RM'000
		<i>(Audited)</i>
Contracted but not provided for		
- property, plant and equipment	419,795	420,330
- investment properties	468,031	563,728
	<u>887,826</u>	<u>984,058</u>

## 13. Significant related party transactions

During the interim period, the Company and its subsidiaries did not enter into any related party transactions or recurrent related party transactions of a revenue or trading nature that had not been included or exceeded by 10% of the estimated value which had been mandated by the shareholders at the annual general meeting held on 25 May 2023.

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**Part B: Explanatory Notes Pursuant to paragraph 9.22 of the Main Market Listing Requirements of Bursa Securities****1. Review of performance**

The Group's revenue for the current quarter was RM1.34 billion, 16% lower than the preceding year corresponding quarter of RM1.59 billion mainly due to lower revenue from Credit Financing, Automotive and Trading Divisions. Nevertheless, Group's operating profit for the current quarter at RM267.4 million was 62% higher than the preceding year corresponding quarter of RM165 million, benefitted from higher profit contribution from Plantation and Property Divisions.

Plantation Division's revenue for the current quarter at RM159 million was close to the preceding year corresponding quarter whilst operating profit at RM49.3 million was 53% higher than the preceding year corresponding quarter of RM32.3 million. Average selling price per tonne of Crude Palm Oil ["CPO"] for the current quarter was lower at RM4,023 whilst average selling price per tonne of Palm Kernel ["PK"] was higher at RM2,329 as compared to the preceding year corresponding quarter of RM4,088 and RM2,182 respectively. CPO sales volume for the current quarter was 34,202 tonnes, marginally above the preceding year corresponding quarter of 33,906 tonnes in spite of lower production as CPO sales in the preceding year corresponding quarter was affected by timing of deliveries. PK sales volume was 5% lower at 8,024 tonnes as compared to the preceding year corresponding quarter of 8,431 tonnes due to lower production. CPO and PK production for the current quarter were both 6% below the preceding year corresponding quarter due to lower fresh fruit bunches ["FFB"] production affected by seasonal yield trend and changes in cropping patterns, and lower volume of FFB purchased but mitigated by higher extraction rates. The division's operating profit for the current quarter was higher, benefitted from lower fertilizer costs and higher gain from fair value adjustments of biological assets of RM12.3 million as compared to RM2.3 million in the preceding year corresponding quarter.

Property Division's revenue and operating profit for the current quarter at RM226.9 million and RM120.2 million were significantly higher than the preceding year corresponding quarter of RM98.2 million and RM18.7 million respectively. All segments except investment properties segment recorded improved performance as compared to the preceding year corresponding quarter. In the current quarter, the division also benefitted from the sale of land. The property development segment's performance benefitted from its concerted efforts to push sales and registered higher units sold in both East and Peninsular Malaysia whilst the hospitality segment registered higher occupancy and average room rates. The investment property segment's revenue was close to the preceding year corresponding quarter but operating profit was affected by operating expense in one of its newly acquired investment property which is scheduled for upgrading and refurbishment works.

Credit Financing Division continues with prudent lending to manage risks and uncertainties in its sectors of financing. Total loan base at the end of the current quarter was lower at RM2.45 billion as compared to the preceding year corresponding quarter of RM2.85 billion. Consequently, the division's revenue for the current quarter at RM45 million was 27% lower than the preceding year corresponding quarter of RM61.9 million. The preceding year corresponding quarter's revenue also benefitted from a reversal of interest in suspense upon the normalisation of loans under the Syarikat Jaminan Pembiayaan Perniagaan (SJPP) Guarantee Scheme. Total non-performing loans ["NPL"] was lower at the end of the current quarter. However, NPL ratio was higher at 2.82% as compared to 2.54% at the end of the preceding year corresponding quarter mainly due to lower loan base. Overall, the division's operating profit for the current quarter at RM40.1 million was 5% below the preceding year corresponding quarter of RM42.2 million.

The Automotive Division's revenue for the current quarter at RM151.4 million was 68% below the preceding year corresponding quarter of RM467.8 million. Operating profit was RM9 million, 69% below the preceding year corresponding quarter of RM29.2 million. The division's current quarter performance was recalibrated by the change in revenue recognition for sales of new cars under the agency model adopted by its principal, Mercedes-Benz Malaysia with effect from 1 September 2023, comprising commission income only. Current quarter's sales volume of new passenger car was also normalised as compared to the preceding year corresponding quarter which benefitted from the fulfilment of orders exempted from sales tax before its expiry on 31 March 2023. The after sales and services segment continues to maintain its service excellence and registered marginal increase in throughput. The commercial vehicle segment's revenue was 17% lower than the preceding year corresponding quarter mainly due to lower volume of vehicles sold, affected by the delay in receiving the completely knocked down assembly kits and new truck models from its principal in Japan.

## 1. Review of performance (continued)

Trading Division's revenue for the current quarter at RM643.9 million was 8% lower than the preceding year corresponding quarter of RM703.3 million. Revenue from fertilizers trading business was 8% below the preceding year corresponding quarter mainly due to lower average selling prices in both its Malaysian and Indonesian markets in tandem with the normalization of global fertilizers prices, mitigated by higher sales volume from its Malaysian operations. The general trading business' revenue was 11% lower than the preceding year corresponding quarter mainly due to the reorganization of its tiles business to the Building Materials Division under Hafary Holdings Limited ["Hafary"] since first quarter last year. Consequently, the division's operating profit for the current quarter at RM34.9 million was 22% below the preceding year corresponding quarter of RM44.8 million.

Building Materials Division's revenue for the current quarter at RM223.2 million was 10% higher than the preceding year corresponding quarter of RM202.7 million with higher contribution from both Hafary and the quarry and brick businesses. Hafary's revenue was 8% above the preceding year corresponding quarter attributable to higher contribution from its Malaysian operations following the reorganization of the tiles business from the Trading Division which mitigated the lower revenue in Singapore. Revenue from quarry and brick businesses for the current quarter was 17% higher than the preceding year corresponding quarter, benefitted from improved average selling price of aggregates in Malaysia and Singapore. The division's operating profit for the current quarter at RM34.4 million was however 14% lower than the preceding year corresponding quarter of RM40.2 million mainly due to lower profit contribution from Hafary's Singapore market.

Overall, Group profit before tax ["PBT"] and profit after tax for the current quarter at RM224 million and RM156 million were higher than the preceding year corresponding quarter by 87% and 115% respectively. Profit attributable to owners of the Company for current quarter at RM137.3 million and basic earnings per share at 5.51 sen were both 170% above the preceding year corresponding quarter.

## 2. Comments on material changes in the profit before tax for the quarter reported as compared with the immediate preceding quarter

	<b>Current Quarter ended 31.3.2024 RM'000</b>	<b>Immediate Preceding Quarter ended 31.12.2023 RM'000</b>	<b>Increase/ (Decrease)</b>
Revenue	<u>1,339,421</u>	<u>1,309,068</u>	2%
Operating profit	<u>267,381</u>	<u>170,564</u>	57%
Profit before tax	<u>223,955</u>	<u>114,599</u>	95%

Group PBT for the current quarter was 95% higher than the immediate preceding quarter mainly attributable to higher contribution from Plantation and Property Divisions reduced by lower contribution from Building Materials Division.

Plantation Division's revenue in the current quarter was 9% lower than the immediate preceding quarter mainly due to lower sales volume of all palm products, mitigated by higher average selling prices. Notwithstanding the lower revenue, operating profit for the current quarter at RM49.3 million was 81% higher than the immediate preceding quarter of RM27.2 million mainly attributable to the gain from fair value adjustments of biological assets of RM12.3 million as compared to a loss of RM21.1 million in the immediate preceding quarter.

## 2. Comments on material changes in the profit before tax for the quarter reported as compared with the immediate preceding quarter (continued)

Property Division's operating profit for the current quarter was RM120.2 million as compared to an operating loss of RM47.4 million in the immediate preceding quarter. The division benefitted from sale of land in the current quarter whilst the immediate preceding quarter's performance was affected by lower average margin from property development segment and write down of property stocks.

Building Materials Division's operating profit for the current quarter at RM34.4 million was 48% lower than the immediate preceding quarter of RM66 million mainly due to lower sales in Hafary's Singapore market generally affected by the contraction in Singapore's construction sector in the first quarter of 2024 as compared to an expansion in the immediate preceding quarter.

## 3. Current year prospects

Malaysia's palm oil inventories at the end of April 2024 increased by 2% month-on-month to 1.74 million tonnes due to lower export which was 7% lower than the previous month. Average monthly CPO price in April 2024 was RM4,257 per tonne. The daily CPO prices which ranged between RM4,307.50 and RM4,519.50 per tonne in the first half of April 2024 closed significantly lower at RM3,859.50 per tonne at the end of April 2024. In May 2024, daily prices up to 17 May 2024 ranged between RM3,844.50 and RM3,949 per tonne. This recent price correction in palm oil has reversed the previous premium over soft oils back to a discount, which could attract fresh buying interest from major palm oil importing countries and support prices in the near term. Meanwhile, supply of soybean oil is expected to be higher in tandem with the higher projected global soybean production whereas global production of rapeseed and sunflower seed is expected to be nearly flat. Against this backdrop, palm oil exports may be dampened and limit any upside in CPO prices in the longer term. Conversely, stagnating global palm oil production, higher biodiesel mandates in Indonesia and higher crude oil futures due to fears of widening conflicts in Middle East, which may boost demand for palm oil as an option for biodiesel feedstock, are likely to limit global palm oil supplies and help to support CPO prices. The Group's Plantation Division continues to put concerted efforts to improve the overall efficiencies of its operations whilst practising good plantation husbandry to further improve FFB yield and extraction rates.

The Malaysian property market is expected to continue its recovery momentum in 2024 aided by various government initiatives to support house buyers such as first home scheme and stamp duty exemptions for eligible buyers as well as the relaxing of the Malaysia My Second Home ["MM2H"] programme requirements. The monetary policy stance of Bank Negara Malaysia to maintain the OPR at 3% during its recent meeting remains supportive of the economy to sustain growth while managing inflationary risks and is expected to encourage house buyers' interest. The Group's Property Division expects to benefit from the encouraging property market outlook, with continuous emphasis placed on driving its property sales through attractive packages offered and collaboration with various property agencies and banks. The division's investment properties segment with relatively stable tenant portfolio is expected to continue to perform favourably with ongoing focus on optimising occupancy rates and rental yield. Tourist arrivals and spendings are expected to rise further in 2024, benefitting the division's hospitality segment.

The Credit Financing Division expects businesses in Malaysia to remain challenging amid the uncertainties in the domestic and global economies. Accordingly, the division will continue to consolidate its business in Malaysia and maintain a strategy of prudent lending whilst constantly reviewing its lending policies to manage operational risks and be vigilant to changes in the economic and financing landscapes surrounding its sectors of financing. Emphasis will also be placed on effective loan collections and non-performing loan recovery to enhance liquidity and asset quality, minimizing NPL, improving net interest margin and maintain a stable and sustainable loan portfolio.

### 3. Current year prospects (continued)

The Malaysian automotive market is expected to soften due to cautious consumers' spendings and the impending fuel-subsidy rationalisation that could weigh on demand for passenger cars. Forecast Total Industry Volume ["TIV"] by the Malaysian Automotive Association for 2024 of 740,000 units (666,000 units passenger cars and 74,000 units of commercial vehicles) is 7.5% lower than 2023, with a decline of 7.4% and 8.2% on passenger cars and commercial vehicles TIV respectively. Nevertheless, the division will continue to build on its strong market network and maintain customer service excellence to grow its sales and after sales and services for both the passenger car and commercial vehicle segments.

The Trading division expects fertilizer prices to remain stable at lower level in 2024 which will encourage higher demand due to better affordability. The general trading business is expected to benefit from growth in the Malaysian construction sector coupled with the revival and acceleration of several infrastructure projects under the Twelfth Malaysia Plan, 2021-2025. Managing inventories and receivables to mitigate operational risks and protect profitability are ongoing focuses of the division.

The Building Materials Division expects its quarry business to continue benefitting from the ongoing infrastructure projects in East Malaysia and Brunei. The anticipated increase in construction activities in tandem with the projected growth of 6.8% in the Malaysian construction sector and the rollout of major projects under Malaysia's 2024 budgeted development expenditure like Pan Borneo Sabah Phase 1B, flood mitigation packages, Sepangar Bay Port and Sabah-Sarawak Link Road are expected to provide business opportunities to the quarry and brick businesses. Hafary anticipates renovation activities in Singapore to increase as the volume of resale property is expected to continue to rise in 2024, with the HDB resale market's transaction volume registering a growth of 5.5% in the first quarter this year. The division will continue to focus on strategies to improve productivity and efficiency as well as strategic product pricing to protect its margin and improve profitability.

Based on the foregoing, the Board is cautiously optimistic of achieving satisfactory results for the financial year ending 31 December 2024.

### 4. Variances between actual profit and forecast profit

Variances between actual profit and forecast profit are not applicable as the Company has not provided any profit forecast in any public document.

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**5. Profit before tax**

	Quarter ended		Year-to-date ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
Profit before tax is arrived at after crediting/(charging):				
Interest income	15,667	7,581	15,667	7,581
Dividend income from equity investment at fair value through other comprehensive income	-	188	-	188
Dividend income from money market deposits	3,228	9,936	3,228	9,936
Net gain on money market deposits at fair value	8,248	1,052	8,248	1,052
Interest expense	(48,040)	(50,763)	(48,040)	(50,763)
Depreciation and amortisation	(53,812)	(51,927)	(53,812)	(51,927)
Net allowance of impairment losses				
- trade receivables	(6,730)	(8,492)	(6,730)	(8,492)
Net reversal of inventories written down	2,938	5,155	2,938	5,155
Gain on disposal of property, plant and equipment	1,287	298	1,287	298
Property, plant and equipment written off	(1,636)	(874)	(1,636)	(874)
Bad debts written off	-	(41)	-	(41)
Net foreign exchange gain/(loss)	6,949	(15,042)	6,949	(15,042)
Net gain on non-hedging derivative instruments	1,360	5,355	1,360	5,355
Net gain from fair value adjustments of biological assets	12,290	2,332	12,290	2,332
Recovery of bad debts	230	172	230	172

Save as disclosed above, the other items as required under Appendix 9B, Part A(16) of the Main Market Listing Requirements are not applicable.

**6. Tax expense**

	Quarter ended		Year-to-date ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
	RM'000	RM'000	RM'000	RM'000
In respect of current period				
- income tax	65,403	44,270	65,403	44,270
- deferred tax	2,517	2,790	2,517	2,790
	67,920	47,060	67,920	47,060

The Group's effective tax rate for the current quarter and preceding year corresponding quarter were higher than the statutory tax rate mainly due to certain expenses being non-deductible for tax purposes and deferred tax assets not recognised on business losses in certain subsidiaries.

**7. Status of corporate proposals announced but not completed at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report**

Saved as disclosed below, there were no other corporate proposals announced but not completed as at 22 May 2024:

- (a) On 23 December 2021, \*Positive Sunland Sdn Bhd ["Positive Sunland"] entered into a conditional sale and purchase agreement ["Platinum Park SPA"] to acquire from, Sovereign Towers Sdn Bhd ["Sovereign Towers"], the wholly-owned subsidiary of Naza Corporation Holdings Sdn Bhd ["NCH"], the beneficial proprietor, and Profound Reliance Sdn Bhd, the 70%-owned subsidiary of NCH ["Profound Reliance"], the registered proprietor, all that parcel of vacant commercial land known as Plot No. 5, Lorong Kuda, Platinum Park, Kuala Lumpur identified as Lot No. 387, Seksyen 63 held under Title No. Geran 71978, Bandar Kuala Lumpur, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, measuring approximately 74,346 sq. ft. ["Platinum Park Land"] for a cash consideration of RM265,786,950 ["Platinum Park Acquisition Consideration"]. Upon execution of the Platinum Park SPA, 10% of the Platinum Park Acquisition Consideration [Platinum Park Deposit"] was paid to Sovereign Towers ["Proposed Platinum Park Acquisition"]. Completion of the Proposed Platinum Park Acquisition is conditional upon the approval of the Economic Planning Unit of the Prime Minister's Department, Malaysia ["EPU Approval"] to be obtained on or before 22 September 2024 due to various extensions of time mutually agreed in writing by the parties thereto ["Platinum Park Conditional Period"].

On 20 June 2022, Positive Sunland, Sovereign Towers and Profound Reliance entered into a supplemental agreement to vary the terms of the Platinum Park SPA as follows:

- (i) notwithstanding that the Platinum Park SPA has not become unconditional, Positive Sunland shall pay the redemption sum of the Platinum Park Land ["Platinum Park Redemption Sum"] and a further 70% of the Platinum Park Acquisition Consideration ["Platinum Park 70% Payment"] in exchange for the delivery of the discharge documents which included the original title of Platinum Park Land ["Platinum Park Discharge Documents"], together with an irrevocable power of attorney in respect of the Platinum Park Land ["Platinum Park PA"] to Positive Sunland's solicitors' to be held by them as stakeholders;
- (ii) the balance of the Platinum Park Acquisition Consideration after deducting the Platinum Park Deposit, the Platinum Park Redemption Sum and the Platinum Park 70% Payment shall be paid within one (1) month of the Platinum Park SPA becoming unconditional; and
- (iii) in the event the EPU Approval could not be fulfilled for any reason whatsoever on expiry of the Platinum Park Conditional Period, Sovereign Towers shall refund to Positive Sunland all monies paid pursuant to the Platinum Park SPA, free of interest, in exchange for the return of all documents delivered to Positive Sunland including the Platinum Park Discharge Documents and the Platinum Park PA.

The Platinum Park Redemption Sum and Platinum Park 70% Payment were paid on 23 August 2022 and 28 August 2022 respectively.



7. **Status of corporate proposals announced but not completed at the latest practicable date which must not be earlier than 7 days from the date of issue of the quarterly report (continued)**

- (b) On 3 January 2022, \*Sierra Positive Sdn Bhd ["Sierra Positive"] entered into a conditional sale and purchase agreement ["Met 3 SPA"] with TTDI KL Metropolis Sdn Bhd ["TKLM"], the wholly-owned subsidiary of Naza TTDI Sdn Bhd, which in turn is a 80%-owned subsidiary of NCH to acquire all that parcel of vacant commercial land known as Met 3, Plot 7A, KL Metropolis held under H.S.(D) 123243, PT 50386 (formerly held under Pajakan Negeri 52355, Lot 80929, Jalan Duta), Mukim Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur, measuring approximately 668,212.79 sq. ft ["Met 3 Land"] for a cash consideration of RM868,676,627 ["Met 3 Acquisition Consideration"]. Upon execution of the Met 3 SPA, 10% of the Met 3 Acquisition Consideration ["Met 3 Deposit"] was paid to TKLM ["Proposed Met 3 Acquisition"]. Completion of the Proposed Met 3 Acquisition is conditional upon the following authorities' approvals to be obtained on or before 2 October 2024 due to various extensions of time mutually agreed in writing by the parties thereto ["Met 3 Conditional Period"], namely:
- (i) the EPU Approval; and
  - (ii) the approval of Jawatankuasa Kerja Tanah Wilayah Persekutuan Kuala Lumpur to be obtained by TKLM for the transfer of the Met 3 Land in favour of Sierra Positive [collectively, "Authorities' Approvals"].

On 12 January 2022, Sierra Positive and TKLM entered into a supplemental agreement to vary the terms of the Met 3 SPA as follows:

- (i) notwithstanding that the Met 3 SPA has not become unconditional, Sierra Positive shall pay the redemption sum of the Met 3 Land ["Met 3 Redemption Sum"] and a further 70% of the Met 3 Acquisition Consideration ["Met 3 70% Payment"] in exchange for the delivery of the discharge documents which included the original title of Met 3 Land ["Met 3 Discharge Documents"], together with an irrevocable power of attorney in respect of the Met 3 Land ["Met 3 PA"] to Sierra Positive's solicitors' to be held by them as stakeholders;
- (ii) the balance of the Met 3 Acquisition Consideration after deducting the Met 3 Deposit, the Met 3 Redemption Sum and the Met 3 70% Payment shall be paid within one (1) month of the Met 3 SPA becoming unconditional; and
- (iii) in the event the Authorities' Approvals could not be fulfilled for any reason whatsoever on expiry of the Met 3 Conditional Period, TKLM shall refund to Sierra Positive all monies paid pursuant to the Met 3 SPA, free of interest, in exchange for the return of all documents delivered to Sierra Positive including the Met 3 Discharge Documents and the Met 3 PA.

The Met 3 Redemption Sum and the Met 3 70% Payment were paid on 13 January 2022 and 19 January 2022 respectively.

Pursuant to the supplemental agreement dated 30 August 2022, ["Met 3 Second SA"] TKLM agreed to deliver the Met 3 Land title with freehold status on completion of the Proposed Met 3 Acquisition and in consideration thereof, Sierra Positive shall pay to TKLM the sum of RM65,000,000 ["Met 3 Conversion Sum"] which resulted in an increase of the Met 3 Acquisition Consideration from RM868,676,627 to RM933,676,627 based on the valuation report dated 30 August 2022 of Met 3 Land. Upon execution of the Met 3 Second SA, 15% of the Met 3 Conversion Sum amounting to RM9,750,000 was paid to TKLM. The balance 85% of the Met 3 Conversion Sum amounting to RM55,250,000 was paid to TKLM on 26 September 2022.

\* *These are the Company's wholly-owned subsidiaries.*

**8. Status of the utilisation of proceeds from corporate proposals**

On 2 June 2023, HSC Manchester Holding Pte Ltd, a wholly-owned subsidiary of the Company, completed the disposal of its 100% equity interest in HS Credit (Manchester) Ltd to Lei Shing Hong Capital Limited ["HCML Disposal"]. The proceeds from the HCML Disposal have been fully utilised as follows:

<u>Purpose</u>	<u>Proposed Utilisation</u>		<u>As at 31</u>	<u>Deviation</u>		<u>Explanation</u>
	<u>Per *Circular</u>	<u>**Adjusted</u>	<u>March 2024</u>	<u>under/(over)</u>	<u>spent</u>	
	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>RM'000</u>	<u>%</u>	
Repayment of borrowings	650,000	650,000	650,000	-	-	
Working capital requirements:						
<u>Purchase of inventories</u>						
<i>(a) fertilizers</i>	100,000	100,000	100,000	-	-	
<i>(b) automobiles</i>	50,000	50,000	50,000	-	-	
<i>(c) building materials such as steel bars and cement</i>	36,438	78,303	78,510	# (207)	(0.3)	
	186,438	228,303	228,510	(207)	(0.09)	
Estimated expenses	900	900	693	207	23	The estimated expenses not utilised have been deployed for working capital requirements, item (c) #
	837,338	879,203	879,203	-		

\* Circular to Shareholders dated 27 April 2023.

\*\* The proposed utilisation was adjusted to reflect the actual proceeds in RM based on the actual foreign exchange rate at completion date. This resulted in addition to proceeds by RM41.865 million which was allocated to the proposed utilisation for working capital requirements, item (c).

**9. Borrowings and debt securities**

On 30 July 2018, Hap Seng Management Sdn Bhd [“HSM”], a wholly-owned subsidiary of the Company, lodged with the Securities Commission Malaysia [“SC”] to establish an unrated medium term notes [“MTN”] programme of up to RM5.0 billion in nominal value [“MTN Programme”] and an unrated commercial papers [“CP”] programme of up to RM1.0 billion in nominal value [“CP Programme”], which have a combined limit of RM5.0 billion in nominal value. The tenures of the MTN and CP Programmes are twenty (20) years and seven (7) years respectively from the date of first issuance on 29 August 2018. The MTN Programme and the CP Programme are collectively referred to as the Programmes. The proceeds from the Programmes will be utilised by HSM for advances to the Group for general corporate purposes and working capital.

On 30 September 2022, HSM upsized the MTN Programme to RM10.0 billion in nominal value and extended its tenure to perpetual. The Programmes shall have a new combined limit of up to RM10.0 billion in nominal value.

The Group’s borrowings are as follows:

	As at 31.3.2024 (Unaudited)						
	Denominated in						
	RM RM’000	USD RM’000	SGD RM’000	Euro RM’000	IDR RM’000	RMB RM’000	Total RM’000
<u>Current</u>							
<u>Secured</u>							
- Term loans	-	-	39,430	-	-	-	39,430
- Revolving credits	-	-	123,286	-	-	-	123,286
	-	-	162,716	-	-	-	162,716
<u>Unsecured</u>							
- Term loans	241,270	596,106	8,457	-	-	3,511	849,344
- Revolving credits	652,474	94,620	92,684	-	50,338	-	890,116
- Trust receipts	-	-	22,160	22,671	-	-	44,831
- Bankers’ acceptances	79,563	-	-	-	-	-	79,563
- Medium term notes	805,000	-	-	-	-	-	805,000
	1,778,307	690,726	123,301	22,671	50,338	3,511	2,668,854
<b>Total current borrowings</b>	<b>1,778,307</b>	<b>690,726</b>	<b>286,017</b>	<b>22,671</b>	<b>50,338</b>	<b>3,511</b>	<b>2,831,570</b>
<u>Non-current</u>							
<u>Secured</u>							
- Term loans	-	-	545,984	-	-	-	545,984
<u>Unsecured</u>							
- Term loans	493,203	244,000	4,965	-	-	-	742,168
- Medium term notes	3,130,000	-	-	-	-	-	3,130,000
	3,623,203	244,000	4,965	-	-	-	3,872,168
<b>Total non-current borrowings</b>	<b>3,623,203</b>	<b>244,000</b>	<b>550,949</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,418,152</b>
<b>Total borrowings</b>	<b>5,401,510</b>	<b>934,726</b>	<b>836,966</b>	<b>22,671</b>	<b>50,338</b>	<b>3,511</b>	<b>7,249,722</b>

Note: All secured borrowings are in respect of foreign subsidiaries’ borrowings.

**9. Borrowings and debt securities (continued)**

	← As at 31.12.2023 (Audited) →						
	← Denominated in →						
	RM RM'000	USD RM'000	SGD RM'000	Euro RM'000	JPY RM'000	RMB RM'000	Total RM'000
<u>Current</u>							
<u>Secured</u>							
- Term loans	-	-	40,012	-	-	-	40,012
- Revolving credits	-	-	93,156	-	-	-	93,156
	-	-	133,168	-	-	-	133,168
<u>Unsecured</u>							
- Term loans	266,109	578,970	8,381	-	-	1,034	854,494
- Revolving credits	639,503	91,900	60,944	-	-	-	792,347
- Trust receipts	-	-	26,460	29,357	-	-	55,817
- Bankers' acceptances	85,232	-	-	6,262	720	-	92,214
- Medium term notes	765,000	-	-	-	-	-	765,000
	1,755,844	670,870	95,785	35,619	720	1,034	2,559,872
<b>Total current borrowings</b>	<b>1,755,844</b>	<b>670,870</b>	<b>228,953</b>	<b>35,619</b>	<b>720</b>	<b>1,034</b>	<b>2,693,040</b>
<u>Non-current</u>							
<u>Secured</u>							
- Term loans	-	-	551,356	-	-	-	551,356
<u>Unsecured</u>							
- Term loans	377,804	-	7,061	-	-	-	384,865
- Medium term notes	3,205,000	-	-	-	-	-	3,205,000
	3,582,804	-	7,061	-	-	-	3,589,865
<b>Total non-current borrowings</b>	<b>3,582,804</b>	<b>-</b>	<b>558,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,141,221</b>
<b>Total borrowings</b>	<b>5,338,648</b>	<b>670,870</b>	<b>787,370</b>	<b>35,619</b>	<b>720</b>	<b>1,034</b>	<b>6,834,261</b>

Note: All secured borrowings are in respect of foreign subsidiaries' borrowings.

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10. **Changes in material litigations (including status of any pending material litigation) since the date of the last annual statement of financial position which must be made up to a date not earlier than 7 days from the date of issue of the quarterly report**

Except for the following, there were no other changes in material litigation since the date of the last annual statement of financial position:

- (a) Hap Seng Plantations (River Estates) Sdn Bhd ["RESB"], the wholly-owned subsidiary of Hap Seng Plantations Holdings Berhad ["HSP"], is the registered and beneficial proprietor of approximately 6,454 acres of land in the District of Kinabatangan, Sabah, designated as CL095310017 [the "Land"].

On 16 January 2012, Mr. Heng Chin Hing @ Wong Chin Hing (NRIC No. H0699157/570811-12-5731) ["HCH"], claiming to act under a power of attorney dated 8 February 1977 ["Alleged PA"], purportedly sold the Land to Excess Interpoint Sdn Bhd ["EISB"] through a sale and purchase agreement ["Purported SPA"]. Based on this agreement, EISB entered a private caveat on the Land on 3 April 2012.

On 8 April 2016, RESB commenced a legal suit in the High Court, Kota Kinabalu ["KKHC"] against both HCH and EISB through its solicitors in Sabah, Messrs Jayasuriya Kah & Co. vide writ of summon no. BKI-22NCvC-39/4-2016 ["KK RESB Suit"], seeking the following:

- (i) A declaration that RESB is the rightful owner of the Land;
- (ii) Nullification of the Purported SPA and the Alleged PA;
- (iii) An injunction to prevent HCH from conducting further transactions or completing the Purported SPA;
- (iv) An injunction against EISB regarding any actions related to the Alleged PA; and
- (v) Legal costs and any other relief deemed appropriate by the Court.

On 24 April 2024, the KKHC ruled in favour of RESB, affirming its ownership and invalidating the Purported SPA and Alleged PA. The KKHC awarded RESB costs of RM40,000, payable by both HCH and EISB. The ruling confirms RESB's ownership and legal rights over the Land, providing a significant legal victory for RESB.

On 24 May 2024, EISB and HCH, represented by Messrs Ronny Cham & Co, filed and served a notice of appeal to the Court of Appeal Malaysia against the whole of the decision by the KKHC in respect of the KK RESB Suit delivered on 24 April 2024.

- (b) On 11 June 2012, Chee Ah Nun @ Sia Yi Chan (NRIC No. 550808-12-5663) ["SYC"] filed a legal suit against RESB in the KKHC vide originating summon no. BKI-24-127/5-2012 ["KK Suit"], claiming ownership of the Land based on an alleged deed of appointment of substitute attorney by HCH dated 24 June 2010. SYC's claims were predicated on the assertion that HCH had transferred all his interests in the Land to him under the Alleged PA.

SYC sought the following:

- (i) Recognition of his ownership and immediate possession of the Land;
- (ii) An order for RESB to cease harvesting and removing any items from the Land; and
- (iii) Legal costs and other appropriate relief.

On 24 April 2024, the KKHC delivered its ruling. It dismissed SYC's claims and ordered SYC to pay costs of RM40,000 to RESB. The ruling confirms RESB's ownership and legal rights over the Land, providing a significant legal victory for RESB.

On 24 May 2024, SYC, represented by Messrs Ronny Cham & Co, filed and served a notice of appeal to the Court of Appeal Malaysia against the whole of the decision by KKHC in respect of the KK Suit delivered on 24 April 2024.

**11. Derivatives**

The Group entered into forward currency contracts and cross currency interest rate swaps where appropriate to minimise its exposure on receivables, payables, borrowings and firm commitments denominated in foreign currencies. Derivatives are stated at fair value which is equivalent to the marking of the derivatives to market, using prevailing market rates.

Details of derivative financial instruments outstanding (including financial instruments designated as hedging instruments) as at 31 March 2024 are as follows:

	<b>Contract/ Notional Value</b> RM'000	<b>Fair Value: Assets/ (Liabilities)</b> RM'000	<b>Gain/(loss) On Derivative Instruments</b> RM'000	<b>Gain/(loss) On Hedged Items</b> RM'000	<b>Net Gain/(loss)</b> RM'000
Forward currency contracts of less than 1 year (USD/Euro/JPY/RMB)					
- Not designated as hedging instruments	458,009	655	6,491	(5,131)	1,360
Cross currency interest rate swaps on foreign currency borrowings of less than 1 year (USD)					
- Designated as hedging instruments*	620,652	71,608	20,571	(19,856)	715

\* *The hedging relationship is classified as cash flow hedge where the gain/(loss) is recognised in other comprehensive income which flow into cash flow hedge reserve.*

The Group has no significant concentration of credit and market risks in relation to the above derivative financial instruments as the forward currency contracts and cross currency interest rate swaps are entered into with reputable financial institutions and are not used for speculative purposes. The cash requirement for settling these forward currency contracts and cross currency interest rate swaps is solely from the Group's working capital.

**12. Gains/Losses arising from fair value changes of financial liabilities**

As at the end of the interim period, the Group does not have any financial liabilities that are measured at fair value through profit or loss other than the derivative financial instruments as disclosed in Note 11 above.

**13. Provision of financial assistance**

## Moneylending operations

- (i) The Group's moneylending operation is undertaken by its subsidiaries, Hap Seng Credit Sdn Bhd and HS Credit (London) Ltd in the ordinary course of their moneylending businesses. The aggregate amount of outstanding loans as at 31 March 2024 given by the moneylending subsidiaries are as follows:

	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
	RM'000	RM'000	RM'000
(a) To companies	1,658,348	-	1,658,348
(b) To individuals	261,523	1,213	262,736
(c) To companies within the listed issuer group	502,663	24,862	527,525
(d) To related parties	-	-	-
	<u>2,422,534</u>	<u>26,075</u>	<u>2,448,609</u>

- (ii) The total borrowings of the moneylending subsidiary are as follows:

	<b>As at</b>
	<b>31.3.2024</b>
	RM'000
(a) Loans given by corporations within the Group to the moneylending subsidiaries	-
(b) Borrowings which are secured by corporations within the Group in favour of the moneylending subsidiaries	-
(c) Other borrowings	899,127
	<u>899,127</u>

- (iii) The aggregate amount of loans in default for 3 months or more are as follows:

	RM'000
(a) Balance as at 1.1.2024	68,924
(b) Loans classified as in default during the financial year	4,156
(c) Loans reclassified as performing during the financial year	(22)
(d) Amount recovered	(1,891)
(e) Amount written off	(2,079)
(f) Loans converted to securities	-
(g) Balance as at 31.3.2024	<u>69,088</u>
(h) Ratio of net loans in default to net loans	<u>2.82%</u>

**13. Provision of financial assistance (continued)**

Moneylending operations (continued)

(iv) The top 5 loans are as follows:

Ranking	Type of Facility	Limit RM'000	Outstanding Amount RM'000	Security Provided (Yes/No)	Value of Security RM'000	Related Party (Yes/No)	Term of Repayment (month)
1 <sup>st</sup>	Term Loan	420,000	419,897	Yes	467,834	Yes*	3 – 96
2 <sup>nd</sup>	Term Loan	245,861	#250,552	Yes	376,040	No	129
3 <sup>rd</sup>	Term Loan	115,000	114,153	Yes	112,907	No	12
4 <sup>th</sup>	Term Loan	191,000	82,766	Yes	67,000	Yes*	60
5 <sup>th</sup>	Term Loan	23,000	#35,045	Yes	49,000	No	60

\* Companies within the listed issuer group.

# The outstanding amount is higher than the limit mainly due to unpaid interest.

**14. Earnings per share ["EPS"]**

(a) The basic EPS is calculated by dividing the profit for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period excluding treasury shares held by the Company as follows:

	Quarter ended		Year-to-date ended	
	31.3.2024	31.3.2023	31.3.2024	31.3.2023
Profit attributable to owners of the Company (RM'000)	137,277	50,765	137,277	50,765
Weighted average number of ordinary shares in issue (excluding treasury shares) ('000)	2,489,670	2,489,670	2,489,670	2,489,670
Basic EPS (sen)	5.51	2.04	5.51	2.04

(b) The Company does not have any diluted EPS.



**15. Dividend**

- (a) The Board of Directors has on even date approved the following first interim dividend for the financial year ending 31 December 2024:
- |      |   |   |
|------|---|---|
| (i)  | Amount per ordinary share<br>- First Interim Dividend   | 10 sen (2023: 10 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders. |
| (ii) | Total dividend approved to date<br>for the current financial year:<br>Amount per ordinary share | 10 sen (2023: 10 sen) per ordinary share under the single tier system which is tax exempt in the hands of the shareholders. |
- (b) The dividend will be payable in cash on 27 June 2024; and
- (c) In respect of deposited securities, entitlement to the dividend will be determined on the basis of the record of depositors as at 13 June 2024.

**NOTICE OF FIRST INTERIM DIVIDEND PAYMENT AND ENTITLEMENT DATE**

**NOTICE IS HEREBY GIVEN** that a first interim dividend of 10 sen per ordinary share under the single tier system which is tax exempt in the hands of the shareholders pursuant to paragraph 12B of Schedule 6 of the Income Tax Act, 1967 in respect of the financial year ending 31 December 2024, will be payable in cash on 27 June 2024 to the shareholders whose names appear on the Company's Record of Depositors at the close of business on 13 June 2024. A depositor shall qualify for entitlement to the dividend only in respect of:

- (a) shares transferred into the depositor's securities account before 4.30 pm on 13 June 2024 respect of transfers; and
- (b) shares bought on the Bursa Malaysia Securities Berhad (Bursa Securities) on a cum entitlement basis according to the rules of the Bursa Securities.

**16. Auditors' report on preceding annual financial statements**

The auditors' report in respect of the financial statements of the Company for the preceding financial year ended 31 December 2023 was not subject to any qualification.

**BY ORDER OF THE BOARD****LIM GUAN NEE**

Company Secretary

Kuala Lumpur  
29 May 2024