



INTERIM FINANCIAL REPORT FOR THE FIRST QUARTER ENDED 31 MARCH 2024

EXPLANATORY NOTES PURSUANT TO MFRS 134

A1. Accounting Policies and Basis of Preparation

The interim financial statements of the Group are unaudited and have been prepared in accordance with MFRS 134, Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2023. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2023.

The accounting policies and methods of computation adopted by the Group in this interim financial statement are consistent with those adopted in the financial statements for the year ended 31 December 2023 except for the adoption of the following new MFRS, Amendments to MFRSs, Improvements to MFRS and IC Interpretation (“Standards”) which is effective for the financial period beginning on or after 1 January 2024:

Effective for financial periods beginning on or after 1 January 2024

- Amendments to MFRS 107: Statement of Cash Flows and MFRS 7: Financial Instruments: Disclosures - Supplier Finance Arrangements
- Amendment to MFRS 16: Leases - Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101: Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to MFRS 121: The Effects of Changes in Foreign Exchange Rates - Lack of Exchangeability
- Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The initial application of these Standards does not have any material impact on the financial statements.



A2. Status of Audit Qualification

Not applicable as the audited financial statements for the year ended 31 December 2023 were not qualified.

A3. Seasonality or Cyclicity of Interim Operations

The operations of the Group were not significantly affected by seasonality and cyclicity factors.

A4. Unusual Items Affecting Assets, Liabilities, Equity, Net Income or Cash Flows

There were no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial quarter under review.

A5. Material Changes in Estimates

There were no other items affecting assets, liabilities, equity, net income or cash flows that are unusual because of their nature, size or incidence for the financial quarter under review.

A6. Debts and Equity Securities

Share Buy-Back / Treasury Shares

The Company's shareholders had on 29 June 1999 approved the share buy-back exercise during the Extraordinary General Meeting ("EGM"). Subsequently, mandates were renewed at the last AGM which was on 26 May 2023.

Summary of the share buy-back / disposal as at the current financial year-to-date are as follows:-

Month	Number Of Shares Repurchased	Highest Price RM	Lowest Price RM	Average Price RM	Total Amount RM
B/F from 2023	2,173,500	-	-	-	7,054,205
Total as at 31 March 2024	2,173,500	-	-	-	7,054,205

There were no other issuance, cancellation, repurchase, resale or repayments of debts or equity securities for the period ended 31 March 2024.

A7. Dividend paid

There was no dividend paid during the quarter under review.



A8. Segmental Information

Segmental information in respect of the Group's business segments for the period ended 31 March 2024 and its comparative:-

3 months period ended 31/3/2024	Property development & investment							Consolidated RM'000
	Manufacturing RM'000	Hotel and Resort RM'000	Investment RM'000	Plantations RM'000	Share investment RM'000	Others RM'000	Eliminations RM'000	
REVENUE								
External sales	212,015	71,906	57,910	-	1,590	-	-	343,421
Inter-segment sales	25,584	-	-	12,093	-	-	(37,677)	-
Total revenue	237,599	71,906	57,910	12,093	1,590	-	(37,677)	343,421
RESULTS								
Operating results	18,217	5,089	18,875	5,501	1,852	710	(8)	50,236
Foreign exchange gain/(loss)	-	-	-	-	-	2,424	19	2,443
Finance costs	-	-	-	-	(3,295)	(231)	3,295	(231)
Interest income	-	-	-	-	-	13,036	(3,307)	9,729
Profit/(Loss) before tax	18,217	5,089	18,875	5,501	(1,443)	15,939	(1)	62,177
Income tax expense								(10,260)
Profit for the period								51,917

3 months period ended 31/3/2023	Property development & investment							Consolidated RM'000
	Manufacturing RM'000	Hotel and Resort RM'000	Investment RM'000	Plantations RM'000	Share investment RM'000	Others RM'000	Eliminations RM'000	
REVENUE								
External sales	228,720	64,602	39,574	-	1,599	-	-	334,495
Inter-segment sales	23,004	-	342	10,316	-	-	(33,662)	-
Total revenue	251,724	64,602	39,916	10,316	1,599	-	(33,662)	334,495
RESULTS								
Operating results	5,026	1,137	14,346	3,380	2,651	796	1,300	28,636
Foreign exchange gain/(loss)	-	-	-	-	-	4,764	2	4,766
Finance costs	(1)	(305)	-	-	(2,085)	(50)	2,391	(50)
Interest income	-	-	-	-	-	11,218	(2,383)	8,835
Profit/(Loss) before tax	5,025	832	14,346	3,380	566	16,728	1,310	42,187
Income tax expense								(4,709)
Profit for the period								37,478



A9. Carrying Amount of Revalued Assets

The valuations of property, plant and equipment have been brought forward without amendment from the previous annual financial statements.

A10. Material Events Subsequent to the End of the Interim Period

There were no material events subsequent to the current quarter ended 31 March 2024 up to the date of this report.

A11. Changes in the Composition of the Group

There were no changes in the composition of the Group for the current quarter.

A12. Changes in Contingent Liabilities

At the date of this announcement, there were no material changes in contingent liabilities since the last balance sheet date.



A13. Significant Related Party Transactions

The significant related party transactions set out below were carried out in the normal course of business and on terms and conditions not more materially different from those obtainable in transactions with unrelated parties.

	3 months ended	
	31-Mar	
	2024	2023
	<u>RM'000</u>	<u>RM'000</u>
(i) Transactions with subsidiaries		
Purchases	17,709	15,688
Sales	17,880	16,621
Rental income	-	342
Dividend income	-	-
Interest income	3,307	2,382
Management fees	316	287
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(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interest.		
- Commission on sales and purchases - Keck Seng (Singapore) Private Limited	1,615	2,074
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ADDITIONAL INFORMATION REQUIRED BY LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

B1. Taxation

The taxation charge for the current quarter and year to-date ended 31 March 2024 was made up as follows:-

	<u>Current Quarter</u> RM'000	<u>Year To-Date</u> RM'000
Current tax:		
Malaysian income tax	(7,755)	(7,755)
Foreign tax	(411)	(411)
	<u>(8,166)</u>	<u>(8,166)</u>
Over/(under) provision in respect of prior years		
Malaysian income tax	-	-
Foreign tax	-	-
	<u>-</u>	<u>-</u>
Deferred tax		
Transfer from/(to) deferred taxation	(2,094)	(2,094)
	<u>(2,094)</u>	<u>(2,094)</u>
Total income tax expense	<u>(10,260)</u>	<u>(10,260)</u>

The Group's effective tax rate of 16% was lower than the statutory tax rate of 24% due mainly to certain incomes that are not subject to tax and utilisation of unabsorbed capital and reinvestment allowances and tax losses.

B2. Status of Corporate Proposals

There were no corporate proposals.



B3. Group Borrowings

Details of Group borrowings were as follows:-

	US Dollar "000	Ringgit Equivalent "000
Short term borrowings:-		
Bank overdraft - unsecured	-	13,959
Note payable within a year - secured	-	-
Long term borrowings:-		
Note payable after 1 year - secured	13,451	63,569

B4. Derivative Financial Instruments

The Group uses forward foreign exchange contracts to manage its exposure to various financial risks.

Forward foreign exchange contracts

Forward foreign exchange currencies contracts were entered to hedge its exposure to fluctuations in foreign currency arising from sales.

As at 31 March 2024, there were no outstanding currency forward contracts and no fair value gain or loss recognised during the period.

B5. Changes In Material Litigation

There was no material litigation pending at the date of this announcement.



B6. Comparison with Preceding Quarter's Results

	<u>1st Quarter 2024</u>	<u>4th Quarter 2023</u>	<---- Increase/(Decrease)---->	
	RM	RM	RM	%
	'000	'000	'000	
Revenue	343,421	344,811	(1,390)	0
Profit before taxation	62,177	120,137	(57,960)	(48)

Revenue

There is a slight decrease in Group's revenue in 1st Q 2024 over the previous quarter. The following segments had recorded revenue in 1st Q 2024 materially different from 4th Q 2023:-

Manufacturing

The segment recorded higher revenue in 1st Q 2024 as compared to 4th Q 2023. The increase in revenue was mainly due to higher selling price and quantity of refined oil sold in 1st Q 2024.

Hotels

A lower revenue was recorded by the segment in 1st Q 2024 as compared to the 4th Q 2023. The decrease in revenue was mainly due to the lower average room rate and occupancy rate of our New York hotel in 1st Q 2024.

Profit before taxation

The Group recorded a lower profit in 1st Q 2024 as compared to 4th Q 2023. The following segments had recorded results in 1st Q 2024 materially different from 4th Q 2023:-

Manufacturing

The segment recorded a higher profit in 1st Q 2024 as compared to 4th Q 2023. The increase in profit was due mainly to a forex gain in 1st Q 2024 as compared to a forex loss in 4th Q 2023.

Property Development

The segment recorded lower profit in 1st Q 2024 as compared to 4th Q 2023 due mainly to profit recognised from the sale of industrial land in the 4th Q 2023.

Hotels

The segment recorded a lower profit in 1st Q 2024 as compared to 4th Q 2023 due mainly to a reversal of impairment loss recognised on an overseas hotel in the 4th Q 2023.



B7. Review of Performance

	To 1st Quarter <u>2024</u> RM '000	To 1st Quarter <u>2023</u> RM '000	< -- Increase/(Decrease)-- >	
			RM '000	%
Revenue	343,421	334,495	8,926	3
Profit before taxation	62,177	42,187	19,990	47

Revenue

The Group's revenue in 1Q 2024 was slightly higher than 1Q 2023. The following segments had recorded revenue in 1Q 2024 materially different from 1Q 2023:-

Manufacturing

The segment recorded a lower revenue in 1Q 2024 as compared to preceding year corresponding period. The decrease in revenue was mainly due to lower selling price of refined oil sold in 1Q 2024.

Property Development

The segment recorded a higher revenue in 1Q 2024 as compared to the corresponding period in the preceding year. The increase in revenue was primarily attributed to increase in the number of residential units sold in 1Q 2024.

Hotels

A higher revenue was recorded by the segment in 1Q 2024 as compared to 1Q 2023. The increase in revenue was mainly due to higher average room rate and occupancy rate for our overseas hotels.



B7. Review of Performance (cont'd)

Profit before taxation

The Group recorded a higher profit in 1Q 2024 as compared to 1Q 2023. The results of the following segments in 1Q 2024 were materially different from 1Q 2023:-

Manufacturing

The segment recorded a higher profit in 1Q 2024 as compared to 1Q 2023. The increase in profit was due mainly to a forex gain in 1Q 2024 as compared to a forex loss in 1Q 2023.

Property Development

The segment recorded a higher profit due to increase in number of units sold for residential properties in 1Q 2024.

Hotels

The segment recorded a higher profit in 1Q 2024 as compared to 1Q 2023 due mainly to better occupancy and average room rates for our overseas hotels in 1Q 2024.

B8. Prospects for 2024

Plantation and Manufacturing

Our Plantation division has shown a significant rise in fresh fruit bunches (FFB) production during the first quarter of 2024 as compared to 2023, reflecting an overall increase in FFB yield across the industry. The notable increase is also consistent with the statistics from the Malaysian Palm Oil Board (MPOB). Consequently, we can reasonably expect FFB output for 2024 to either match or slightly exceed that of 2023. While operational costs remain stable, there is a looming concern regarding the potential decline in Crude Palm Oil (CPO) prices in the coming months. In conclusion, although initial indications are positive, the possibility of falling CPO prices could impact the financial performance for the remaining quarters of 2024.

The extreme dry weather experienced in 2023 has not affected the yield of FFB, as confirmed by MPOB statistics and the Mill's early 2024 intake data. As a result, we expect 2024's FFB intake for the Mill to be comparable to 2023 levels. However, with stiff competition in purchasing FFB, increased production cost overhead, and compliance costs associated with environmental protection and sustainability, the performance of the Mill is expected to be challenging in 2024.



B8. Prospects for 2024 (cont'd)

Plantation and Manufacturing (cont'd)

For the Refinery, a tight margin is anticipated for the rest of 2024. This is driven by increasing demand for biodiesel and an anticipated stagnation in global palm oil production, exacerbated by stiff competition from other oils and fats.

Property Development

The Property Division has achieved strong sales, with 183 units sold and a total revenue of RM 49.5 million in 1Q 2024.

In Bandar Baru Kangkar Pulai, we have successfully launched new phases of Ruby Hills, Citrine Hills, and shop offices at Centralis 72. Out of the 495 units launched, 288 units, or 58%, have been sold.

In Tanjong Puteri Resort, the launch of new phases of single storey and double storey terrace has resulted in 109 units sold out of 201 units, or 54%.

In Taman Daya ("TD"), we have launched Greenwood Residences, comprising 106 units of cluster and semi-detached, of which 35% have been sold.

Our investment properties at TD have performed well, with 97% occupancy at TD Point and 100% occupancy at TD Central. Retailers at these properties have benefited from an influx of international visitors, especially from Singapore. Our "Build-to-Lease" standalone commercial district TD Central will welcome new brands and drive-thrus such as China supermarket Scarlett, China's Jaecoo luxury showroom, Authentic Korean BBQ Itaewon Saemaeul, Japanese Omakase Restaurant Sushi Nikki, and Thai Spa & Wellness Soul Asia in Q2 2024.

In light of the global geopolitical conflicts in the Middle East and Ukraine, and the macroeconomic inflationary impacts on construction material and labour costs, we remain vigilant regarding the timing of new launches and the challenges associated with sales.

Property Investment

Occupancy rates at Menara Keck Seng are expected to remain stable. However, prospects for Regency Tower remain challenging for the rest of 2024. The operating environment continues to be highly competitive, particularly for attracting new tenants. Additionally, the market's ample supply of rental apartments has led to increased demands from both existing and prospective tenants. We also anticipate increased turnover in tenancies, potentially influenced by tenants' budget constraints and the temporary impact of proposed renovation activities.



B8. Prospects for 2024 (cont'd)

Hotels

The accommodations sector in New York State is experiencing economic improvements as inflationary pressures from 2023 ease. Demand for mid-scale hotel rooms in New York City (NYC) is increasing, along with occupancy growth. Springhill Suites Midtown Manhattan will continue to see this momentum in 2024, achieving higher occupancy and Average Daily Rate, resulting in higher room and total revenues compared to 2023. The hotel will strategically leverage premium and suite rooms while pursuing emerging segments in the entertainment and biotech fields, both of which are growing industries in NYC. The management will support revenue management efforts with strategic investments in e-commerce and digital marketing. Additionally, the hotel will leverage government segments during slower demand periods and focus on developing packages and special corporate rates for weekends while continuing to grow and recapture group and catering revenues.

For Doubletree by Hilton Alana – Waikiki Beach (DAH), the occupancy for 2024 is expected to be higher than in 2023, leading to increases in room and total revenue. DAH will continue to drive a strong Average Daily Rate (ADR) by focusing on higher-rated corporate and government companies with projects and extended stays within the construction, energy, and IT sectors. ADR is currently expected to grow marginally. Efforts to increase weekend occupancy and a strong focus on Group, Corporate, and Military Requests for Proposals in 2024 will attempt to replace some of the continued soft demand from the Japanese market. DAH will continue soliciting contracts with airlines to house crews as well as distressed passengers for short-term quick occupancy fillers.

Delta Hotels by Marriott- Toronto Airport in Canada had a successful first quarter in 2024, with overall revenues exceeding the same quarter in 2023. Second quarter 2024 revenues are currently expected to exceed the previous year's first quarter results. With strong meeting & incentive group businesses in Q2, the hotel is optimistic that it will continue this positive trend throughout the year and meet or exceed its revenue and profit goals, barring any major industry disruption. The additional revenues result from the team's special focus on F&B and banquet revenue generation by extending tailor-made packages to cater to the individual needs of various groups. In addition, the newly upgraded parking system has improved parking revenues with high-profit flowthroughs supporting the bottom-line profits. By launching these initiatives, the hotel enabled incremental revenue channels supporting the balanced rooms business generated through agile revenue management, which took advantage of the traditionally low-demand valley periods. The hotel is therefore confident the Q2 revenue success will carry forward into the second half of 2024, allowing it to reach full-year targets in both revenues and profits.



B8. Prospects for 2024 (cont'd)

Conclusion

The ongoing Russian-Ukraine war, the Middle East conflict, geopolitical tensions, global warming, volatility in international currencies, high-interest rates, and rising costs are expected to impact the Group's performance in 2024.

B9. Explanatory Notes for Variance of Actual Profit from Forecast Profit / Profit Guarantee

Not applicable.

B10. Dividends

- a) A final single-tier dividend of 5 sen per share and a special dividend of 5 sen per share, in respect of the financial year ended 31 December 2023 is payable on 2 July 2024.
- b) No interim dividend has been declared in respect of the first financial quarter ended 31 March 2024.
- c) The total dividends for the financial year ended 31 December 2023:

<u>Type of dividend</u>	<u>sen per share</u>
Interim, single-tier	5.00
Final, single-tier	5.00
Special, single-tier	5.00
	<hr/>
	15.00



B11. Earnings Per Share

a) *Basic Earnings Per Share*

The basic earnings per share for the current quarter and year-to-date had been calculated as follows:-

	<u>Current Quarter</u>	<u>Year To-Date</u>
Earnings attributable to owners of the parent (RM'000)	49,543	49,543
Weighted average number of ordinary shares in issue ('000)	359,303	359,303
Basic earnings per share (sen)	13.79	13.79

b) *Diluted Earnings Per Share*

There were no potential dilutive ordinary shares outstanding as at the end of the reporting period. Hence, the diluted earnings per share is the same as the basic earnings per share.



B12. Notes to the Condensed Consolidated Statement of Comprehensive Income

The following amounts have been credited /(charged) in arriving at profit/(loss) before tax:-

	Individual Quarter		Cumulative Quarter	
	3 months ended		3 months ended	
	<u>31-Mar</u>		<u>31-Mar</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
a) Interest income	9,729	8,835	9,729	8,835
b) Dividend income	1,590	1,599	1,590	1,599
c) Other income	765	505	765	505
d) Interest expenses	(1,379)	(2,437)	(1,379)	(2,437)
e) Depreciation and amortisation	(7,417)	(7,329)	(7,417)	(7,329)
f) (Allowance for)/(write-off)/write back of receivables	(67)	(41)	(67)	(41)
g) (Allowance for)/(write-off)/write-back of inventories	0	0	0	0
h) Gain /(Loss) on disposal of properties, plant & equipment	(2)	198	(2)	198
i) Gain /(Loss) on disposal of investment properties	0	0	0	0
j) Reversal/(Provision) of impairment of assets	0	0	0	0
k) Realised exchange gain/(loss)	867	(6,915)	867	(6,915)
l) Unrealised exchange gain/(loss)	10,113	12,000	10,113	12,000
m) Assets (written off)/write-back	(8)	(9)	(8)	(9)
n) Gain/(Loss) on derivatives	0	524	0	524
o) Provision for land held for development	0	0	0	0
p) Fair value gain/(loss) on biological assets	(48)	(198)	(48)	(198)
q) Fair value gain/(loss) on short term funds	710	796	710	796
r) Gain/(Loss) on redemption of short term fund	0	0	0	0
s) Fair value gain/(loss) on unquoted investment	0	0	0	0
t) Waiver of loan received from Paycheck Protection Program	0	0	0	0
u) Gain on lease termination	0	0	0	0