



INTERIM FINANCIAL REPORT FOR THE SECOND QUARTER ENDED 30 JUNE 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 29 May 2024.

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 30 June 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 30 June 2024.



KECK SENG (MALAYSIA) BERHAD

Company no. 196801000565 (8157-D)

(Incorporated in Malaysia)

A7. Dividend paid

A final single-tier dividend of 5 sen per share and a special single-tier dividend of 5 sen per share in respect of the financial year ended 31 December 2023 was paid on 2 July 2024.



A8. Segmental Information

Segmental information in respect of the Group's business segments for the period ended 30 June 2024 and its comparative:-

6 months period ended 30/6/2024	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	446,604	163,406	126,710	-	8,049	-	-	744,769
Inter-segment sales	53,727	-	-	24,988	-	-	(78,715)	-
Total revenue	500,331	163,406	126,710	24,988	8,049	-	(78,715)	744,769
RESULTS								
Operating results	19,121	23,747	44,910	11,161	8,536	1,365	(1,366)	107,474
Foreign exchange gain/(loss)	-	-	-	-	-	(982)	3	(979)
Finance costs	-	-	-	-	(6,556)	(504)	6,556	(504)
Interest income	-	-	-	-	-	27,371	(6,567)	20,804
Profit/(Loss) before tax	19,121	23,747	44,910	11,161	1,980	27,250	(1,374)	126,795
Income tax expense								(21,453)
Profit for the period								105,342

6 months period ended 30/6/2023	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	449,845	145,565	91,553	-	4,699	-	-	691,662
Inter-segment sales	47,301	-	684	19,292	-	-	(67,277)	-
Total revenue	497,146	145,565	92,237	19,292	4,699	-	(67,277)	691,662
RESULTS								
Operating results	22,129	14,808	31,514	4,113	12,744	1,584	3,017	89,909
Foreign exchange gain/(loss)	-	-	-	-	-	21,881	68	21,949
Finance costs	(3)	(638)	-	-	(4,704)	(74)	5,345	(74)
Interest income	-	-	-	-	-	23,593	(5,387)	18,206
Profit/(Loss) before tax	22,126	14,170	31,514	4,113	8,040	46,984	3,043	129,990
Income tax expense								(11,844)
Profit for the period								118,146



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 30 June 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.

	6 months ended	
	30-Jun	
	2024	2023
	<u>RM'000</u>	<u>RM'000</u>
(i) Transactions with subsidiaries		
Purchases	36,444	31,992
Sales	37,091	32,274
Rental income	-	684
Dividend income	-	-
Interest income	6,567	5,387
Management fees	632	632
	-----	-----
(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	3,520	4,140
	-----	-----



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 30 June 2024 was made up as follows:-

	<u>Current Quarter</u> RM'000	<u>Year To-Date</u> RM'000
Current tax:		
Malaysian income tax	(9,460)	(17,215)
Foreign tax	(1,954)	(2,365)
	<u>(11,414)</u>	<u>(19,580)</u>
Over/(under) provision in respect of prior years		
Malaysian income tax	32	32
Foreign tax	-	-
	<u>32</u>	<u>32</u>
Deferred tax		
Transfer from/(to) deferred taxation	189	(1,905)
Total income tax expense	<u>(11,193)</u>	<u>(21,453)</u>

The Group's effective tax rate of 17% 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	-	13,648
Note payable within a year - secured	-	-
Long term borrowings:-		
Note payable after 1 year - secured	13,451	63,459

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 30 June 2024, the notional amount, fair value and maturity period of the forward foreign exchange contracts were as follows:-

Type of derivatives	Contract/Notional amount RM'000	Fair value assets/(liabilities) RM'000
Currency forward contracts - less than 1 year	9,439	2

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>2nd Quarter 2024</u>	<u>1st Quarter 2024</u>	<---- Increase/(Decrease)---->	
	RM	RM	RM	%
	'000	'000	'000	
Revenue	401,348	343,421	57,927	17
Profit before taxation	64,618	62,177	2,441	4

Revenue

The Group's revenue in 2nd Q 2024 was higher than 1st Q 2024. The following segments had recorded revenue in 2nd Q 2024 materially different from 1st Q 2024:-

Manufacturing

The segment recorded higher revenue in 2nd Q 2024 as compared to 1st Q 2024. The increase in revenue was mainly due to higher selling price of refined oil sold in 2nd Q 2024.

Property Development

The segment recorded higher revenue in 2nd Q 2024 as compared to 1st Q 2024. The increase in revenue was mainly due to a higher percentage of completion recognised for the ongoing residential projects in 2nd Q 2024.

Hotels

A higher revenue was recorded by the segment in 2nd Q 2024 as compared to the 1st Q 2024. The increase in revenue was mainly due to the higher average room rate and occupancy rate of our three overseas hotels in 2nd Q 2024.

Profit before taxation

The Group recorded a higher profit in 2nd Q 2024 as compared to 1st Q 2024. The following segments had recorded results in 2nd Q 2024 materially different from 1st Q 2024:-

Manufacturing

The segment recorded a lower profit in 2nd Q 2024 as compared to 1st Q 2024. The decrease in profit was due mainly to a forex loss in 2nd Q 2024 as compared to a forex gain in 1st Q 2024.



B6. Comparison with Preceding Quarter's Results (cont'd)

Profit before taxation (cont'd)

Property Development

The segment recorded a higher profit in 2nd Q 2024 as compared to 1st Q 2024 due mainly to the higher profit contributions from residential projects in progress.

Hotels

The segment recorded a higher profit in 2nd Q 2024 as compared to 1st Q 2024 due mainly to the increased average room rate and occupancy rate of our New York and Canada hotels in 2nd Q 2024, resulting from greater demand.

Forex as Unallocated Item

The strengthening of the MYR against the SGD in 2nd Q 2024 resulted in a forex loss on the foreign currency on hand, compared to a forex gain experienced in the 1st Q 2024 when the SGD had strengthened.



B7. Review of Performance

	To 2nd Quarter <u>2024</u> RM '000	To 2nd Quarter <u>2023</u> RM '000	< -- Increase/(Decrease)-- >	
			RM '000	%
Revenue	744,769	691,662	53,107	8
Profit before taxation	126,795	129,990	(3,195)	(2)

Revenue

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

Property Development

The segment recorded a higher revenue in 1H 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 1H 2024.

Hotels

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

Profit before taxation

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

Property Development

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

Plantations

The segment recorded a higher profit mainly due to increased fresh fruit bunches ("FFB") production and higher FFB prices in 1H 2024. The improved operational efficiencies also contributed to overall profitability.



B7. Review of Performance (cont'd)

Profit before taxation (cont'd)

Hotels

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

Share investments

The segment recorded a lower profit due to a fair value and forex loss on an unquoted investment in 1H 2024 as compared to a fair value and forex gain in 1H 2023. The loss was partially offset by a higher dividend income in 1H 2024.

Forex as Unallocated Item

Weakening of SGD against MYR in 1H 2024 resulted in a forex loss on the foreign currencies held as compared to a forex gain in 1H 2023.

B8. Prospects for 2024

Plantation and Manufacturing

In the first half of 2024, our plantation division saw a substantial increase in the production of fresh fruit bunches (FFB) compared to the same period in 2023. This growth mirrors the overall upward trend in FFB yields across the industry and aligns with the latest data from the Malaysian Palm Oil Board (MPOB). If this trend continues, we expect FFB output for 2024 to exceed that of 2023. While operational costs have remained stable, we are mindful of the possibility of any decline in Crude Palm Oil (CPO) prices in the coming months. Although the current outlook is generally positive, a downward shift in CPO prices could affect our financial performance in the latter half of 2024.

The extreme dry weather experienced in 2023 has not affected the yield of FFB, as reflected in MPOB's statistics and the Mill's 1H 2024 intake data. As a result, we expect 2024's FFB intake for the Mill to be higher than 2023's level. 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 remain challenging in 2024.

The Refinery is expected to face tight margins for the remainder of 2024. This is primarily due to increasing biodiesel demand, stiff competition from other oils and fats, and factors such as seasonal low production and changing weather patterns.



B8. Prospects for 2024 (cont'd)

Property Development

The Property Division has sold 308 units with a total revenue of RM109.6 million in 1H 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, 336 units, or 68%, have been sold.

In Tanjong Puteri Resort, the launch of new phases of single-storey and double-storey terrace houses has resulted in 158 units sold out of 201 units, or 78%.

In Taman Daya ("TD"), we have launched Greenwood Residences, comprising 106 units of cluster and semi-detached, of which 56% have been sold.

Our investment properties at TD have performed well, with 100% occupancy at TD Point and 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 includes 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 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' expectation and existing upgrading works.



B8. Prospects for 2024 (cont'd)

Hotels

The New York market continues to exhibit steady demand, with mid-scale hotel occupancy and room demand in New York City (“NYC”) rising. Springhill Suites Midtown Manhattan is set to build on this momentum with higher Occupancy and Average Daily Rate, leading to potentially higher Room and Total Revenues compared to 2023. We are strategically leveraging premium and suite rooms while targeting emerging segments in the growing Entertainment and Biotech industries in NYC. The management will bolster revenue management efforts by investing in e-commerce and digital marketing, developing packages and special corporate rates for weekends, and continuing to grow and reclaim group and catering revenues.

Doubletree by Hilton Alana Waikiki Beach (“DAH”) has in the first half of 2024, surpassed both the previous year's performance and initial projections in Occupancy, Total Revenue, Revenue Per Available Room, Gross Operating Profit, and EBITDA. Average Daily Rate (ADR) finished the first half on par with initial estimates but outperformed the previous year. The remainder of 2024 is anticipated to be positive. DAH will continue to drive a strong ADR by focusing on higher-rated corporate and government sectors with projects and extended stays within the construction, energy, and IT sectors. 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.

The Delta Hotels by Marriott- Toronto Airport located in Canada had in the first half of the year similarly exceeded both the previous year's performance and initial projections. We anticipate continued positive performance for the full year, with room and F&B revenues exceeding prior year actuals. The growth is mainly driven by group business, which includes room nights and meeting events, and is essential to the hotel's overall success as it brings in additional revenue streams. Parking revenue has also shown significant increases over the first six months of 2024. New equipment and technology installed for the parking system have generated higher-than-anticipated parking revenue.

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 single-tier dividend of 5 sen per share, in respect of the financial year ended 31 December 2023 was paid on 2 July 2024.
- b) A single tier interim dividend in respect of the financial year ending 31 December 2024 had been declared.
- c) The amount per share is 5 sen per share under single tier system.
- d) The date of payment is 21 November 2024.
- e) In respect of deposited securities, entitlement to dividends will be determined on the basis of the record of depositors as at 25 October 2024.
- f) 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	<u>5.00</u>
	<u>15.00</u>



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)	47,266	96,809
Weighted average number of ordinary shares in issue ('000)	359,303	359,303
Basic earnings per share (sen)	13.15	26.94

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		6 months ended	
	<u>30-Jun</u>		<u>30-Jun</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	RM'000	RM'000	RM'000	RM'000
a) Interest income	11,075	9,371	20,804	18,206
b) Dividend income	6,459	3,100	8,049	4,699
c) Other income	936	1,418	1,701	1,923
d) Interest expenses	(1,238)	(2,076)	(2,617)	(4,513)
e) Depreciation and amortisation	(7,894)	(7,465)	(15,311)	(14,794)
f) (Allowance for)/(write-off)/write back of receivables	52	(64)	(15)	(105)
g) (Allowance for)/(write-off)/write-back of inventories	0	3	0	3
h) Gain /(Loss) on disposal of properties, plant & equipment	4	0	2	198
i) Gain /(Loss) on disposal of investment properties	5	0	5	0
j) Reversal/(Provision) of impairment of assets	0	0	0	0
k) Realised exchange gain/(loss)	724	2,512	1,591	(4,403)
l) Unrealised exchange gain/(loss)	(6,626)	34,539	3,487	46,539
m) Assets (written off)/write-back	(8)	(79)	(12)	(88)
n) Gain/(Loss) on derivatives	2	(218)	2	306
o) Provision for land held for development	(130)	0	0	0
p) Fair value gain/(loss) on biological assets	391	132	343	(66)
q) Fair value gain/(loss) on short term funds	(649)	789	61	1,584
r) Gain/(Loss) on redemption of short term fund	1,304	0	1,304	0
s) Fair value gain/(loss) on unquoted investment	(914)	6,364	(914)	6,364
t) Waiver of loan received from Paycheck Protection Program	0	0	0	0
u) Gain on lease termination	0	0	0	0