



INTERIM FINANCIAL REPORT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 September 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 September 2024.



KECK SENG (MALAYSIA) BERHAD

Company no. 196801000565 (8157-D)

(Incorporated in Malaysia)

A7. Dividend paid

- 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 of 5 sen per share in respect of the financial year ending 31 December 2024 was paid on 21 November 2024.



A8. Segmental Information

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

| 9 months period ended 30/9/2024 | <u>Manufacturing</u> | <u>Hotel and Resort</u> | <u>Property development & Investment</u> | <u>Plantations</u> | <u>Share investment</u> | <u>Others</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|------------------------------------|----------------------|-----------------------------|--|--------------------|-----------------------------|-----------------|---------------------|---------------------|
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| REVENUE | | | | | | | | |
| External sales | 730,537 | 242,089 | 201,202 | - | 11,774 | - | - | 1,185,602 |
| Inter-segment sales | 84,077 | - | - | 39,614 | - | - | (123,691) | - |
| Total revenue | 814,614 | 242,089 | 201,202 | 39,614 | 11,774 | - | (123,691) | 1,185,602 |
| RESULTS | | | | | | | | |
| Operating results | 8,689 | 31,443 | 73,932 | 17,591 | 14,266 | 1,924 | (1,335) | 146,510 |
| Foreign exchange gain/(loss) | - | - | - | - | - | (118,506) | 41,719 | (76,787) |
| Finance costs | - | - | - | - | (9,543) | (697) | 9,543 | (697) |
| Interest income | - | - | - | - | - | 40,865 | (9,489) | 31,376 |
| Profit/(Loss) before tax | 8,689 | 31,443 | 73,932 | 17,591 | 4,723 | (76,414) | 40,438 | 100,402 |
| Income tax expense | | | | | | | | (31,426) |
| Profit for the period | | | | | | | | 68,976 |

| 9 months period ended 30/9/2023 | <u>Manufacturing</u> | <u>Hotel and Resort</u> | <u>Property development & Investment</u> | <u>Plantations</u> | <u>Share investment</u> | <u>Others</u> | <u>Eliminations</u> | <u>Consolidated</u> |
|------------------------------------|----------------------|-----------------------------|--|--------------------|-----------------------------|---------------|---------------------|---------------------|
| | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> | <u>RM'000</u> |
| REVENUE | | | | | | | | |
| External sales | 651,381 | 222,038 | 144,640 | - | 8,001 | - | - | 1,026,060 |
| Inter-segment sales | 75,272 | - | 938 | 30,125 | - | - | (106,335) | - |
| Total revenue | 726,653 | 222,038 | 145,578 | 30,125 | 8,001 | - | (106,335) | 1,026,060 |
| RESULTS | | | | | | | | |
| Operating results | 8,372 | 22,575 | 49,871 | 8,433 | 9,709 | 2,265 | 7,118 | 108,343 |
| Foreign exchange gain/(loss) | - | - | - | - | - | 60,023 | (19,818) | 40,205 |
| Finance costs | (7) | (1,027) | - | - | (7,985) | (184) | 9,019 | (184) |
| Interest income | - | - | - | - | - | 37,873 | (9,082) | 28,791 |
| Profit/(Loss) before tax | 8,365 | 21,548 | 49,871 | 8,433 | 1,724 | 99,977 | (12,763) | 177,155 |
| Income tax expense | | | | | | | | (21,458) |
| Profit for the period | | | | | | | | 155,697 |



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 September 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.

| | 9 months ended | |
|---|----------------|---------------|
| | 30-Sept | |
| | 2024 | 2023 |
| | <u>RM'000</u> | <u>RM'000</u> |
| (i) Transactions with subsidiaries | | |
| Purchases | 58,948 | 50,133 |
| Sales | 56,698 | 51,229 |
| Rental income | - | 937 |
| Dividend income | - | - |
| Interest income | 9,489 | 9,083 |
| Management fees | 949 | 949 |
| | ----- | ----- |
| (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 | 5,959 | 5,983 |
| | ----- | ----- |



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 September 2024 was made up as follows:-

| | <u>Current Quarter</u> RM'000 | <u>Year To-Date</u> RM'000 |
|--|--------------------------------------|-----------------------------------|
| Current tax: | | |
| Malaysian income tax | (8,871) | (26,086) |
| Foreign tax | (2,265) | (4,630) |
| | <u>(11,136)</u> | <u>(30,716)</u> |
| Over/(under) provision in respect of prior years | | |
| Malaysian income tax | 96 | 128 |
| Foreign tax | - | - |
| | <u>96</u> | <u>128</u> |
| Deferred tax | | |
| Transfer from/(to) deferred taxation | 1,067 | (838) |
| | <u>(9,973)</u> | <u>(31,426)</u> |
| Total income tax expense | | |

The Group's effective tax rate of 31% was higher than the statutory tax rate of 24% due mainly to certain expenses not deductible for tax purpose.

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 | - | 38,485 |
| Note payable within a year - secured | - | - |
| Long term borrowings:- | | |
| Note payable after 1 year - secured | 13,451 | 55,230 |

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 September 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 | 8,203 | (41) |

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>3rd Quarter 2024</u> | <u>2nd Quarter 2024</u> | <---- Increase/(Decrease)----> | |
|-------------------------------|-------------------------|-------------------------|--------------------------------|-------|
| | RM | RM | RM | % |
| | '000 | '000 | '000 | |
| Revenue | 440,833 | 401,348 | 39,485 | 10 |
| (Loss)/Profit before taxation | (26,393) | 64,618 | (91,011) | (141) |

Revenue

The Group's revenue in 3rd Q 2024 was higher than 2nd Q 2024. The following segments had recorded revenue in 3rd Q 2024 materially different from 2nd Q 2024:-

Manufacturing

The segment recorded higher revenue in 3rd Q 2024 as compared to 2nd Q 2024. The increase in revenue was mainly due to higher quantity of refined oil sold in 3rd Q 2024.

Hotels

A lower revenue was recorded by the segment in 3rd Q 2024 as compared to the 2nd Q 2024. The decrease in revenue was mainly due to lower average room rates for the hotel in Canada and New York.

(Loss)/Profit before taxation

The Group recorded a loss in 3rd Q 2024 as compared to a profit in 2nd Q 2024. The following segments had recorded results in 3rd Q 2024 materially different from 2nd Q 2024:-

Hotels

The segment recorded a lower profit in 3rd Q 2024 as compared to 2nd Q 2024 due mainly to the decreased average room rate of our Canadian hotel in 3rd Q 2024.

Forex as Unallocated Item

The strengthening of the MYR against the SGD and USD in 3rd Q 2024 resulted in a significant unrealised forex loss on the foreign currency on hand in 3rd Q 2024.



B7. Review of Performance

| | To 3rd Quarter <u>2024</u> RM '000 | To 3rd Quarter <u>2023</u> RM '000 | < -- Increase/(Decrease)-- > | |
|------------------------|---|---|------------------------------|------|
| | | | RM '000 | % |
| Revenue | 1,185,602 | 1,026,060 | 159,542 | 16 |
| Profit before taxation | 100,402 | 177,155 | (76,753) | (43) |

Revenue

The Group's revenue in 3Q 2024 was higher than 3Q 2023. The following segments had recorded revenue in 3Q 2024 materially different from 3Q 2023:-

Manufacturing

The segment recorded a higher revenue in 3Q 2024 as compared to preceding year corresponding period. The increase in revenue was mainly due to higher quantity and selling price of refined oil sold in 3Q 2024.

Property Development

The segment recorded a higher revenue in 3Q 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 3Q 2024.

Hotels

A higher revenue was recorded by the segment in 3Q 2024 as compared to 3Q 2023. The increase in revenue was mainly due to overall higher average room rate and occupancy rate for our overseas hotels.

Profit before taxation

The Group recorded a lower profit in 3Q 2024 as compared to 3Q 2023. The results of the following segments in 3Q 2024 were materially different from 3Q 2023:-

Property Development

The segment recorded a higher profit due to the increase in number of units sold for residential and commercial properties in 3Q 2024.



B7. Review of Performance (cont'd)

Profit before taxation (cont'd)

Plantations

The segment recorded a higher profit mainly due to increased fresh fruit bunches (“FFB”) production and higher FFB prices in 3Q 2024.

Forex as Unallocated Item

Strengthening of MYR against USD and SGD in 3Q 2024 resulted in an unrealised forex loss on the foreign currencies held as compared to an unrealised forex gain in 3Q 2023.

B8. Prospects for 2024

Plantation and Manufacturing

Our plantation division continued to see a substantial increase in Fresh Fruit Bunches (FFB) production during the third quarter of 2024 compared to the same period last year. The increase in FFB output is in line with the national trends reported by the Malaysian Palm Oil Board (MPOB). With this momentum, we anticipate total FFB production for 2024 will exceed 2023 levels. The division’s financial performance remains robust, supported by both higher FFB production and favourable Crude Palm Oil (CPO) prices. Provided CPO prices remain stable, we are cautiously optimistic about maintaining our financial performance for the year.

Consistent with MPOB’s statistics, FFB yields have risen nationally in the first three quarters of the year, a trend mirrored by the Mill’s intake data. We are optimistic that the Mill’s FFB intake in 2024 will exceed the previous year’s. However, this final quarter of 2024 presents challenges, as increased competition for FFB during the upcoming low crop season, along with rising production, overhead, and compliance costs related to environmental protection and sustainability standards, are expected to place pressure on the Mill’s financial performance.

The Refinery is likely to face tight margins through the end of 2024 due to seasonal year-end low Crude Palm Oil and Crude Palm Kernel Oil production, increasing biodiesel demand and stiff competition from other oils and fats.



B8. Prospects for 2024 (cont'd)

Property Development

The Property Division reported the sale of 395 units, generating total revenue of RM175.6 million in Q3 2024.

At Bandar Baru Kangkar Pulai, we successfully launched new phases of Ruby Hills, Citrine Hills, and shop offices at Centralis 72. Of the 495 units launched, 370 units have been sold, achieving a 75% sales rate. Further launches are planned, including a new phase of double storey cluster houses in Ruby Hills and double storey terrace houses in Citrine Hills.

At Tanjong Puteri Resort, new phases of single-storey and double-storey terrace houses were launched, with 181 out of 201 units sold, achieving a 90% sales rate.

In Taman Daya ("TD"), we launched Greenwood Residences, comprising 106 cluster and semi-detached units, with a 60% sales rate to date.

Our investment properties at TD have also shown strong performance, with TD Point achieving nearly 100% occupancy and TD Central achieving full occupancy.

TD Central, our "Build-to-Lease" standalone commercial district, has attracted several notable brands and drive-thru outlets, including China-based supermarket Scarlett, China's Jaecoo luxury auto showroom, Authentic Korean BBQ Itaewon Saemaoul, Japanese Omakase Restaurant Sushi Nikki, and Thai Spa & Wellness Soul Asia.

Given the global geopolitical conflicts in the Middle East and Ukraine, along with inflationary pressures on construction material and labour costs, we remain vigilant about the timing of new launches and the challenges these conditions pose for 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 resulted in more options for both existing and prospective tenants.



B8. Prospects for 2024 (cont'd)

Hotels

The New York market continues to experience steady demand. Seasonal trends in Q4 are driving an increase in occupancy, especially among transient visitors seeking mid-range accommodation. Room demand and occupancy rates have risen, and Springhill Suites Midtown Manhattan is on track to continue this positive trend into 2024, with projections indicating higher Occupancy and Average Daily Rate generating higher Room and Total Revenues compared to 2023. By focusing on premium rooms and suites, especially during strong weekday periods, the hotel aims to optimise its Retail rates. We will continue supporting revenue management efforts with strategic investments in e-commerce and digital marketing, complemented by tailored packages aimed at growing corporate bookings during weekends. Additionally, focused initiatives are in place to drive group bookings and recapture catering revenues.

The Doubletree by Hilton Alana Waikiki Beach (“DAH”) has outperformed expectations for the first three quarters of 2024, surpassing both prior year figures and initial targets in Occupancy, Total Revenue, Revenue Per Available Room, Gross Operating Profit, and EBITDA. Average Daily Rate (ADR) have met projections, even outperforming the previous year. However, a decrease in tourist arrivals and slower group bookings are expected to soften revenues and profits for Q4 2024. DAH plans to maintain ADR by continuing to target Government, Military, short-term booking Groups, and Corporate Accounts while implementing cost-saving measures to offset any quarterly short-falls. Rising wages in Hawaii will continue to impact profits.

The Delta Hotels by Marriott-Toronto Airport in Canada has exceeded last year’s performance and initial projections across the first three quarters of 2024, with banquet and parking revenues contributing to these results. However, Q4 presents challenges, with softer market conditions affecting the entire competitive set and a recent increase in cancellations reducing anticipated banquet revenue. The Delta Hotel sales team remains focused on capturing market share, while Management will closely monitor market trends to respond proactively while implementing cost-cutting measures to address any challenges. Despite this, Delta Hotel is projected to close 2024 on a high note, outperforming both initial projections and last years' figures in revenue, gross operating profit, and EBITDA.

Conclusion

Ongoing geopolitical conflicts, including the Russian-Ukraine war and the Middle East conflict, along with global warming, currency volatility, 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 of 5 sen per share in respect of the financial year ending 31 December 2024 was paid on 21 November 2024.
- c) No further interim dividend has been declared in respect of the third financial quarter and nine months ended 30 September 2024.
- d) 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) | (36,660) | 60,149 |
| Weighted average number of ordinary shares in issue ('000) | 359,303 | 359,303 |
| Basic earnings per share (sen) | (10.20) | 16.74 |

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 | | 9 months ended | |
| | <u>30-Sept</u> | | <u>30-Sept</u> | |
| | <u>2024</u> | <u>2023</u> | <u>2024</u> | <u>2023</u> |
| | RM'000 | RM'000 | RM'000 | RM'000 |
| a) Interest income | 10,572 | 10,585 | 31,376 | 28,791 |
| b) Dividend income | 3,724 | 3,302 | 11,774 | 8,001 |
| c) Other income | 1,023 | 964 | 2,725 | 2,887 |
| d) Interest expenses | (1,211) | (1,381) | (3,828) | (5,894) |
| e) Depreciation and amortisation | (7,557) | (6,994) | (22,868) | (21,788) |
| f) (Allowance for)/(write-off)/write back of receivables | 6 | 153 | (9) | 48 |
| g) (Allowance for)/(write-off)/write-back of inventories | 0 | (80) | 0 | (77) |
| h) Gain /(Loss) on disposal of properties, plant & equipment | 0 | 4,205 | 2 | 4,403 |
| i) Gain /(Loss) on disposal of investment properties | 0 | 0 | 5 | 0 |
| j) Reversal/(Provision) of impairment of assets | 0 | 0 | 0 | 0 |
| k) Realised exchange gain/(loss) | (6,814) | 1,017 | (5,222) | (3,386) |
| l) Unrealised exchange gain/(loss) | (81,841) | (4,475) | (78,355) | 42,064 |
| m) Assets (written off)/write-back | (8) | (49) | (20) | (137) |
| n) Gain/(Loss) on derivatives | (43) | 95 | (41) | 401 |
| o) Provision for land held for development | (128) | 0 | (383) | 0 |
| p) Fair value gain/(loss) on biological assets | 215 | 576 | 558 | 510 |
| q) Fair value gain/(loss) on short term funds | 558 | 681 | 619 | 2,266 |
| r) Gain/(Loss) on redemption of short term fund | 0 | 0 | 1,304 | 0 |
| s) Fair value gain/(loss) on unquoted investment | 17 | 87 | (897) | 6,451 |
| t) Gain on lease termination | 0 | 0 | 0 | 0 |