



SIN HENG CHAN (MALAYA) BERHAD

(Reg. No. 196201000185 (4690-V))

(Incorporated in Malaysia)



CHAMPIONING STEADFAST GROWTH

ANNUAL REPORT **2024**



Championing Steadfast Growth

This dynamic theme depicts the nation's ascending wavelength being paved from evolving elements of SHC's plantation and infrastructural operations, all of which build up towards an idealised green city at the end of the wave. This steady progress is also guided throughout with SHC's red holographic lines for added effect, symbolising SHC's overall role in guiding the nation towards greater sustainable futures.

Feature in this Annual Report



Scan here and get access to the soft copy of our reports and contact information

www.shcm.com.my

Feedback

We are fully committed to listening to our stakeholders, and we welcome feedback on this report and any aspect of our performance.

To provide feedback, or for any inquiries on our report, please contact:

Telephone : **60 (3) 2094 7992**
Fax : **60 (3) 2094 7996**
Email : cosec@shcm.com.my

63rd

ANNUAL GENERAL MEETING



**28 May 2025,
Wednesday**



9.00 a.m



Venue

Function Room 1 & 2
Kuala Lumpur Golf & Country Club (KLGCC)
10, Jalan 1/70 D, Bukit Kiara
60000 Kuala Lumpur

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CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. MAK HON WENG

Chairman/Independent
Non-Executive Director

MR. CHOO KIN CHOONG

Group General Manager/
Executive Director

**YM. TUNKU AZLAN BIN
TUNKU AZIZ**

Independent Non-Executive Director

**YBHG. DATO'
CHOO KENG WENG**

Managing Director/Executive Director

**MR. THOMAS
TUAN KIT KWONG**

Non-Independent
Non-Executive Director

**PUAN ERNA SYAFINA BINTI
ABDUL RAHMAN**

Independent Non-Executive Director

AUDIT COMMITTEE

Chairman

YM. Tunku Azlan bin Tunku Aziz

Members

Mr. Mak Hon Weng
Puan Erna Syafina binti
Abdul Rahman

REGISTERED OFFICE

Suite 2.02, Level 2, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 60 (3) 2094 7992
Fax : 60 (3) 2094 7996

PRINCIPAL BANKERS

Alliance Bank Malaysia Berhad
Bank Islam Malaysia Berhad
CIMB Bank Berhad
Malayan Banking Berhad
MBSB Bank Berhad

NOMINATION AND REMUNERATION COMMITTEE

Chairman

YM. Tunku Azlan bin Tunku Aziz

Members

Mr. Mak Hon Weng
Puan Erna Syafina binti
Abdul Rahman

BUSINESS OFFICE

Level 3, Wisma E&C
No. 2, Lorong Dungun Kiri
Damansara Heights
50490 Kuala Lumpur
Wilayah Persekutuan, Malaysia
Tel : 60 (3) 2094 7992
Fax : 60 (3) 2094 7996

AUDITORS

Messrs Al Jafree Salihin Kuzaimi PLT
Chartered Accountants
No. 555, Jalan Samudra Utara 1
Taman Samudra
68100 Batu Caves
Selangor Darul Ehsan
Tel : 60 (3) 6185 9970
Fax : 60 (3) 6184 2524

COMPANY SECRETARIES

Ms. Lim Seck Wah
(MAICSA 0799845)
(SSM PC No. 202008000054)

Ms. Kong Mei Kee
(MAICSA 7039391)
(SSM PC No. 202008002882)

SHARE REGISTRAR

Boardroom Share Registrars
Sdn. Bhd.
11th Floor, Menara Symphony
No. 5, Jalan Prof. Khoo Kay Kim
Seksyen 13, 46200 Petaling Jaya
Selangor Darul Ehsan
Tel : 60 (3) 7890 4700
Fax : 60 (3) 7890 4670

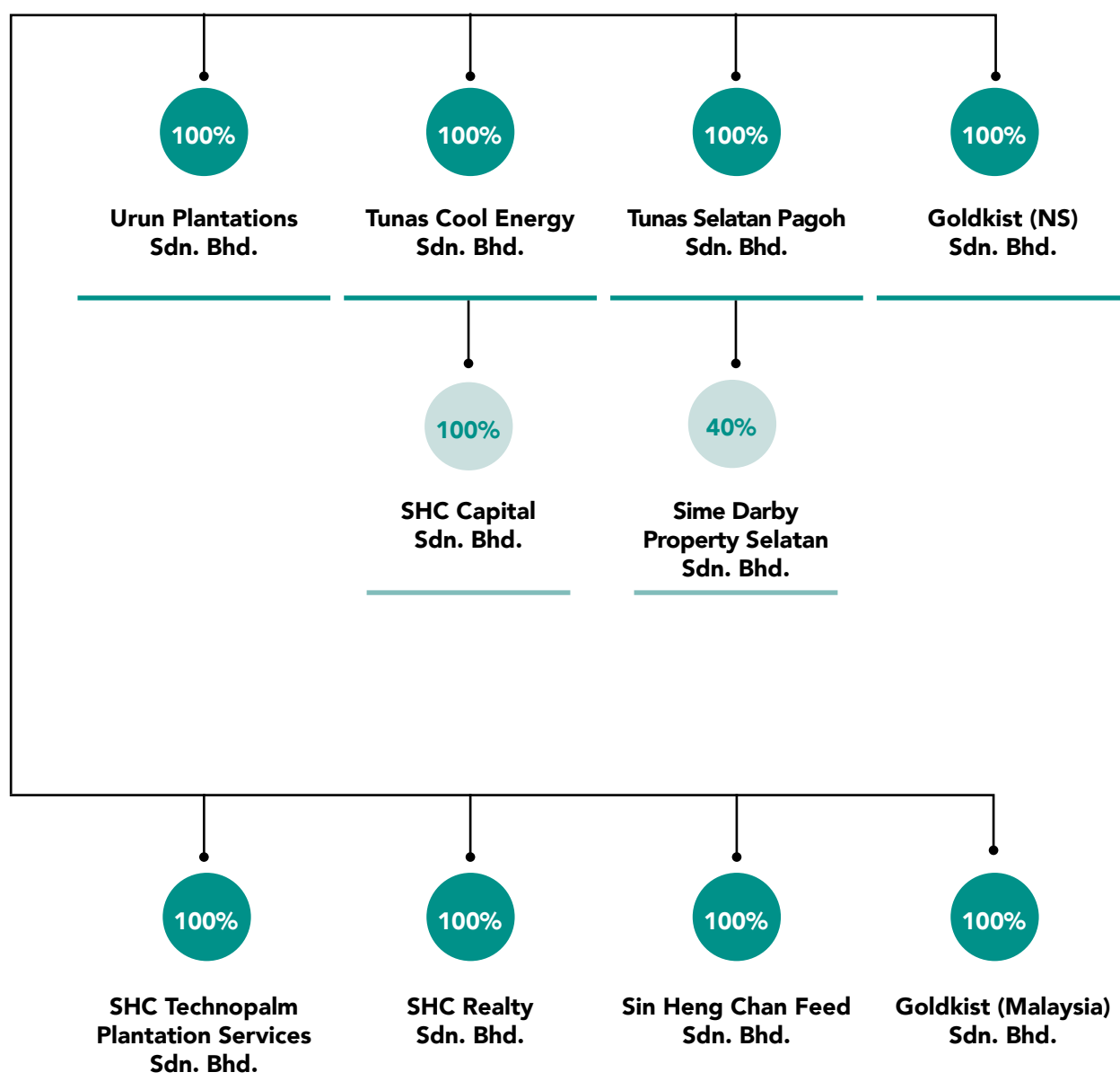
STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
(Listed since 26 July 1973)
Stock Name : SHCHAN
Stock Code : 4316
Sector : Plantation

WEBSITE

www.shcm.com.my

CORPORATE STRUCTURE



PROFILE OF DIRECTORS

MAK HON WENG Chairman / Independent Non-Executive Director	 Nationality Malaysian	 Age and Gender 72 / Male
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Mr. Mak Hon Weng was appointed to the Board on 21 March 2014. He was appointed as Chairman of the Board on 25 May 2018.

He is a Chartered Accountant (FCCA) and Chartered Secretary (ACIS) by training. He is also a member of the Malaysian Institute of Accountants (MIA).

He is the member of the Audit Committee, and Nomination and Remuneration Committee of the Company.

He has more than 35 years of experience in senior managerial position, mostly in the banking industry. He last served as Senior Vice President with Alliance Bank Malaysia Berhad focusing in project financing for the real estate and construction sector.

He does not hold any directorship in any other public listed company.

DATO' CHOO KENG WENG Managing Director / Executive Director	 Nationality Malaysian	 Age and Gender 75 / Male
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YBHG. Dato' Choo Keng Weng is a businessman with varied interest and investments in Malaysia and overseas.

He was appointed as the Managing Director of Sin Heng Chan (Malaya) Berhad on 17 June 1995. He holds a Bachelor of Science and Master in Business Administration (MBA) in Finance (USA). After graduation in 1978, he served in various corporate positions both in overseas and Malaysia. He has vast experience in consumer food products, manufacturing and trading, property investment, plantation, construction and timber manufacturing.

He does not hold any directorship in any other public listed company. He sits on the board of several private limited companies.

CHOO KIN CHOONG Group General Manager / Executive Director	 Nationality Malaysian	 Age and Gender 35 / Male
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Mr. Choo Kin Choong was appointed to the Board of the Company on 3 July 2023. He is currently the Group General Manager of Sin Heng Chan (Malaya) Berhad.

Mr. Choo Kin Choong graduated in 2012 with Bachelor of Arts in Philosophy, Politics and Economics from the University of Oxford, United Kingdom. He has been involved with the Group's operations in the palm oil plantation, and energy and facility management sectors for the past 13 years.

Mr. Choo Kin Choong is the son of YBHG. Dato' Choo Keng Weng (Managing Director and Major Shareholder).

He does not hold any directorship in any other public listed company.

PROFILE OF DIRECTORS (CONT'D)

THOMAS TUAN KIT KWONG Non-Independent Non-Executive Director	 Nationality Malaysian	 Age and Gender 61 / Male
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Mr. Thomas Tuan Kit Kwong was appointed to the Board on 11 November 2011. In 2023, Mr. Thomas was re-designated from the position of Independent Non-Executive Director to Non-Independent Non-Executive Director.

He is a Chartered Accountant by profession and is a member of the Malaysian Institute of Accountants (MIA) and Malaysian Institute of Certified Public Accountants (MICPA). He started his accounting career with Azman, Wong, Salleh & Co. and subsequently joined KPMG Peat Marwick.

In 1991, Mr. Thomas joined Syarikat Teratai KG Sdn. Bhd. as a Financial Controller. He left to join Kelanamas Industries Berhad. He was appointed as Director and CEO of Pakai Industries Berhad since 1995 till present.

He does not hold any directorship in any other public listed company.

TUNKU AZLAN BIN TUNKU AZIZ Independent Non-Executive Director	 Nationality Malaysian	 Age and Gender 56 / Male
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YM. Tunku Azlan bin Tunku Aziz was appointed to the Board of the Company on 7 May 2021.

He is the Chairman of the Audit Committee, and Nomination and Remuneration Committee of the Company.

YM. Tunku Azlan is a qualified Accountant under the Association of Chartered Certified Accountants (ACCA) since 1996 and a member of the Malaysian Institute of Accountants (MIA).

Presently, he is the Chief Financial Officer of Scomi Energy Services Berhad.

ERNA SYAFINA BINTI ABDUL RAHMAN Independent Non-Executive Director	 Nationality Malaysian	 Age and Gender 33 / Female
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Puan Erna Syafina binti Abdul Rahman was appointed to the Board of the Company on 3 July 2023.

She graduated in 2017 with a Masters of Architecture from University of Kent, Canterbury, United Kingdom and has a Bachelor of Science (Honours) (Architecture) from Taylor's University, Malaysia. She is registered with the Lembaga Arkitek Malaysia and Pertubuhan Arkitek Malaysia (PAM).

She is the member of the Audit Committee, and Nomination and Remuneration Committee of the Company.

She has 13 years of business experience and has been involved in many construction projects throughout Peninsular Malaysia and Sarawak.

She does not hold any directorship in any other public listed company.

Other Information:

1. Family Relationship with any Director and/or Substantial Shareholder

Save for Mr. Choo Kin Choong who is the son of YBHG. Dato' Choo Keng Weng, there is no family relationship with any Director and/or Substantial Shareholder of the Company.

2. Directors' Shareholdings

Details of the Directors' shareholdings in the Company are provided in the Analysis of Shareholdings Section in this Annual Report.

3. Conflict of Interest with the Group

None of the Directors of the Company have any conflict of interest with the Group.

4. Convictions for Offences

None of the Directors of the Company have been convicted of any offences within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

5. Attendance of Board Meeting

Details of the Board meeting attendance of each Director are disclosed in the Corporate Governance Overview Statement in the Annual Report.

PROFILE OF KEY SENIOR MANAGEMENT

DATO' CHOO KENG WENG Managing Director / Executive Director		CHOO KIN CHOONG Group General Manager / Executive Director	
 Nationality Malaysian	 Age and Gender 75 / Male	 Nationality Malaysian	 Age and Gender 35 / Male
Please refer to his Director's Profile appearing in page 4 of the Annual Report 2024.		Please refer to his Director's Profile appearing in page 4 of the Annual Report 2024.	
CAPT. (R) V. PANIRCHELLVUM S/O VELAITHAM, PGB Director of Urun Plantations Sdn. Bhd.		NORIHA BINTI EMBONG Director of Tunas Selatan Pagoh Sdn. Bhd.	
 Nationality Malaysian	 Age and Gender 71 / Male	 Nationality Malaysian	 Age and Gender 59 / Female
Capt. (R) Panirchellvum was appointed as Director (Plantation) for the Group's palm oil plantation segment in 2018. After graduating from Royal Military College in 1974, he had a distinguished career in the Royal Ranger Battalion, during which he received the Bravery Dagger from the Chief of the Armed Forces and the Panglima Gagah Berani from the DYMM Yang Dipertuan Agong. He also attended the Senior Management Development Programme (SMDP) at Harvard Business School and the Design Thinking Programme at Stanford University. His working experience spans of 42 years in various plantation groups throughout Malaysia, including senior positions in Golden Hope, Glenealy Plantation, Asian Forestry Company and Asian Plantations Limited. He is deeply experienced in all aspects of plantation management.		Puan Noriha was appointed as Executive Director of Tunas Selatan Pagoh Sdn. Bhd. in July 2021. She graduated in 1991 with a Bachelor of Science (Hons.) in Quantity Surveying from Leeds Polytechnic, United Kingdom. She has more than 20 years of extensive experience in the construction industry, particularly in the fields of quantity surveying, contract management and commercial management. She has been involved with the successful completion of several turnkey contracts, as well as large-scale design-and-build and build-operate-transfer (BOT) projects for the government sector including hospitals, universities, highways and student accommodations. Her past working experience includes positions with the Ministry of Housing and Local Government, Public Works Department, Jurukur Bahan Bersama, and Tunas Selatan Construction Sdn. Bhd..	

PROFILE OF KEY SENIOR MANAGEMENT (CONT'D)

HEDZIR BIN AMINUDIN Director of Tunas Cool Energy Sdn. Bhd.		MURUGAN JOSEPH General Manager of Urun Plantations Sdn. Bhd.	
 Nationality Malaysian	 Age and Gender 71 / Male	 Nationality Malaysian	 Age and Gender 55 / Male
Encik Hedzir was appointed as Director of Tunas Cool Energy Sdn. Bhd. and SHC Capital Sdn. Bhd. in October 2019 and June 2020 respectively. He is a Chartered Accountant and a member of the Malaysian Institute of Accountants (MIA) following graduation from Turpin Stead & Sopers, Accountancy Tutors, London. He has more than 40 years corporate experience in financial and general management and has served in various industries ranging from aviation and property investment including senior positions in Malaysia Airlines System Berhad, Malaysian Mining Corporation Berhad, KLCC Property Holdings Berhad Group of Companies (a subsidiary of Petronas) and Putrajaya Holdings Sdn. Bhd..		Mr. Murugan graduated from Universiti Utara Malaysia with degree in Bachelor of Economics in 1997. He has more than 20 years of experience in plantation operations. He is the General Manager of the Group's plantation segment. He has served in various estates companies throughout Malaysia with companies such as Tradewinds Plantation Berhad, Asian Plantations (SWK) Sdn. Bhd., Glenealy Plantation and Golden Hope Plantation, before joining the Group in December 2017.	
JEFFREY CHONG SUN CHOI Financial Controller		NG CHUNG ENG Finance Manager	
 Nationality Malaysian	 Age and Gender 44 / Male	 Nationality Malaysian	 Age and Gender 47 / Female
Mr. Jeffrey Chong assumed the role of Financial Controller of the Group on 2 February 2024. He graduated from Universiti Malaya with a Master of Business Administration (MBA) for a concentration in Finance. He is a fellow member of the Association of Chartered Certified Accountants (FCCA) and a member of the Malaysian Institute of Accountants (MIA). With over 20 years of experience, Mr. Jeffrey Chong is highly skilled in audit, finance, tax, and corporate governance matters. Prior to joining the Group, he has held significant roles at renowned firms such as KPMG, Deloitte, and Crest Builder Holdings Berhad, where he served in senior managerial capacities.		Ms Ng Chung Eng is a Chartered Accountant under the Malaysian Institute of Accountants (MIA) since July 2007. Prior to that, she was admitted as member of the Association of Chartered Certified Accountant in March 2007 and subsequently as a fellow in May 2012. She has more than 20 years in accounting and finance experience. She has worked for multinational corporations and private companies operating in various industries such as construction, food & beverage, telecommunications, education and other sectors, assuming senior roles before joining the Group in October 2023.	

Other Information:

1. Family Relationship with any Director and/or Substantial Shareholder

Mr. Choo Kin Choong is the son of YBHG. Dato' Choo Keng Weng. There is no any family relationship in between the Directors/Key Senior Management with any Director and/or Substantial Shareholder of the Company.

2. Conflict of Interest with the Group

None of the Directors/Key Senior Management of the Company has any conflict of interest with the Group.

3. Convictions for Offences

None of the Directors/Key Senior Management of the Company have been convicted of any offences within the past five (5) years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

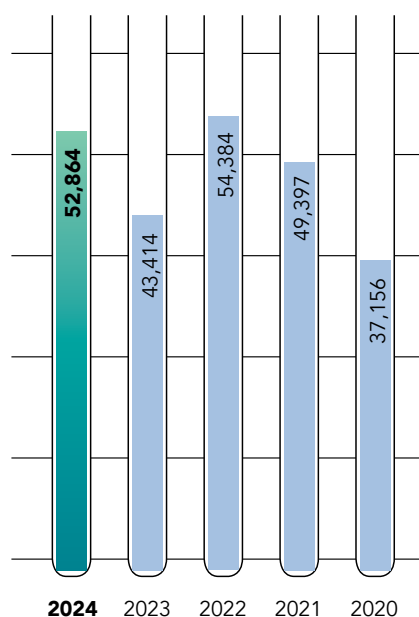
GROUP 5-YEAR FINANCIAL SUMMARY

Financial Year Ended 31 December (RM'000)	2024	2023	2022	2021 Restated	2020
Revenue	52,864	43,414	54,384	49,397	37,156
Profit for the Financial Year	8,734	7,123	14,979	63,742	4,211
Paid-up Share Capital	183,005	181,355	181,355	181,355	123,992
Total Tangible Assets	455,091	434,845	415,075	410,562	179,749
Shareholders' Funds	277,201	268,467	261,343	246,364	85,658
Basic Earnings per Share (sen)	2.95	2.43	5.11	30.01	3.19
Diluted Earnings per Share (sen)	2.12	1.73	3.63	21.88	3.19
Net Assets per Share (sen)	93	92	89	84	65
Net Tangible Assets per Share (sen)	86	84	82	76	47



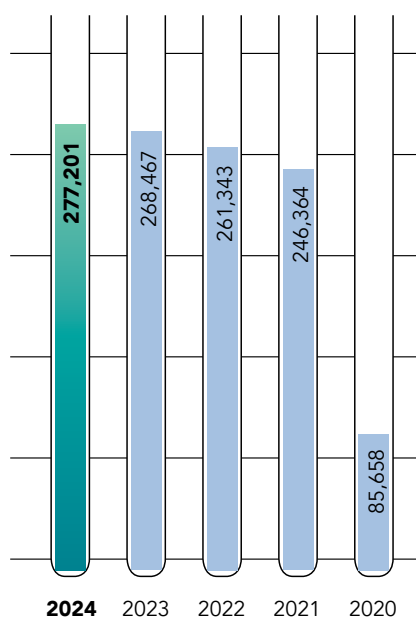
Revenue
(RM'000)

RM52.9mil



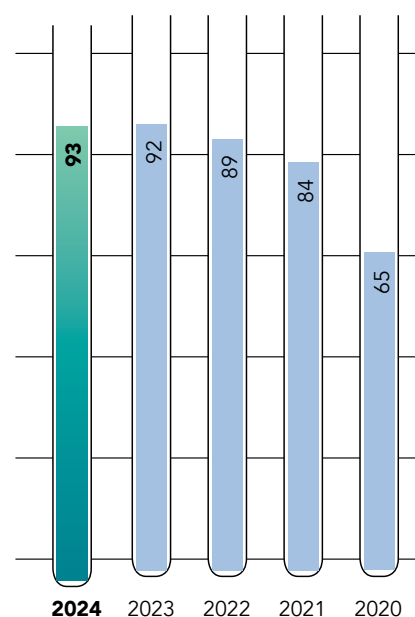
Shareholders' Funds
(RM'000)

RM277.2mil



Net Assets per Share
(sen)

RM93sen





MANAGEMENT DISCUSSION AND ANALYSIS

Overview of the Group's Business

Sin Heng Chan (Malaya) Berhad (our "Group") is principally involved in the following core business segments.

1. Plantations

The Group operates in the upstream segment of the palm oil industry in Malaysia, with principal activities including oil palm cultivation and sale of Fresh Fruit Bunches ("FFB") to external third-party Crude Palm Oil ("CPO") mills. As at 31 December 2024 ("FY2024"), our Group has a plantation landbank of approximately 10,872 hectares ("ha") in Sarawak, with a total planted area of 5,735 ha. The Group's estates are contiguous and located wholly on mineral soil. In FY2024, this business segment was the major contributor to the Group's revenue, accounting for 67% of the Group's total revenue for the financial year.

2. Energy and Facility Management

The principal activities of the Group's energy and facility management segment include the provision of energy and facility management services, engineering, procurement and construction of district cooling systems, and the supply of cooling energy from district cooling systems and related activities. Within this segment, the Group aims to undertake energy efficiency projects to clients by providing end-to-end value engineering solutions which reduce both operational costs and greenhouse gas emissions.

Currently, the Group is involved in the supply of chilled water to designated buildings and shared facilities within the Pagoh Education Hub, Johor, and Dataran Pahlawan Melaka Megamall ("DPMM"). For FY2024, the energy and facility management segment contributed 27% of the Group's revenue.

In addition, the Group's associate company provides facility management services to four institutions of higher learning in the Pagoh Education Hub ("PEH"), comprising of Universiti Tun Hussein Onn Malaysia ("UTHM"), International Islamic University Malaysia ("IIUM"), Universiti Teknologi Malaysia ("UTM") and Politeknik Tun Syed Nasir, as well as their shared facilities. As this project demonstrates, the Group is able to provide comprehensive facility management solutions across the spectrum – from design, finance, construction, operation and maintenance of purpose-built facilities. This segment provides the Group with a steady and recurring stream of income, unlike the Group's oil palm plantation business, which is cyclical and highly dependent on CPO prices.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

3. Investment Holding and Others

The Group's investment holding activities principally involve the management of investments in subsidiaries and associate companies, providing strategic oversight and support for the Group's operations and long-term growth. Revenue for this segment is primarily derived from dividends received from subsidiaries, although such income is eliminated at the Group level for financial reporting purposes.

In FY2024, the Group expanded its investment holding activities to include a new business activity under Wholesale and Distribution, focusing on the supply of construction materials to third-party customers. This division is able to provide value for customers by leveraging on the Group's existing and established supply chains in its other operating segments. In doing so, the Group is also able to benefit its existing business segments through more competitive bulk order pricing. Although only accounting for 6% of the Group's overall revenue in FY2024, this segment is expected to play an increasingly important role in providing additional growth avenues and supporting the Group's broader strategic objectives.

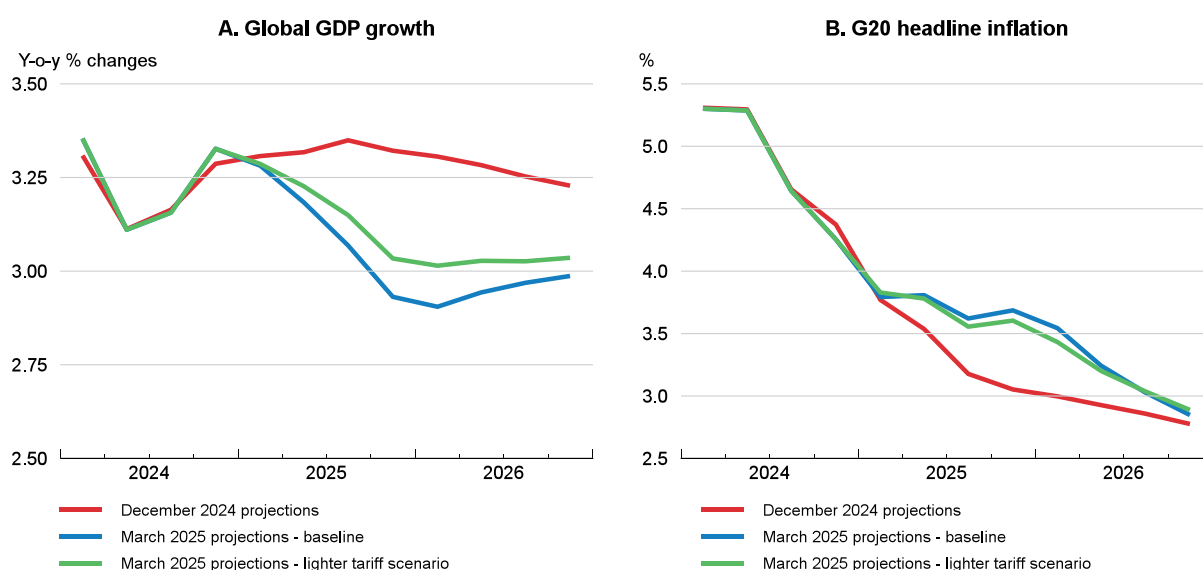
Changes in global trade dynamics are once again front and center. Proposals by the United States to raise unilateral tariffs on its global trading partners and adversaries alike, are expected to exert meaningful pressure on global growth from 2025 onwards. While the short-term disruptions from these measures could be uncomfortable, it is important to recognise that economic systems tend to adjust and innovate in response to new realities over time. In some cases, damage done to markets and supply chains may prove irreversible.

Accordingly, global GDP growth is projected to ease gradually – from 3.2% in 2024 to 3.1% in 2025, and 3.0% in 2026. Slower growth in the United States (2.2% in 2025, declining to 1.6% in 2026), the Eurozone (1.0% in 2025, rising slightly to 1.2% in 2026), and China (from 4.8% in 2025 to 4.4% in 2026) will reflect the cooling momentum. A large caveat to these projections remain: the continuation and extent of the trade war and geopolitical tensions between the United States and China.

Industry Landscape

Global Economic Environment

The global economy showed considerable resilience in 2024, supported by solid growth in the United States, China, and other major emerging markets. Global output remained solid, particularly during the second half of FY2024, expanding at an estimated annualised pace of 3.3%. While this strength has provided a sturdy foundation, recent signals suggest that momentum is beginning to moderate. Across various regions, business confidence has softened, consumer sentiment has cooled, and policy uncertainty has risen – a reminder that economic expansions, like the seasons, are subject to natural cycles.



Source: OECD Economic Outlook Interim Report 2025

“The industry’s ability to deliver higher yields and export volumes, while maintaining relatively stable operational fundamentals amidst weather disruptions, reflect underlying resilience.”

Inflation will remain a key factor shaping the outlook. Although headline inflation in G20 economies is expected to gradually decline – from 3.8% in 2025 to 3.2% in 2026 – core inflation is anticipated to stay above many central banks’ targets. Monetary authorities, particularly in the United States and Europe, are therefore likely to proceed cautiously. History teaches central banks that maintaining credibility on inflation is critical, and as long as inflation expectations remain well anchored, gradual and deliberate, monetary policy adjustments should prevail.

Risks naturally persist. A fragmented global trading system could dampen investment and restrain growth prospects, while tighter monetary conditions could expose vulnerabilities in financial markets. Yet it is equally important to recognise that such periods of adjustment often lay the groundwork for future resilience. Businesses that adapt, governments that maintain discipline, and investors who maintain a steady focus are often best positioned to navigate these waters successfully.

The Oil Palm Industry in Malaysia

In 2024, the total oil palm planted area in Malaysia registered a slight contraction of 0.7% year-on-year, declining to 5.61 million hectares. This modest reduction was primarily driven by replanting activities and land conversions to other agricultural crops or developmental purposes.

Despite this, CPO production recorded an encouraging improvement, rising by 4.2% to 19.34 million tonnes compared to 18.55 million tonnes in FY2023. This outcome was largely enabled by improved labour availability, leading to shorter harvesting intervals and more consistent field maintenance. FFB yields increased by 5.8%, reaching 16.70 tonnes per hectare, compared to 15.79 hectares in 2023. The average FFB yield in Sarawak increased by 0.9% to 14.89 tonnes per hectare, compared to 14.75 in the previous year. Not all indicators, however, moved in a positive direction. The national oil extraction rate (OER) declined by 1.0% to 19.67%, largely due to adverse weather patterns, particularly heavy rainfall in mid and late 2024, which affected crop quality and mill performance. Such variations, while inconvenient, are an inherent part of an agricultural industry that operates in dynamic climatic conditions.

The industry benefitted from buoyant export demand. Palm oil exports expanded by 11.7% to 16.90 million tonnes, supporting a 15.2% surge in total export revenue to RM109.39 billion. India remained Malaysia’s largest export market for the eleventh consecutive year (17.9% of total exports), followed by China (8.2%), the European Union (7.7%), Kenya (7.5%), Turkiye (5.4%), the Philippines (4.1%), and Japan (3.6%). These seven countries collectively accounted for over half of Malaysia’s total palm oil exports.

(Source: Malaysian Palm Oil Board, Overview of Malaysian Oil Palm Industry in 2024)

Tightening stock levels provided additional support to pricing. By the end of 2024, palm oil inventories had fallen by 25.4% year-on-year, closing at 1.71 million tonnes, the first significant stock drawdown after three years of accumulation. This reflected both higher exports and lower imports during the year.

Due to this, the industry enjoyed firmer market conditions. The average CPO price rose by 9.7% to RM4,179.50 per tonne, with monthly prices peaking in December at RM5,119.50 per tonne. Palm kernel and crude palm kernel oil prices also surged, supported by global supply constraints and stronger lauric oil demand. Overall, higher commodity prices translated into improved incomes for both estates and smallholders, with the average mill gate FFB price increasing by 12.5% to RM875 per tonne.

Although some regional production, notably in Sabah and Sarawak, experienced marginal declines, the overall health of the sector remained sound. The industry’s ability to deliver higher yields and export volumes, while maintaining relatively stable operational fundamentals amidst weather disruptions, reflects its underlying resilience.



MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

GROUP FINANCIAL REVIEW

Financial Performance

Revenue

The Group recorded a 21.8% increase in revenue to RM52.9 million for the financial year ended 31 December 2024 ("FY2024"), compared to RM43.4 million in the previous financial year ("FY2023"). This growth was primarily driven by higher contributions from the Plantations segment, which rose 19.8% to RM35.5 million from RM29.6 million in FY2023. In addition, the Group ventured into a new business segment, namely Wholesale and Distribution for the supply of construction materials to customers, which contributed RM3.3 million in revenue during the financial year. The Energy and Facilities Management segment also posted a marginal increase of 2.3%, with revenue rising to RM14.1 million from RM13.8 million in FY2023.

Segmental Contributions to Revenue

	Group			
	FY2024 Revenue RM'000	Contribution (%)	FY2023 Revenue RM'000	Contribution (%)
Plantations	35,496	67.1	29,623	68.2
Energy and Facilities Management	14,111	26.7	13,791	31.8
Wholesale and Distribution	3,257	6.2	-	-
Total	52,864	100	43,414	100

Plantations Segment

The growth in revenue from the Plantations segment was driven by an overall improvement in key contributing factors, i.e. higher average CPO price, average FFB price, and FFB production volume. During the financial year, the average CPO and FFB prices rose by 10.0% and 14.4% respectively, and FFB production volume grew by 4.7% to 41,737 mt from 39,880 mt in the previous financial year.

	FY2024	FY2023	Difference (%)
Average CPO price (RM/mt)*	4,218	3,833	10.0%
Average FFB price (RM/mt)	850	743	14.4%
FFB production (mt)	41,737	39,880	4.7%

* Extracted from MPOB Peninsular Malaysia Average

Energy and Facilities Management segment

The Group's Energy and Facilities Management segment recorded a 2.3% increase in revenue, mainly driven by higher chilled water supply from the Group's district cooling plant located at DPMM.



Total Revenue
RM'000

**RM52.9
million**



**Total profit
before tax ("PBT")**
RM'000

**RM9.7
million**



**Ventured into new
business segment:**

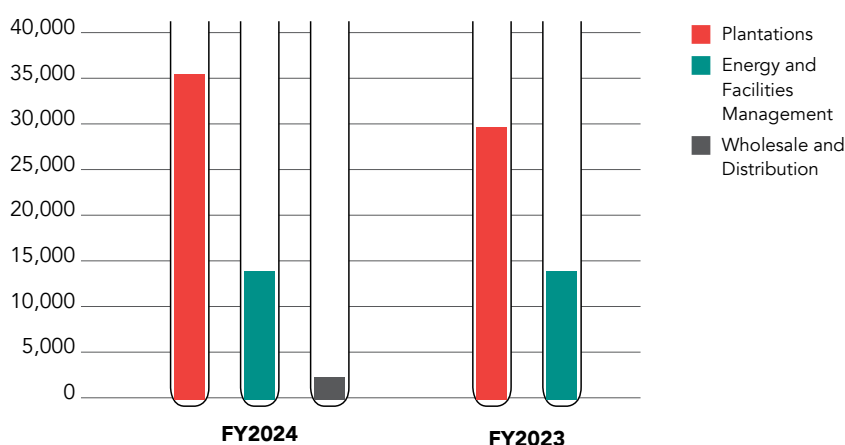
**Wholesale and
Distribution**

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Wholesale and Distribution segment

During the financial year, the Group engaged into this new business segment involving the supply of construction materials, such as concrete and steel bars, to third-party customers.

Segmental Contributions to Revenue (RM'000)



Profit Before Tax

Segmental Contributions to Profit Before Tax for the Financial Year

	Group	
	FY2024	FY2023
Plantations	1,454	(3,973)
Energy and Facilities Management	14,842	17,599
Wholesale and Distribution	56	-
Investment Holding	2,657	1,234
Others	(30)	(34)
Eliminations	(9,237)	(7,234)
Profit Before Tax	9,742	7,592
Tax Expense	(1,008)	(469)
Profit After Tax	8,734	7,123

For FY2024, the Group's profit before tax ("PBT") rose to RM9.7 million, up from RM7.6 million in FY2023. The improvement was mainly driven by the turnaround of the Plantations segment, which recorded a profit of RM1.5 million compared to a loss of RM4.0 million in the previous financial year. However, this positive impact was partially offset by a lower PBT contribution from the Energy and Facilities Management segment, which declined to RM14.8 million from RM17.6 million in FY2023.



The growth in revenue from the Plantations segment was driven by an overall improvement in key contributing factors, i.e. higher average CPO price, average FFB price, and FFB production volume.



Asset growth was mainly attributable to higher carrying amounts of property, plant and equipment ("PPE"), investment in an associate, and trade and other receivables, partially offset by lower fixed deposits, cash and bank balances.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

Plantations segment

In FY2024, the Plantations segment recorded a PBT of RM1.5 million, compared to a loss before tax of RM4.0 million in FY2023. This turnaround was mainly driven by increases in the average CPO price, average FFB price, and FFB production volume over the same period. Additionally, better production cost management within the oil palm operations further supported the segment's improved financial performance.

Energy and Facilities Management segment

The Energy and Facilities Management segment recorded a lower PBT of RM14.8 million in FY2024, compared to RM17.6 million in FY2023. This decline was primarily attributable to the lower share of results from an associate, namely Sime Darby Property Selatan Sdn. Bhd. ("SDPS"), which decreased by RM1.8 million from RM17.5 million to RM15.7 million. The lower contribution in the current financial year was mainly due to the absence of significant one-off income, which had positively impacted results of the associate in the previous financial year.

In addition, higher utility-related production costs also contributed to the segment's lower profitability during the financial year.

Investment Holding segment

The Group's Investment Holding segment reported a higher PBT of RM2.7 million in FY2024, compared to RM1.2 million in FY2023. The increase was mainly driven by higher dividend income received from its wholly owned subsidiary, Tunas Selatan Pagoh Sdn. Bhd., amounting to RM8.0 million compared to RM6.0 million in the previous financial year. This dividend income was eliminated at the Group level for both financial years.

Consolidated Financial Position for FY2024

Total Assets

The Group's total assets increased by 4.3% to RM476.1 million as at the end of FY2024, up from RM456.5 million in FY2023. The growth was mainly attributable to higher carrying amounts of property, plant and equipment ("PPE"), investment in an associate, and trade and other receivables, partially offset by lower fixed deposits, cash and bank balances.

Property, Plant and Equipment

As at the end of FY2024, the Group's PPE recorded a carrying amount of RM131.8 million, up from RM113.4 million in FY2023. The increase was primarily due to additional capitalisation of bearer plants, planting infrastructure, plant and machinery, motor vehicles, and construction work in progress under the Plantations segment to accommodate the expansion of both mature and immature planted areas.

Investment in an associate

As at the end of FY2024, the Group's investment in an associate increased to RM220.6 million from RM215.4 million recorded in FY2023. The increase in carrying amount was due to the net movement of share of results from an associate, i.e. SDPS amounting to RM15.7 million, versus dividend income received from the associate amounting to RM10.6 million.

Trade and other receivables

The Group's trade and other receivables increased from RM11.7 mil to RM15.1 million as at the end of FY2024, mainly due to an increase in number of debtors with increased outstanding balances, in line with the revenue growth during the financial year.

Fixed Deposits, Cash and Bank Balances

The Group's fixed deposits, cash and bank balances stood at RM21.0 million as at the end of FY2024, a decrease from RM27.2 million in FY2023. This reduction in funds was mainly due to utilisation for capital expenditure for the Group's Plantations segment, working capital requirements, and repayment of borrowings during the financial year.

Shareholders' Equity

The Group's shareholders' equity in FY2024 increased to RM277.2 million from RM268.5 million, resulted from the net profit attributable to owners of the Company of RM8.7 million recorded during the financial year.

Total Liabilities

Total liabilities of the Group increased by 5.8% to RM198.9 million from RM188.0 million as of the end of FY2024. This increase was mainly contributed by higher borrowings compared to FY2023.

Borrowings

The Group's total borrowings for FY2024 were RM174.2 million, higher than the previous balance of RM166.4 million. The increase in borrowings was mainly due to additional drawdown of term loans and overdraft to finance the plantation expansion and working capital use.

Gearing

The Group's gearing ratio as at the end of FY2024 increased to 38% from 36%, mainly due to higher debts comprising trade and other payables, finance lease liabilities, and borrowings, coupled with lower fixed deposits, cash and bank balances.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

OPERATIONAL REVIEW

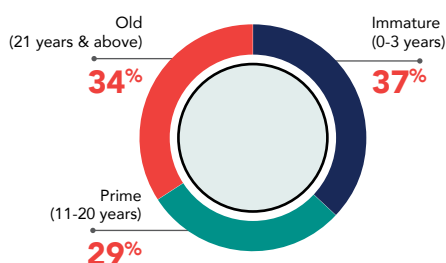
Oil Palm Plantations

The Group owns a contiguous landbank of 10,871.5 ha of mineral soil in Sarawak, Malaysia. Within this landbank, the Group cultivates oil palm plantations and undertakes the sale of FFB to external CPO mills. As at 31 December 2024, the Group's plantations comprise of four estates with a total planted area of 5,735 ha. All of the Group's estates are 100% certified under the Malaysian Sustainable Palm Oil (MSPO) scheme.

The age profile of the current developed area is as follows:

Palm Age (years)	Area (ha)	%
Immature (0-3 years)	2,126	37%
Young (4-10 years)	-	-
Prime (11-20 years)	1,689	29%
Old (21 years & above)	1,920	34%
Total	5,735	100%

The Group's oil palms are mostly mature, with 63% of the palms above the prime age of 11 years. However, a significant portion of the Group's palms are immature (37%) which will contribute to future yields in the coming years. The current weighted average palm age of 13.1 years is expected to reduce even further in future as replanting efforts continue.



	2024	2023	Change (%)
Production of FFB (mt)	41,737	39,880	4.7%
<u>Average Selling Price per mt (RM)</u>			
Average CPO Price*	4,218	3,833	10.0%
Average FFB Price	850	743	14.4%

* Extracted from MPOB Peninsular Malaysia Average

In 2024, the Group recorded a 4.7% growth in FFB production from 39,880 mt in FY2023 to 41,737 mt in FY 2024. Accordingly, the average yield per mature hectare increased from 10.66 mt/ha to 11.15 mt/ha in FY2024. The increase in production can be attributed to more stringent management, additional production from scout harvesting areas, and more favourable weather conditions throughout the year. With the higher FFB production, the Group was able to take advantage of higher average FFB prices during the FY2024, leading to an improved financial performance for the segment.

Notwithstanding this, the Group's estates continue to face challenges of lower productivity from aging mature planted areas. In this regard, the Group's long-term replanting policy remains a high priority, as it will ensure that yields are improved through the latest and highest quality planting material and modern planting techniques.

The Group's total planted area as at 31 December 2024 has increased to 5,735 ha from 4,712 ha at end-2023. This is in line with the Group's focus towards the future as it expands the plantation within its existing landbank in order to maximise yields and achieve economies of scale. The benefits of this include lower unit production costs through shared fixed costs and infrastructure, operational efficiency, and the potential for downstream expansion in the future.

As the Group improves the age profile of its planted area in the coming years, the average yields and overall estate productivity are expected to substantially increase, laying the foundation for sustained long-term shareholder value.

In order to achieve this, the Group has taken measures to ensure that the new planting adheres to industry standards. The process begins with the Group's in-house two-stage nursery, where only vigorous seedlings from industry-leading suppliers are selected under strict culling, fertilisation, and pest management protocols. Management has adopted Good Agricultural Practice standards, including the conservation of riparian buffers, proper terracing on sloped areas, and, for steep areas, early planting of leguminous cover crops to protect and enrich the soil. Although capital intensive, infrastructure such as roads, bridges, and culverts are upgraded during the initial development phase to ensure year-round accessibility and reduce long-term maintenance costs.

All this would not be achieved without the tireless and dedicated efforts of our field staff, management team and general employees, and the Group is appreciative of their hard work.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

STRATEGY AND KEY FOCUS AREAS IN FY2024

The Group remains committed to sustainably improving FFB production from its estates over the long-term through the adoption of best agricultural management practices. Although fluctuating CPO prices are influenced by global factors beyond the Group's control, improvements in yields are critical to mitigating price volatility and this underpins the core focus of the Group's plantation operations. In FY2024, the Group's key focus areas included:



Yield and Productivity Enhancement

In order to improve yields, the Group has continued to upgrade roads and installed culverts to aid with FFB evacuation. Efforts to recruit foreign guest workers are continuous, in order to mitigate harvester shortages. In the long-term, ultimate yield improvement will come from the Group's new plantings. Through more resilient and higher yielding genetic material, higher palm density, and better planned infrastructure, the overall planting quality of the estate is expected to improve. With improved field practices, the Group aims to achieve targeted maturity timelines of approximately thirty (30) months, supporting our objective of attaining higher FFB yields.



Cost Efficiency

As cost efficiency is vital for long-term competitiveness, the Group prioritises methods which reduce production expenditure. Due to the remote location of the estates, production of culverts and bricks are made in-house in order to reduce transportation costs. New tractors were deployed as part of the Group's fleet management programme in order to maintain operational efficiency. Through further investments in mechanisation and estate infrastructure, the Group aims to enhance labour productivity and lower the cost per tonne of FFB harvested.



Sustainability

The Group remains steadfast in integrating sustainability principles into its plantation operations. During the year, efforts were made to ensure new plantings adhered to environmental best practices, including soil conservation in steep areas through leguminous cover crops and proper water management. Estate development was carried out with due regard for riparian buffer zones and biodiversity conservation. The Group's estates are 100% certified under MSPO.



Human Capital Development

Human capital remains central to the Group's operational success, comprising of local staff and foreign guest workers. In order to better attract and retain guest workers, the Group completed construction of three (3) concrete worker housing accommodations in FY2024. Upgrading of existing labour accommodations are on-going. In the upcoming year, the Group intends to invest in new staff housing, thereby improving the quality of life for employees and facilitating more effective estate management. On-site, all employees and guest workers are provided with free housing, water and electricity. In parallel, the Group continues to invest in technical training programmes to strengthen field competencies and build a sustainable talent pipeline. By fostering a culture of continuous improvement and inclusivity, the Group is positioning itself to attract, develop, and retain a highly skilled workforce for the future.



Local Community Engagement

The Group recognises the importance of maintaining strong and harmonious relationships with local communities, who form an integral part of the plantation ecosystem as neighbours, employees, and contractors. In FY2024, the Group continued to work closely with community leaders and local authorities to align community needs with operational activities. Financial assistance and donations were provided to individuals and families in need, while scholarships were awarded to local students pursuing further education. These initiatives reflect the Group's commitment to contributing to social development and strengthening the long-term relationships with the communities within which we operate. Where disagreements or disputes occur, the Group is committed to a stakeholder consultation and dispute resolution process which is fair to all parties and based on mutual respect.

MANAGEMENT DISCUSSION AND ANALYSIS (CONT'D)

ENERGY AND FACILITIES MANAGEMENT

The Group's second business segment includes the engineering, procurement and construction of district cooling systems, the supply of cooling energy from district cooling systems and related activities, and the provision of energy and facility management services. As at FY2024, the Group supplies cooling energy to the PEH via a district cooling system and to DPMM. The Group's associate company also continued to deliver comprehensive facility management services to four institutions of higher learning within the PEH, demonstrating the Group's ability to provide end-to-end facility management solutions encompassing, finance, design, construction, operations and maintenance.

In the FY2024, the Group supplied 17.3 million Refrigeration Ton-hour (RTh) of cooling energy, an increase of 9.7% compared to the prior year. This increase in supply reflected increased consumption of cooling from both project sites in Johor and Melaka. However, the Group faced increased operational costs as a result of higher electricity tariff costs including the Imbalance Cost Pass-Through (ICPT) costs imposed by Tenaga Nasional Berhad (TNB).

STRATEGY AND KEY FOCUS AREAS IN FY2024

The Group's strategy for the energy and facility management segment is to build a stable, growing platform for recurring income by delivering integrated cooling and facility management solutions that are energy-efficient, operationally resilient, and environmentally sustainable.

Through its engineering, procurement, construction, operation, and maintenance expertise, the Group aims to help clients lower operational costs, achieve energy savings, and reduce carbon emissions, while maintaining strong financial discipline to protect profitability and support future growth.



Enhancing Operational Efficiency and Cost Control

With revenue in this segment largely driven by long-term contracts, profitability is closely linked to disciplined cost management. The Group is focused on ensuring that plant efficiency is maintained and optimised while also exploring new technologies which may improve margins without compromising performance. Active management of trade receivables is also a priority to strengthen cash flow.



Business Expansion

The Group continues to pursue growth opportunities by expanding its portfolio of district cooling, energy optimisation, and facility management projects. The Group offers value-engineered solutions that help clients reduce energy consumption, lower greenhouse gas emissions, and optimise capital expenditure. In addition to prospecting for new clients, the Group is also open to potential acquisitions of existing facilities to accelerate the expansion of its recurring income base.



Sustainability

Sustainability is a central pillar of the Group's value proposition. By promoting district cooling as a low-carbon alternative to conventional cooling systems, the Group directly contributes to the reduction of greenhouse gas emissions and energy consumption. On-going investments in technologies such as thermal energy storage systems, high-efficiency chillers, and others are key to enhancing the environmental performance of the Group's operations and supporting Malaysia's broader climate objectives.

MANAGEMENT DISCUSSION AND ANALYSIS
(CONT'D)

KEY RISKS AND MITIGATION

The Group aims to manage risk with the view of minimising adverse outcomes while maximising shareholder interests in the long run. After identifying risks, management has taken steps to mitigate and reduce the likelihood of negative outcomes. In FY2024, the following were identified as key risks to the Group.

Risks	Description	Mitigating Strategies
Adverse Climate Conditions	Heavy rainfall, flooding and poor weather adversely affects the quality and quantity of FFB produced from the Group's estates	The estate will continue to adhere to its agricultural SOPs to maximise yield. Upgrading of internal and external field roads, drainage, and bridges are prioritised.
Downturn in CPO Prices	A severe downturn in CPO prices will negatively affect the Group's revenue and profitability	The Group will strive to increase its FFB production while maintaining its strict cost control. Where possible, the Group will consider hedging strategies to minimise downside risk.
Labour shortage	Labour constraints of foreign workers can directly affect the harvesting output of the estate	The estate seeks out alternative sources of labour such as local workers. In addition, mechanisation of key estate processes are prioritised in order to reduce the labour-land ratio.
Credit Risk	Loss incurred due to non-payment from debtors	The Group manages its credit risk through proactive monitoring of its trade receivables as well as through initial credit checks of potential customers.
Interest Rate Risk	Increasing interest rates may impact loans undertaken and operating margins	The Group will leverage existing financing sources alongside the previous raising of fixed interest rate sukuk / bonds.

PROSPECTS

For 2024, the Group's performance in the plantation segment will be primarily influenced by CPO and Palm Kernel prices and other factors such as the prices and production of substitute vegetable oils, crude oil prices, and general global economic conditions. Supply chain costs for inputs such as fertiliser and chemicals affecting the Group's cost of production will also be significant and will have to be managed in view of the volatile market environment.

Nonetheless, the Group will continue to focus on increasing production of FFB from its estates while improving the long-term prospects through increased replanting rates. The Group remains fundamentally optimistic about the long-term prospects of the palm oil industry. It is the most efficiently produced vegetable oil in the world and used in a wide variety of products. The Group remains vigilant in light of current global economic uncertainty brought about by geopolitical tensions and evolving trade dynamics.

The Group is optimistic on the ability of its energy and facility management division to continue to provide steady and recurrent income to the Group. It will continue to prospect, tender, and evaluate potential new projects to further expand this segment.

As always, the Group continues to prospect for new opportunities and sustainable businesses which can grow shareholder value in the long run.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors ("the Board") of SIN HENG CHAN (MALAYA) BERHAD ("the Company") recognises the importance of practicing and maintaining good corporate governance in managing and directing the board matters and business conduct throughout the Company and its subsidiaries ("the Group") to ensure sustainable long-term growth and enhancement of shareholders' value and financial performance.

The Board believes that good corporate governance practices are pivotal towards enhancing business prosperity and corporate accountability with the ultimate objective of realising long-term shareholders value, whilst taking into account the interests of other stakeholders. Hence, the Board is fully dedicated to continuously appraise the Group's corporate governance practices and procedures to ensure that the principles and recommendations in corporate governance are applied and adhered to in the best interests of the stakeholders.

This Corporate Governance Overview Statement ("Statement") sets out the manner in which the Group has applied the three (3) principles prescribed in the Malaysian Code on Corporate Governance 2021 ("MCCG") and the extent to which it has complied with the MCCG:

Principle A: Board Leadership and Effectiveness;

Principle B: Effective Audit and Risk Management; and

Principle C: Integrity in Corporate Reporting and Meaningful Relationship with Stakeholders.

This Statement should be read together with the Company's Corporate Governance Report for the financial year ended 31 December 2024, which is available on Bursa Malaysia Securities Berhad ("Bursa Malaysia")'s website at <http://www.bursamalaysia.com>. The Corporate Governance Report has disclosed to what extent the Company has applied the Practices set out in the MCCG.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Roles and Board Responsibilities

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company.

- 1.1 The Board takes full responsibility for the oversight and overall performance of the Group and provides leadership within a framework of prudent and effective controls which enables risk to be appropriately assessed and managed. The Board sets the strategic direction, ensuring that the necessary resources are in place for the Company to meet its objectives and deliver sustainable performance. The Board is entrusted with the responsibility in leading and directing the Group towards achieving its strategic goals and realising long-term shareholders' value.

The Board has assumed the following principal responsibilities in discharging its fiduciary duties:

- (a) Reviewing and adopting a strategic plan for the Company, addressing the sustainability of the Group's business;
- (b) Overseeing the conduct of the Group's businesses and evaluating if its businesses are being properly managed;
- (c) Identifying principal business risks faced by the Group and ensuring the implementation of appropriate internal controls and mitigating measures to address such risks;
- (d) Ensuring that all candidates appointed to senior management positions are of sufficient caliber, including the orderly succession of senior management personnel;
- (e) Reviewing the adequacy and integrity of the Group's internal control and management information systems;
- (f) Carrying out periodic review of the Group's financial performance, operating results and major capital commitments; and
- (g) Reviewing and approving any major corporate proposals, new business ventures or joint ventures of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

I. Roles and Board Responsibilities (cont'd)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (cont'd)

1.1 To ensure the effective discharge of its function and responsibilities, the Board has delegated specific responsibilities to the following Committees:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee
- (c) Risk Management Committee
- (d) Sustainability Working Group
- (e) Long-Term Incentive Plan Committee

All Committees have written terms of reference. These Committees are formed in order to enhance business and operational efficiency as well as efficacy. The Chairman of the respective Committees will report to the Board the outcome of the Committees meetings for the Board's considerations and approvals and extracts of such reports are incorporated in the minutes of the Board meetings. The Board retains full responsibility for the direction and control of the Group.

1.2 The Managing Director leads the Board and is responsible for the effective performance of the Board. He ensures that all relevant issues and quality information to facilitate decision-making and effective running of the Group's business are included in the meeting agenda.

The roles of the Managing Director as well as terms of reference of the Committees are spelt out in detail in the Board Charter which is made available for reference on the Company's website at www.shcm.com.my. The last review and update of Board Charter was on 28 August 2024.

1.3 The Board has delegated to the Managing Director the authority and responsibility for implementing Board policies, strategies and decisions adopted by the Board. The Managing Director takes on primary responsibility for spearheading and managing the overall business activities of the various business divisions of the Group. The Managing Director is assisted by Key Senior Management and head of each division in implementing and running the Group's day-to-day business operations.

The roles of the Chairman and Managing Director are held by different person.

The presence of the Independent Directors fulfills a pivotal role of corporate accountability. They provide unbiased and independent advice, alternative viewpoints, challenge perceptions and judgement as appropriate to take account of the interest of the Group, shareholders, employees and any party with whom the Group conducts business.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. Roles and Board Responsibilities (cont'd)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (cont'd)

- 1.4 The Board is supported by qualified and competent Company Secretaries who facilitate overall compliance with the Companies Act 2016, the Main Market Listing Requirements ("MMLR") of Bursa Malaysia and other laws and regulations. The Company Secretaries are the members of the Malaysian Institute of Chartered Secretaries and Administrators (MAICSA).

The Company Secretaries are responsible for the following in respect of effective Board operation:

- (a) Attend and ensure proper conduct and procedures at all Board Meetings, Board Committee Meetings, Annual General Meeting, Extraordinary General Meeting and any other meetings that require the attendance of Company Secretaries and ensure that meetings are properly convened;
- (b) Ensure that the quarterly financial results, audited financial statements, annual reports, circulars, etc. and all relevant announcements are announced to Bursa Malaysia on a timely basis;
- (c) Ensure that deliberations at the meetings are well captured and minuted;
- (d) Ensure that the Company complies with the MMLR and the requirements of the relevant authorities;
- (e) Keep the Board updated on the latest enhancement in corporate governance, changes in the legal and regulatory framework, new statutory requirements, and best practices;
- (f) Remind the Directors and principal officers to refrain from dealings in the Company's securities during the closed period;
- (g) Ensure proper record and maintenance of the Company's proceedings, resolutions, statutory records, register books, and documents;
- (h) Assist the Chairman to organise and co-ordinate in all the Board Committee, Board and general meetings;
- (i) Assist in compilation of board papers and serve to all Board and Board Committee Members;
- (j) Upkeep and update the statutory records;
- (k) Liaise with Internal and External Auditors to furnish them with the statutory records for audit purposes; and
- (l) As the adviser to the Board on corporate governance matters.

- 1.5 The Board meets on a quarterly basis, with additional meetings convened as and when necessary.

All Directors are notified with the notice of Board Meetings at least seven (7) days in advance. The agenda and a set of board papers were issued at least three (3) days from the date of Board Meetings so as to ensure that the Directors can appreciate the issues to be deliberated and to obtain further explanations, where necessary, to expedite the decision-making process effectively.

During the financial year ended 31 December 2024, four (4) Board Meetings were held. A brief profile of each member of the Board is set out in the Directors' Profile section of this Annual Report.

The Board recognises that the decision-making process is highly contingent on the quality of information furnished. As such, all Directors have unrestricted access to any information pertaining to the Company and the Group. All the Directors are supplied with relevant information and reports on financial, operational, corporate, regulatory, business development, and audit matters, by way of board papers or upon specific requests, for decisions to be made on an informed basis and effective discharge of Board's responsibilities.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. Roles and Board Responsibilities (cont'd)

1.0 Every company is headed by a Board, which assumes responsibility for the Company's leadership and is collectively responsible for meeting the objectives and goals of the Company. (cont'd)

The Board members will be furnished with comprehensive explanations and board papers on pertinent issues and recommendations by Management. These issues are then deliberated and discussed thoroughly by the Board prior to decision-making. In addition, the Board members are updated on the Company's activities and operations on a regular basis.

External advisers are invited to attend meetings to provide insights and professional views, advice, and explanations on specific items on the meeting agenda when required. The senior management team from different business units is also invited to participate at the Board meetings to ensure that all Board members have equal access to the latest updates and developments of business operations of the Group presented by the senior management team.

All proceedings of the Board Meetings are properly recorded in the minutes of meetings by the Company Secretaries, circulated in a timely manner, and duly signed by the Chairman of the meetings. The Board also resolved and approved the Company's matters through circular resolutions during the financial year.

Every Director has full access to the advice and services of the Company Secretaries as and when required to enable them to discharge their duties effectively.

There is a formal procedure sanctioned by the Board, whether as a full Board or in their individual capacity, to seek independent professional advice at the Group's expense, where necessary in furtherance of their duties.

2.0 There is demarcation of responsibilities between the Board, Board Committees and Management. There is clarity in the authority of the Board, its Committees and Individual Directors.

The Board is guided by the Board Charter, which sets out the principles governing the Board of Directors of the Company and adopts the principles of good governance and practice in accordance with applicable laws, rules, and regulations in Malaysia. The Board Charter also sets out the respective roles and responsibilities of the Board, Board Committees, individual Directors, and Management; and issues and decisions reserved for the Board.

The Board will periodically review the Board Charter and make any changes whenever necessary. The Board Charter is published on the Company's website at www.shcm.com.my. The Board Charter was last reviewed on 28 August 2024.

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness. The Board, Management, employees, and other stakeholders are clear on what is considered acceptable behavior and practice in the Company.

3.1 Code of Business Conduct and Ethics

The Board has formalised a Code of Business Conduct and Ethics that sets out the basic principles to guide all the Directors, employees, and its subsidiary and associate companies. The Board shall observe and adhere to the Company's Code of Business Conduct and Ethics for Directors which provides guidance regarding ethical and behavioral considerations or actions in discharging their duties and responsibilities.

The Board will periodically review the Code of Business Conduct and Ethics to ensure it remains relevant and appropriate. The details of the Code of Business Conduct and Ethics are available for reference on the Company's website at www.shcm.com.my. The Code of Business Conduct and Ethics was last reviewed on 23 November 2022.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

I. Roles and Board Responsibilities (cont'd)

3.0 The Board is committed to promoting good business conduct and maintaining a healthy corporate culture that engenders integrity, transparency, and fairness. The Board, Management, employees, and other stakeholders are clear on what is considered acceptable behavior and practice in the Company. (cont'd)

3.2 Whistleblowing Policy and Procedures

The Board has put in place an avenue for employees and stakeholders to report genuine concerns about unethical behavior, malpractices, and illegal acts or failure to comply with regulatory requirements without fear of reprisal. All cases shall be independently investigated and appropriate actions taken where required.

The details of the Whistleblowing Policy and Procedures are available for reference on the Company's website at www.shcm.com.my. The Whistleblowing Policy and Procedures was last reviewed on 29 May 2024.

3.3 Anti-Bribery and Corruption Policy

The Board has adopted the Anti-Bribery and Corruption Policy and adequate measures to address it across the Group in line with the guidelines provided under Section 17A of the Malaysian Anti-Corruption Commission Act 2009 on 1 June 2020.

The Board believes that the policy would be key in ensuring a systematic approach to prevent corruption and complying with applicable legal and regulatory requirements in the various jurisdictions in which the Group operates. Every Director, employee, and person acting on the Group's behalf is responsible for maintaining the Group's reputation and for conducting company business honestly and professionally.

The Board is assisted by the Compliance Unit to oversee all current and future matters relating to the Anti-Bribery and Corruption Policy and Whistleblowing Policy and Procedures as well as to carry out general reporting and investigations into any whistleblowing reports.

The Compliance Unit comprises of members of senior management personnel of the Company from the Accounts & Finance Department and Human Resources & Administration Department of the Group. The Compliance Unit shall meet at least once every six (6) months.

The details of the Anti-Bribery and Corruption Policy are available for reference on the Company's website at www.shcm.com.my. The Anti-Bribery and Corruption Policy was last reviewed and updated on 29 May 2023.

The Anti-Bribery and Corruption Policy is made known to all the staff of its Group and its stakeholders.

3.4 Sustainability of Business

The Board, together with the Management, shall endeavour to implement sustainability strategies that yield environmental, economic, and social benefits to all its various stakeholders and the communities in which it operates to ensure the long-term viability and sustainability of the Company's business.

The Board is assisted by the Sustainability Working Group to ensure a quick response to any critical sustainability-related issues, monitor and track data to ensure the success of the Group's sustainability programs, report its findings to the Board, and set targets for key initiatives and sustainable growth plans while providing guidance on operational functions.

The Sustainability Working Group comprises members of senior management personnel of the Company from the Accounts & Finance Department, Human Resources & Administration Department, and Compliance Officer of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

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

II. Board Composition

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights.

- 4.1 Currently, as of today, the Board consists of six (6) members; comprising one (1) Managing Director, one (1) Executive Director, one (1) Non-Independent Non-Executive Director, and three (3) Independent Non-Executive Directors. The composition of the Board complies with paragraph 15.02 of the MMLR of Bursa Malaysia.

At least half of the Board comprises Independent Directors, which is in compliance with the MCGG.

The Group is led and controlled by an experienced Board, many of whom have vast knowledge of the business. There is a clear division of responsibility between the Chairman and the Managing Director to ensure a balance of power and authority. The Chairman is responsible for ensuring the Board's effectiveness and conduct, monitoring the monthly results to ensure they meet the budget and goals. The Managing Director is responsible for the day-to-day management of the business as well as the implementation of the Board's policies and decisions.

The Non-Executive Directors provide checks and balances, which contribute significantly in areas such as policy and strategy, performance monitoring, allocation of resources, as well as improving governance and controls, and provide unbiased and independent views to safeguard the interest of the shareholders. Together with the Managing Director, who has in-depth knowledge of the business acumen, the Board constitutes of individuals who are committed to business, coupled with integrity and professionalism in all its activities.

Mr. Mak Hon Weng is the Chairman of the Board, whilst the Managing Director is YBHG. Dato' Choo Keng Weng.

The Board considers that the current size of the Board is adequate and facilitates effective decision-making.

None of the Directors control the Board decision. The Board decision is based on majority rule.

- 4.2 The Board noted the MCGG recommends that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. In the event such a Director is to be retained as an Independent Director, the Board must justify and seek annual shareholders' approval. If the Board continues to retain the Independent Director after the ninth (9th) year, annual shareholders' approval must be sought through a two-tier voting process to retain the said Director as an Independent Director. Upon completion of the twelfth (12th) year, an Independent Director may continue to serve on the Board subject to his re-designation as a Non-Independent Director.

Presently, Mr. Mak Hon Weng is an Independent Non-Executive Director of the Company whose tenure has exceeded a cumulative term of nine (9) years.

Mr. Mak Hon Weng has served the Board as an Independent Non-Executive Director of the Company. His contribution and independence judgement were deliberated at the Nomination and Remuneration Committee meeting held on 26 February 2025. The Nomination and Remuneration Committee members were satisfied that Mr. Mak Hon Weng maintains his independency despite of his long service extended to the Company and recommended to the Board to seek for shareholders' approval at the forthcoming 63rd Annual General Meeting.

The retention of Mr. Mak Hon Weng as an Independent Non-Executive Director at the forthcoming 63rd Annual General Meeting will be subject to two-tiers voting.

The Board believes that although Mr. Mak Hon Weng has served more than nine (9) years on the Board, he remains unbiased, objective, and independent in expressing his opinions and in participating in the decision-making of the Board. The length of his service on the Board has not in any way compromised with his objective and independent judgement in carrying out his role as a member of the Board and Committees. The Board obtained shareholders' approval at the previous Annual General Meeting to retain Mr. Mak Hon Weng as an Independent Non-Executive Director of the Company. Accordingly, the Board is making a recommendation to shareholders for approval at the forthcoming 63rd Annual General Meeting of the Company that Mr. Mak Hon Weng to remain as an Independent Non-Executive Director of the Company.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

II. Board Composition (cont'd)

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights. (cont'd)

- 4.3 The Board recognises the importance of independence and objectivity in the decision-making process. The Board is committed to ensure that the Independent Directors are capable of exercising independent judgement and acting in the best interests of the Group. The Independent Directors of the Company fulfill the criteria of "Independence". They act independently of Management and are not involved in any other relationship with the Group that may impair their independent judgement and decision-making. Each Director has a continuing responsibility to determine whether he/she has a potential or actual conflict of interest in relation to any material transactions. The Director is required to immediately disclose to the Board and to abstain from participating in discussions, deliberations, and decisions of the Board on the respective matters.

The Board, via the Nomination and Remuneration Committee and guided by the Corporate Governance Guide – Towards Boardroom Excellence, has developed the criteria to assess independence and formalised the current independence assessment practice. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments by all Directors were summarised and discussed at the Nomination and Remuneration Committee meeting, which were then reported to the Board at the Board Meeting held thereafter. Each Independent Director abstained from deliberation on his own assessment. The Nomination and Remuneration Committee was satisfied that the Independent Directors still maintain their independence.

III. Board Meetings

- 4.4 The Board meets at least four (4) times a year at quarterly intervals, with additional meetings convened when urgent and important decisions need to be taken between the scheduled meetings. Besides Board meetings, the Board also exercises control on matters that require the Board's approval through Directors' Circular Resolutions. Amongst others, key matters such as approval of annual and quarterly results, financial statements, major acquisitions and disposals, major investments, and appointment of Directors are discussed and decided by the Board.

The dates scheduled for Board meetings, Board Committee meetings, and the Annual General Meeting are set in advance and circulated to the Directors to facilitate their time planning. The Directors' Circular Resolutions are used for the determination of urgent matters arising between meetings. In accordance with Article 136 of the Constitution of the Company, a signed and approved resolution by a majority of the Directors present in Malaysia and who are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the Directors duly called and constituted.

During the financial year ended 31 December 2024, the Board met four (4) times to deliberate and consider matters relating to the Group's financial performance, operations, corporate governance, business development, and any other matters requiring the Board's approval. All the current Directors demonstrated their commitment by devoting sufficient time to discharge their duties, as evidenced by their attendance at the Board Meetings. In addition, all Directors of the Company do not hold more than five directorships, in compliance with paragraph 15.06 of the MMLR of Bursa Malaysia. The details of each Director's attendance are set out below:

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

III. Board Meetings (cont'd)

4.0 Board decisions are made objectively in the best interests of the Company, taking into account diverse perspectives and insights. (cont'd)

Name of Directors and Designation	Number of Meetings Attended
Mr. Mak Hon Weng (Chairman/Independent Non-Executive Director)	4/4
YBHG. Dato' Choo Keng Weng (Managing Director/Executive Director)	4/4
Mr. Choo Kin Choong (Group General Manager/Executive Director)	4/4
Mr. Thomas Tuan Kit Kwong (Non-Independent Non-Executive Director)	4/4
YM. Tunku Azlan bin Tunku Aziz (Independent Non-Executive Director)	4/4
Puan Erna Syafina binti Abdul Rahman (Independent Non-Executive Director)	3/4

All the Directors have complied with the requirement to attend at least 50% of the Board meetings held in the financial year pursuant to the MMLR of Bursa Malaysia.

IV. Nomination and Remuneration Committee

Nomination function and procedures

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director.

- 5.1 The NRC of the Company comprises exclusively Independent Non-Executive Directors, and its composition is as follows:
- YM. Tunku Azlan bin Tunku Aziz (Chairman, Independent Non-Executive Director)
 - Mr. Mak Hon Weng (Member, Independent Non-Executive Director)
 - Puan Erna Syafina binti Abdul Rahman (Member, Independent Non-Executive Director)
- 5.2 The details of the terms of reference of the NRC are available for reference on the Company's website at www.shcm.com.my.
- 5.3 The NRC held one (1) meeting during the financial year ended 31 December 2024, and all members were present at the meeting and carried out the following activities and were satisfied with the results:
- Conducted an annual assessment to evaluate the effectiveness of the Board and the Board Committees as well as the performance of each individual Director;
 - Reviewed the present composition of the Board and the Board Committees and were satisfied that they have adequately carried out their functions within their scope of work;
 - Assessed the independence of the Independent Directors;
 - Reviewed and assessed the structure, size, required mix of skills, experience, diversity, and other qualities, including core competencies and effectiveness of the Board, as a whole and the Board Committees;

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

IV. Nomination and Remuneration Committee (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

5.3 The NRC held one (1) meeting during the financial year ended 31 December 2024, and all members were present at the meeting and carried out the following activities and were satisfied with the results: (cont'd)

- Reviewed and assessed the contribution of each individual Director based on criteria, responsibilities, strength, time commitment, and ability to act in the best interests of the Company in decision-making;
- Reviewed and recommended to the Board the re-election of Directors who retired in accordance with the Constitution of the Company;
- Reviewed and recommended to the Board for the re-appointment of a Director who has served as an Independent Non-Executive Director of the Company for a cumulative term of more than nine (9) years and to seek shareholders' approval at the forthcoming Annual General Meeting;
- Reviewed the term of office and performance of the Audit Committee and each of its members to determine whether the Audit Committee and its members have carried out their duties in accordance with their terms of reference;
- Assessed the independence of each of the existing Independent Directors with each Director abstaining from deliberation on his own assessment;
- Reviewed the terms of reference of NRC; and
- Assessed the records for new appointment and went through the evaluation in terms of professionalism, integrity, industry experience, and guided Directors' Fit and Proper Policy.

5.5 The Board appoints its members through a formal and transparent selection process, which is consistent with the Constitution of the Company. This process has been reviewed, approved, and adopted by the Board. New appointees will be considered and evaluated by the NRC. The NRC will then recommend the candidates to be approved and appointed by the Board. The Company Secretaries will ensure all appointments are properly made and that legal and regulatory requirements are met.

The appointment process of a new Director summarised as follows:

- (i) To source for individuals with the right caliber who meet the needs and criteria set. The source can be from the pool of professional bodies or recommendation from the Management or Company Secretaries;
- (ii) To go through the assessment process guided by the Directors' Fit and Proper Policy and checklist from MMLR of Bursa Malaysia;
- (iii) In evaluating the suitability of candidates to the Board, the NRC considers, inter-alia, the required mix of skills, expertise, experience, time commitment, and contribution of the candidates can bring to the Board. In the case of candidates proposed for appointment as Independent Non-Executive Directors, the candidate's independence will be considered;
- (iv) Recommendation to be made by the NRC to the Board. This also includes recommendation for appointment as a member of the various Board Committees, where necessary; and
- (v) Decision to be made by the Board on the proposed new appointment including appointment to the various Board Committees.

The appointment of new Board members and Key Senior Management will be guided by the skills, competencies, knowledge, experience, commitment, and integrity of the candidate.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

IV. Nomination and Remuneration Committee (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

- 5.6 The Board does not establish any diversity policy for the Board and workforce in terms of gender, age, and ethnicity or setting any target as the Board is of the view that the appointment of Directors and employees should be based strictly on merits and not driven by any nationality, racial, age, or gender bias.

The Group does not adopt any formal gender diversity policy in the selection of new Board candidates and does not have specific policies on setting target for female candidates in the workforce. The evaluation of the suitability of candidates as the new Board member or as a member of the workforce is based on the candidates' competency, skills, character, time commitment, knowledge, experience, and other qualities in meeting the needs of the Group, regardless of gender.

The Group gives an equal opportunity to all its employees and does not practise discrimination of any form, whether based on age, gender, race, and religion, throughout the organisation.

- 5.7 The Constitution of the Company provides that all Directors of the Company are subject to retirement. At least one-third (1/3) of the Directors for the time being, or the number nearest from office at the Annual General Meeting, provided always that all Directors shall retire from office at least once in every three (3) years. A retiring Director shall be eligible for re-election. This provides an opportunity for shareholders to renew their mandates. Newly appointed Directors shall hold office only until the next Annual General Meeting and shall be eligible for re-election.

The election of each Director is voted on separately. To assist shareholders in their decision, sufficient information such as personal profile, meetings attendance, and their shareholdings in the Group of each Director standing for election are furnished in the Annual Report accompanying the Notice of Annual General Meeting.

The NRC is also responsible for recommending to the Board those Directors who are eligible to stand for re-election/re-appointment based on the reviews of their performance and their contribution to the Board through their skills, experience, qualities, and ability to act in the best interests of the Company in decision-making.

The NRC assessed and was satisfied and made recommendations to the Board for re-election/re-appointments with regards to the following:

- (i) The re-election of the Directors, Mr. Thomas Tuan Kit Kwong and YBHG. Dato' Choo Keng Weng, who are due for retirement but shall be eligible for re-election pursuant to Article 94 of the Company's Constitution at the forthcoming 63rd Annual General Meeting;
- (ii) Retention of Mr. Mak Hon Weng, whose tenure of service as an Independent Director has exceeded a cumulative term of nine (9) years, for recommendation to shareholders for their approval based on the attributes necessary in discharging his role and functions as Independent Director.

The profiles of these Directors are set out on pages 4 to 5 of the Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

IV. Nomination and Remuneration Committee (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

5.8 All Directors have completed the Mandatory Accreditation Programme prescribed by Bursa Malaysia. Directors are encouraged to attend various external professional programmes deemed necessary to ensure that they are kept abreast of various issues facing the changing business environment within which the Group operates. Directors are also encouraged to evaluate their own training needs on a continuous basis and recommend to the Board for the relevant programmes, seminars, briefings, or dialogues available that would best enable them to enhance their knowledge and contributions to the Board by actively participate in Board deliberation and effectively discharge their duties.

The training and development programmes attended by the Directors during the financial year:

Name of Directors	Date	Training Attended
Mr. Mak Hon Weng	18/09/2024	Common Offences by Directors under the Companies Act 2016
Mr. Thomas Tuan Kit Kwong	01/03/2024	Sustainable Sustainability – Why ESG is Not Enough?
YM. Tunku Azlan bin Tunku Aziz	18/09/2024	Common Offences by Directors under the Companies Act 2016
Mr. Choo Kin Choong	05/03/2024	Seminar Integrasi Ternakan Ruminan Dengan Tanaman Kekal Anjuran Jabatan Perkhidmatan Veterinar Sarawak 2024
	13/06/2024	Webinar – Locking in Profits Amid Market Volatility with FCPO
	25/06/2024	Preparing EUDR : Strategies and Challenges Faced by EU Operators & Malaysian Exporters
	19/08/2024	Attended CIDB exam – Integrity & Contractor Code of Ethics Course
	02/11/2024	Unlocking Revenue & Sustainability: Exploring Carbon Credits – Opportunities in the Palm Oil Industry
	4-8/11/2024	Kursus Teknologi Tanaman Nanas, Pemprosesan Produk Berasaskan Nanas & Agropreneur Muda

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

IV. Nomination and Remuneration Committee (cont'd)

Nomination function and procedures (cont'd)

5.0 Stakeholders are able to form an opinion on the overall effectiveness of the Board and individual Director. (cont'd)

Most of the Directors have been with the Company for several years and are familiar with their duties and responsibilities as Directors. Wherever there is a new Board member being appointed, he/she will be given briefings and orientation by the Managing Director and Key Senior Management of the Company on the business activities of the Group and its strategic directions, as well as their duties and responsibilities as Directors.

The Directors are regularly updated on statutory and regulatory requirements and the impact and implication to the Group and Directors in carrying out their duties and responsibilities. In addition, the Directors also receive briefings and updates on any new regulatory and rules that may affect the Group's businesses and operations, risk management activities, and technology initiatives on a regular basis.

The Company Secretaries keep the Board Members abreast on the relevant revised guidelines on MMLR and implementation and their impact on the Companies Act 2016, MCCG, provisions of Section 17A on corporate liability of the Malaysian Anti-Corruption Commission Act 2009 and adequate procedures.

IV. Nomination and Remuneration Committee (cont'd)

Nomination function and procedures (cont'd)

- 5.9 The evaluation involves each and respective Director and Committee member completing separate evaluation questionnaires regarding the processes of the Board and its Committees, their effectiveness and where improvements could be considered. The criteria for the evaluations are guided by the Corporate Governance Guide – Towards Boardroom Excellence. The Audit Committee carried out its evaluation with the view to maximise the performance of the Committee in the interest of the Company. The evaluation process also involved a peer and self-review assessment, where Directors will assess their own performance and that of their fellow Directors. These assessments and comments were summarised and discussed at the NRC meeting, which were then reported to the Board at the Board Meeting held thereafter. The NRC evaluated all the above Assessment Forms at the NRC Meeting held on 26 February 2025 and was satisfied with the performance of the Board and Board Committees as well as the performance of individual Director.

Remuneration function and procedures

6.0 The level and composition of remuneration for Directors and Key Senior Management take into account the size of the Group and the Company's desire to attract and retain the right talent in the Board and Key Senior Management to drive the Company's long-term objectives. The remuneration policies and decisions are made through a transparent and independent process.

The NRC is responsible for establishing and reviewing the policy of remuneration framework and recommending to the Board the remuneration packages of all Directors based on their skills, level of responsibilities, experience, and performance.

The remuneration of Directors is determined at levels that enable the Company to attract and retain Directors with the relevant experience and expertise to manage the business of the Group effectively. The NRC reviews the Board remuneration policy and terms of conditions of service of each Director annually, taking into consideration market conditions and comparisons, responsibilities held, business strategy, long-term objectives, and the overall financial performance of the Group.

The NRC also responsible to review the remuneration packages of the Non-Executive Directors of the Company and thereafter recommends to the Board for their consideration. Non-Executive Directors are paid by way of directors' fees and a meeting allowance for each meeting attended. Individual Director is refrained from deliberating on his/her own remuneration.

The Board will then recommend the Directors' fees and other benefits payable to Directors to the shareholders for approval at the Annual General Meeting in accordance with Section 230(1) of the Companies Act 2016.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

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

IV. Nomination and Remuneration Committee (cont'd)

Remuneration function and procedures (cont'd)

7.0 Stakeholders are able to assess whether the remuneration of Directors and Key Senior Management is commensurate with their individual performance, taking into consideration the Company's performance.

7.1 The details of the Directors' remuneration received during the financial year ended 31 December 2024 are set out as below:

Name	Salary and Other Emoluments [^] (RM)	Fees (RM)	Defined Contribution Plan* (RM)	Total (RM)
Executive Directors				
YBHG. Dato' Choo Keng Weng	1,315,750	65,000 [#]	210,520	1,591,270
Mr. Choo Kin Choong	510,967	80,000 [#]	81,560	672,527
Total for Executive Directors	1,826,717	145,000	292,080	2,263,797
Non-Executive Directors				
Mr. Mak Hon Weng	22,500	35,000 [@]	-	57,500
Mr. Thomas Tuan Kit Kwong	5,500	35,000 [@]	-	40,500
YM. Tunku Azlan bin Tunku Aziz	22,500	35,000 [@]	-	57,500
Puan Erna Syafina binti Abdul Rahman	8,000	50,000 [@]	-	58,000
Total for Non-Executive Directors	58,500	155,000	-	213,500
Grand Total	1,885,217	300,000	292,080	2,477,297

Notes :

[^] Other emoluments consist of bonus, benefit-in-kind, other allowances, etc.

^{*} Defined contribution plan is the contribution to Employees Provident Fund (EPF).

[@] Received from the Company.

[#] Received from the Group, including subsidiaries of Sin Heng Chan (Malaya) Berhad.

7.2 Remuneration disclosure for top five (5) Key Senior Management

The Board is of the view that the disclosure of top five (5) Key Senior Management's remuneration on named and in bands basis would not be in the best interest of the Company due to confidentiality and sensitivity concerns.

The Company believes that disclosure of detailed remuneration of its top five (5) Key Senior Management in bands may be detrimental to its own interest due to the scarcity of human resources with the requisite experience, expertise, and knowledge in the Company's business environment, and the competitive nature of other companies seeking to acquire such resources.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT

I. Audit Committee

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statements is a reliable source of information.

- 8.1 The Board aims to provide and present a balanced and meaningful assessment of the Group's financial performance and prospects at the end of the financial year, primarily through the annual financial statements and quarterly announcement of financial results. The Board is assisted by the Audit Committee ("AC") to oversee the Group's financial reporting processes and the quality of its financial reporting.

The AC comprises of all Independent Directors. The composition of the Committee as follows:

- YM. Tunku Azlan bin Tunku Aziz (Chairman, Independent Non-Executive Director)
- Mr. Mak Hon Weng (Member, Independent Non-Executive Director)
- Puan Erna Syafina binti Abdul Rahman (Member, Independent Non-Executive Director)

The Chairman of the AC, YM. Tunku Azlan bin Tunku Aziz is not the Chairman of the Board.

The details of the terms of reference of the AC are available for reference on the Company's website at www.shcm.com.my.

Annually, the composition of the AC is reviewed by the NRC and recommended to the Board for approval. The NRC ensures that only an Independent Non-Executive Director who is financially literate, has the relevant expertise and experience, and a strong understanding of the Company's business would be considered for the AC appointment. All the AC members will continue to attend training to keep themselves abreast of recent developments in accounting and auditing standards, practices, rules, and regulations.

- 8.2 The Board is responsible for ensuring that the financial statements of the Group give a true and fair view of the state of affairs of the Group and of the Company as at the end of the financial year and of their results and cash flows for the financial year then ended. In preparing the financial statements, the Directors ensure that applicable approved accounting standards in Malaysia, the provisions of the Companies Act 2016 and the MMLR of Bursa Malaysia have been applied.

In preparing the financial statements, the Directors have selected and applied consistently appropriate accounting policies and made reasonable and prudent judgements and estimates where applicable.

The Directors also have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Board is satisfied that it has met its obligation to present a balanced and comprehensive assessment of the Company's position and prospects in the Directors' Report and the Financial Statements of this Annual Report.

- 8.3 An internal compliance framework exists to ensure that the Group meets its obligations relating to related party transactions under the MMLR. The Board, through its AC, reviews and reports to the Board any related party transactions (including recurrent related party transactions) and conflict of interest situations that may arise within the Company or the Group. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board and any general meeting convened to consider such matters.

Further details of these transactions are set out in the Circular to Shareholders in relation to Recurrent Related Party Transactions dated 30 April 2025.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT (cont'd)

I. Audit Committee (cont'd)

8.0 There is an effective and independent Audit Committee. The Board is able to objectively review the Audit Committee's findings and recommendations. The Company's financial statements is a reliable source of information. (cont'd)

8.4 The AC assesses the suitability and independence of the External Auditors on an annual basis. Areas of assessment include, amongst others, the External Auditors' objectivity and independence, audit fees, size and competency of the audit team, audit strategy, audit reporting and partner involvement. The inputs/opinions from the Company's personnel who had constantly contacted with the external audit team throughout the year would also be used as a tool in the judgement of the suitability of the External Auditors.

The External Auditors, in supporting their independence, will provide the AC with a written assurance confirming their independence throughout the conduct of the audit engagement in accordance with the relevant professional and regulatory requirements. The External Auditors have provided such a declaration in their annual audit plan presented to the AC of the Company during the financial year.

The External Auditors of the Company fulfill an essential role on behalf of the Company's shareholders in giving an assurance to the shareholders on the reliability of the financial statements of the Company and the Group.

The External Auditors have an obligation to bring to the attention of the Board, the AC and the Company's Management any significant defects in the Group's systems of reporting, internal control, and compliance with applicable approved accounting standards and the requirements of the Companies Act 2016 in Malaysia.

The External Auditors of the Company are invited to attend at least two (2) meetings with the AC a year to discuss their audit plan and audit findings on the Company's annual financial statements. In addition, the AC will also have private sessions with the External Auditors without the presence of the Management to enable exchange of views on issues requiring attention.

During the financial year, the amount of audit fees and non-audit fees paid or payable to the External Auditors of the Group and the Company during the financial year ended 31 December 2024 were as follows:

	Group (RM)	Company (RM)
Audit Fees	135,000	53,000
Non-audit Fees	7,000	5,000
Total	142,000	58,000

The non-audit fees were in respect of agreed-upon procedures performed on the review of Directors' Statement on Risk Management and Internal Control ("SORMIC") and the review of Finance Service Cover Ratio ("FSCR") of Sukuk Wakalah.

In considering the nature and scope of non-audit fees, the AC was satisfied that they were unlikely to create any conflicts or impair the independence and objectivity of the External Auditors.

The AC and the Board are satisfied with the performance, competence, and independence of the External Auditors, and the Board has recommended their re-appointment for shareholders' approval at the forthcoming 63rd Annual General Meeting.

The key features underlying the relationship of the AC with External Auditors are included in the AC's terms of reference as detailed in Audit Committee Report section of this Annual Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE B: EFFECTIVE AUDIT (cont'd)

II. Risk Management and Internal Control Framework

9.0 Company makes informed decisions on the level of risk appetite and implements the necessary controls to manage and mitigate the risks. The Board is provided with reasonable assurance that adverse impact arising from a foreseeable future event or situation on the Company's objectives is mitigated and managed.

- 9.1 The Board has the ultimate responsibility for reviewing the Company's risks, approving the risk management framework and policy, and overseeing the Company's strategic risk management and internal control framework to achieve its objectives within an acceptable risk profile, as well as safeguarding the interests of stakeholders, shareholders, and the Group's assets.
- 9.2 The Risk Management Committee comprises the senior management team, which reports the risk profile and risk management framework to the AC on a quarterly basis. The primary responsibility and purpose of the AC are to assist the Board in fulfilling its responsibility with respect to evaluating, reviewing, and monitoring the Group's risk management framework and activities on an on-going basis. The AC reports to the Board regarding the Group's risk exposures, including reviewing the risk assessment model used to monitor the risk exposures and Management's view on the acceptable and appropriate level of risks faced by the Group's Business Unit.

The key features of the risk management framework are presented in the Statement on Risk Management and Internal Control of the Company as set out on pages 41 to 43 of this Annual Report.

10.0 Company has an effective governance, risk management and internal control framework and stakeholders are able to assess the effectiveness of such a framework.

The internal audit function is outsourced to a professional firm, which reports directly to the Audit Committee.

The Statement on Risk Management and Internal Control provided on pages 41 to 43 of the Annual Report gives an overview of the state of internal controls within the Group, in an effort to manage risk.

The Board recognises the need to establish corporate disclosure policies and procedures to enable comprehensive, accurate, and timely disclosures of material information relating to the Company and its subsidiaries to be made to the regulators, shareholders, and stakeholders. On this basis, the Board has formalised pertinent policies and procedures not only to comply with the disclosure requirements stipulated in the MMLR of Bursa Malaysia but also to outline the persons authorised and responsible for approving and disclosing material information to regulators, shareholders, and stakeholders.

The material information will be released publicly via Bursa Malaysia. Members of the public can also obtain the full financial results and the announcements of the Company from the Bursa Malaysia's website.

The Company's website at www.shcm.com.my is regularly updated and provides relevant information on the Company that is accessible to the public to make informed investment decisions.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

(CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I. Communication with Stakeholders

11.0 There is continuous communication between the Company and stakeholders to facilitate mutual understanding of each other's objectives and expectations. Stakeholders are able to make informed decisions with respect to the business of the Company, its policies on governance, the environment and social responsibility.

The Board believes that a constructive and effective investor relationship is essential in enhancing shareholders' value and recognises the importance of timely dissemination of information to shareholders.

In addition to shareholder participation at general meetings, the Board also encourages other channels of communication with shareholders. For this purpose, shareholders and other stakeholders may convey their concerns relating to the Company to the Independent Director, YM. Tunku Azlan bin Tunku Aziz, at the contact details provided in the corporate information section of this Annual Report.

The policy of the Company is to maintain an active dialogue with its shareholders with the intention of giving its shareholders as clear and complete information of the Company's financial performance, major developments, and position as possible. Such information is communicated through the Annual Report, various disclosures and announcements to Bursa Malaysia, including quarterly and annual results, and the corporate website.

II. Conduct of General Meetings

12.0 Shareholders are able to participate, engage the Board and Senior Management effectively and make informed voting decisions at general meetings.

12.1 The Annual General Meeting is the principal forum for dialogue and interaction with shareholders.

The key element of the Company's dialogue with its shareholders is the opportunity to gather views of, and answer questions from, both the individual and institutional investors on all aspects relevant to the Company at the Annual General Meeting. It is also a requirement for the Company to send the Notice of the Annual General Meeting and related circular to its shareholders at least twenty-eight (28) days before the meeting. At the Annual General Meeting, shareholders are encouraged to ask questions about the resolutions being proposed or the Group's operations in general. All questions raised were addressed at the Annual General Meeting. Where it is not possible to provide immediate answers, the Chairman will undertake to furnish the shareholders with a written answer after the Annual General Meeting.

12.2 All resolutions set out in the notice of general meetings will be carried out by poll voting. The detailed results showing the number of votes cast for and against each resolution at general meetings to facilitate greater shareholders participation were released to the public after the conclusion of each general meeting.

For Independent Directors who have served more than nine (9) years, a two-tier voting process will be implemented.

12.3 The Company embraces technological advancement by facilitating members to participate in meeting via online platform and remote poll voting at the Annual General Meeting held in 2024. This approach upholds health safety and enables broader geographically access for members to participate.

12.4 The online meeting with remote poll voting is in line with the MCCG, aiming to encourage more participants from nationwide to participate in the Annual General Meeting and vote in absentia.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (CONT'D)

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS (cont'd)

COMPLIANCE STATEMENT

Saved as disclosed above, the Board is satisfied that throughout the financial year ended 31 December 2024, the Company has applied the principles and recommendations of the corporate governance set out in MCCG, where necessary and appropriate.

The Board is required to present the financial statements for each financial year that have been prepared in accordance with the applicable approved accounting standards and give a true and fair view of the state of affairs, results, and cash flows of the Group and the Company.

The Board is satisfied that the Group has used the appropriate accounting policies and applied them consistently and supported by reasonable prudent judgement and estimates, including the adoption of new and revised MFRSs where applicable, in preparing the financial statements of the Group and of the Company for the financial year ended 31 December 2024. The Board is also of the view that relevant approved accounting standards have been followed in the preparation of these financial statements.

The Board has also taken all necessary steps to ensure that proper internal controls are in place to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

This Corporate Governance Overview Statement is made in accordance with a resolution of the Board dated 23 April 2025.

AUDIT COMMITTEE REPORT

The primary objective of the Audit Committee ("AC") is to assist the Board in the effective discharge of its fiduciary responsibilities for corporate governance, financial reporting process and internal control system.

The AC has adopted practices aimed at maintaining appropriate standards of responsibility, integrity and accountability to all the Company's shareholders.

MEMBERSHIP

The AC is appointed by the Board and consists exclusively of Independent Non-Executive Directors. The AC comprises the following members:

Chairman

YM. Tunku Azlan bin Tunku Aziz : Independent Non-Executive Director
(Member of the Malaysian Institute of Accountants)

Members

Mr. Mak Hon Weng : Independent Non-Executive Director
(Member of the Malaysian Institute of Accountants)
Puan Erna Syafina binti Abdul Rahman : Independent Non-Executive Director

MEETINGS

There were four (4) AC meetings held during the financial year 2024 and record of attendance for meetings detailed below:

Name of Committee Members	Designation	Attendance
YM. Tunku Azlan bin Tunku Aziz	Chairman	4/4
Mr. Mak Hon Weng	Member	4/4
Puan Erna Syafina binti Abdul Rahman	Member	3/4

In addition to the AC members, the Head of Finance, the Heads of Departments, the Internal Auditors, the Compliance Officer, and the Company Secretaries shall attend the meeting as invitees. Representatives of the External Auditors shall attend meetings where matters relating to the audit of the statutory accounts are to be discussed and to present the Audited Financial Statements at the specific meeting. Other Board members, Senior Management and employees may attend the meeting upon the invitation of the AC Chairman. The AC shall meet with the External Auditors without the presence of the Executive Directors and the Management at least once a year.

The Company Secretaries shall serve as the secretary of the AC. Notice of meetings and supporting documents are to be circulated to AC members at least seven (7) days prior to the meeting so as to provide them with relevant and timely information for effective discussions during the meeting. The AC Chairman shall report on each meeting to the Board.

Any resolution in writing signed by all AC members shall be as valid and effectual as if it had been passed at a meeting of the AC duly convened and held. Such resolution may consist of several documents in the like form, each signed by one or more members of the AC.

The AC members have undergone relevant training during the financial year to be apprised of regulatory changes and to stay abreast of contemporary issues that may affect the Group. Details of the AC members' training are shown in the Company's Corporate Governance Overview Statement included in this Annual Report.

AUDIT COMMITTEE REPORT (CONT'D)

AUTHORITY

The Committee shall, in accordance with a procedure to be determined by the Board and at the cost of the Company:

- (a) have the authority to investigate any matter within its terms of reference;
- (b) have adequate resources and unrestricted access to any information from the Company Secretaries, both Internal and External Auditors, and all employees of the Group in performing its duties;
- (c) have direct communication channels with the External Auditors and person(s) carrying out the internal audit function or activity;
- (d) have the authority to obtain external legal or other independent professional advice and to invite professionals with relevant expertise to attend, if necessary;
- (e) have the authority to convene meetings with the External Auditors, the Internal Auditors, or both, excluding the attendance of other Directors and employees of the Company, whenever deemed necessary; and
- (f) review annually the allocation of Long-Term Incentive Plan (LTIP) granted to eligible Directors and Major Shareholders of SHC Group, which comprises the Employees' Shares Option Scheme (ESOS) and Share Grant Plan (SGP) of up to 15% of the total number of issued shares in SHC (excluding treasury shares, if any).

SUMMARY OF ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE FINANCIAL YEAR

In line with the terms of reference of the AC, the following activities were carried out by the AC during the financial year ended 31 December 2024 in discharging its fiduciary duties:

Financial Performance & Reporting

- Reviewed the unaudited quarterly financial announcements and annual financial statements of the Group prior to submission to the Board for their perusal and approval. This was to ensure compliance with the provisions of the Companies Act 2016, the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and applicable Listing Requirements of Bursa Malaysia Securities Berhad.
- Reported to the Board on significant audit issues and concerns discussed during the AC meetings which have a significant impact on the Group from time to time, for consideration and deliberation by the Board.
- Reviewed the Audit Committee Report and the Statement on Risk Management and Internal Control prior to submission of the same to the Board for consideration and inclusion in the Annual Report of the Company.
- Reviewed the Risk Management Report on the business operation, risk profile, and risk management.
- The dates the Committee met during the financial year to deliberate on financial reporting matters are appended below:

Date of meetings	Financial Reporting Statements Reviewed
29 May 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the First quarter ended 31 March 2024.
28 August 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the Second quarter ended 30 June 2024.
27 November 2024	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the Third quarter ended 30 September 2024.
26 February 2025	Unaudited quarterly report on consolidated results of the Company and its Group of Companies for the Fourth quarter ended 31 December 2024.

AUDIT COMMITTEE REPORT (CONT'D)

External Auditors

- Discussed and reviewed the External Auditors' audit planning memorandum for the financial year ended 31 December 2024, outlining their auditors' responsibilities, engagement team, engagement quality reviewer, materiality, significant risks and areas of audit focus, consideration of fraud, internal control and risk of management override, involvement of Internal Auditors and management's experts, involvement of component auditors, audit timeline, independence policies and procedures, and audit fees.
- Deliberated on the External Auditors' report at its meeting with regard to the relevant disclosures in the audited financial statements for the financial year ended 31 December 2024.
- Reviewed the External Auditors' findings arising from audits, particularly comments and responses on areas of audit emphasis and key audit matters, as well as appropriate actions to be addressed.
- Discussed and reviewed with the External Auditors the applicability and the impact of the new accounting standards and financial reporting developments issued by the Malaysian Accounting Standards Board.
- Held a dialogue session with the External Auditors, without the presence of the Executive Directors and Management.
- Reviewed and evaluated the performance and effectiveness of the External Auditors. The AC assessed the integrity, capability, professionalism, and work ethics of the External Auditors. After deliberation, the AC was satisfied with the External Auditors' performance and recommended to the Board their re-appointment at the forthcoming Annual General Meeting.
- Reviewed the audit fees, the number and experience of audit staff assigned to the audit engagement, resources, and effectiveness of the External Auditors.
- Received reports from the External Auditors on their own policies regarding independence and the measures taken to control the quality of their work.
- The AC had numerous meetings with the External Auditors during the financial year ended 31 December 2024 i.e. on 27 November 2024 and 26 February 2025 respectively, to discuss on audit planning memorandum and audit status results.

Internal Audit

- Reviewed the scope of work and internal audit plan for the Group prepared by the Internal Auditors.
- Reviewed the Internal Audit Reports for the financial year ended 31 December 2024 from the Internal Auditors and assessed the findings, recommendations, and Management's comments.
- Reviewed and assessed Internal Auditors based on staff strength, resources, professional integrity, independence, familiarity with the Group's operation, and reputation, recommending to the Board the re-appointment of Internal Auditors.
- Reviewed the adequacy and performance of internal audit function and the comprehensiveness of its coverage of activities within the Group.
- The AC had numerous meetings with the Internal Auditors during the financial year ended 31 December 2024 i.e. on 28 August 2024 and 27 November 2024 respectively, to discuss internal audit findings and follow-up audit reviews of the Internal Audit Reports.

AUDIT COMMITTEE REPORT (CONT'D)

Related Party Transaction ("RPT") and Conflict of Interest ("COI")

All Board members will disclose if they have any RPT during the quarter at each quarterly Board meeting.

At each quarterly meeting, the AC reviewed the RPT and if there is any COI or potential COI that may arise within the Company and its Group, including any transaction, procedure, or course of conduct that raises questions of management integrity.

It is the duty of the AC to review the RPT and Recurrent RPT ("RRPT") to ensure they are fair, reasonable, and on normal commercial terms and in the best interest of the Company before the Company enters into such transactions. All RRPTs must be at arm's length transactions.

The AC must ensure:

- (a) Adequate oversight over the controls on the identification of the interested parties and identification of the RPT and possible matters of COI; and
- (b) Assess and address the reasonableness of the RPT and COI to ensure that interested parties do not abuse their powers to gain unfair advantages.

During the financial year under review, there were no RPTs or cases of COI reported.

INTERNAL AUDIT FUNCTION

The Group has outsourced its internal audit function to Messrs Baker Tilly Monteiro Heng Governance Sdn. Bhd., a professional firm specialising in providing internal audit and risk advisory services to commercial organisations, whether listed or not, including multinational organisations. The professional fee and other costs incurred in respect of the internal audit function for the financial year ended 31 December 2024 were RM29,518.69.

During the financial year ended 31 December 2024, the Internal Auditors have carried out audits to assess the adequacy of the internal controls of the main operating subsidiaries, based on the audit plan approved by the AC. The Internal Auditors reported their findings and recommendations to the AC for deliberation together with the Management. Where areas of improvement were required, they were highlighted to the Management for implementation. The AC monitored the progress of the implementation.

The details of internal audit function during the financial year under review are stated in the Statement on Risk Management and Internal Control of this Annual Report.

During the financial year under review, the Internal Auditors carried out the following activities:

- (a) Presented and obtained approval from the AC the annual internal audit plan, its audit strategy, and scope of audit work;
- (b) Performed audits according to the annual internal audit plan, to review the adequacy and effectiveness of the internal control system, compliance with policies and procedures, and reported ineffective and inadequate controls and made recommendations to improve their effectiveness; and
- (c) Performed follow-up reviews to assess the progress of the agreed management's action plans and reported to the Management and AC.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors ("the Board") is pleased to present the Group's Statement on Risk Management and Internal Control ("the Statement") for the financial year ended 31 December 2024 ("FYE 2024") which is made in compliance with Paragraph 15.26(b) of Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") and is guided by "Statement on Risk Management and Internal Control: Guidelines for Directors and Listed Issuers" endorsed by Bursa Malaysia.

Please note that this Statement does not cover associate company where the risk management and internal control systems are managed by its respective management teams.

BOARD RESPONSIBILITY

The Board is responsible for the Group's system of internal control, which includes the establishment of an appropriate control environment and framework as well as reviewing its adequacy and integrity. However, such a system is designed to manage the Group's risk within an acceptable risk profile, rather than to eliminate the risk of failure to achieve the policies and business objectives of the Group. Therefore, it should be noted that it can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Board has undertaken the appropriate initiatives to strengthen the transparency, accountability and efficiency of the operations. The Board recognises the importance of ensuring that a sound system of internal control and effective risk management practices are in place in the organisation. It had therefore given due attention towards improving the effectiveness of internal control, risk management and governance process of the organisation.

The management assists the Board in the implementation of the Board's policies and procedures on risk and control, also in the design, operations and monitoring of suitable internal controls to mitigate and control these risks.

RISK MANAGEMENT FRAMEWORK

The Board recognises the importance of identifying and managing principal risks of the Group's daily operations and that the identification and the management of such risk will affect the achievement of the Group's corporate objectives. As part of the integral process of risk management, the Group's risk management framework shall be structured in which the existence of significant risk of the Group has been identified and quantified. Priority will be given for areas of high risks to assist the Board and Key Senior Management.

The functional management has been given a clear line of accountability and delegated authorities have been established as part of the internal control efforts through the standard operating practices. The Risk Management Committee consists of Key Senior Management responsible for identifying, managing and reporting on significant risks on an on-going basis and any significant risk matters identified are brought to the attention of the Board at their scheduled meetings.

The Audit Committee ("AC") chaired by an Independent Non-Executive Director, meets periodically to discuss the risk faced by the Group and ensures that existing mitigation actions are adequate. The AC would ultimately report to the Board level on issues of concern, if any.

In addition, external and relevant professionals would be drawn on to assist and provide advices to the management team when necessary. In order to ensure the objectivity of the review of the risk management and system of internal control in the Group, the AC is instituted by the Board to undertake this role.

The AC assists the Board to review the adequacy and integrity of the internal control system and its compliance with the Group's policies and procedures.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

INTERNAL AUDIT FUNCTION

The Board acknowledges the importance of internal audit function and has engaged a professional firm, Baker Tilly Monteiro Heng Governance Sdn. Bhd. ("BTMH" or "Internal Auditor") to provide internal audit services to assist the Board in providing the assurance it requires on the effectiveness as well as the adequacy and the integrity of the Group's system of internal control. The outsourced internal audit function is led by Mr. Kuan Yew Choong, the Partner of Internal Audit & Risk Advisory of the outsourced service provider whereby he is a professional member of the Institute of Internal Auditors Malaysia and possesses the professional qualification of FCCA. The internal audit function is supported by a team of three (3) other internal auditors who have the relevant work experiences to carry out the works during the financial year under review.

The internal audit reviews are carried out using risk-based approach and based on major operating cycles as recommended and agreed with Key Senior Management and approved by the AC.

In the financial year under review, the following reviews on the Group's operations were undertaken by the Internal Auditor, according to the risk-based Internal Audit Plan approved by the AC:

- Human Resource & Payroll Management;
- Workshop Management; and
- A follow-up review on Manuring & Fertiliser Controls and FFB Transportation and Weighing Process Control.

The findings arising from the above reviews have been reported to the Management for their response and subsequently for the AC deliberation before they are reported to the Board. Where weaknesses were identified, recommended procedures have been or are being put in place to strengthen controls.

THE INTERNAL CONTROL PROCESS

The following are the key processes that have been established as part of the Group's internal control effort:

- (a) Internal control efforts were done through standard operating procedures and guidelines involving operational planning, capital expenditure, safeguarding of assets against unauthorised use or disposition, financial and accounting records, reporting system and monitoring of the Group's business and performances.
- (b) The Key Senior Management through their daily involvement in the business operations and attendance at operational and management level of meetings, monitor the Group's policies and procedures.
- (c) The AC reviews internal control issues identified by the Internal and External Auditors and evaluates the adequacy and the effectiveness of the risk management and internal control system. They also review the internal audit functions with particular emphasis on the scope of audits and quality of internal audits.
- (d) The corporate office at the holding company coordinates and monitors the monthly performance results of the independent operational units, based on actual against budgeted financial performances, key business indicators and highlights of the related happenings. The liquidity position of the Group is monitored daily through the online banking system and also through the weekly reporting of bank transactions of the business units.

The internal control system will continue to be reviewed and enhanced in line with the changes in the operating environment.

CONCLUSION

For the financial year under review up to the date of approval of this Statement for inclusion in the annual report, based on inquiry, information and assurance provided by the Managing Director and Financial Controller, the Board is of the opinion that the internal control system was generally satisfactory and adequate for their purpose. There will be continual focus on measures to protect and enhance shareholders' value and business sustainability.

This Statement on Risk Management and Internal Control is made by the Board in accordance with its resolution dated 23 April 2025.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (CONT'D)

REVIEW OF THE STATEMENT BY THE EXTERNAL AUDITORS

As required by Paragraph 15.23 of Main Market Listing Requirements of Bursa Malaysia, the External Auditors have reviewed the Statement for inclusion in the annual report for the financial year ended 31 December 2024. Their review was performed in accordance with Audit and Assurance Practice Guide 3 ("AAPG 3"): Guidance for Auditors on Engagements to Report on the Statement, issued by the Malaysian Institute of Accountants. Based on their review, the External Auditors have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the Group's internal control system. AAPG 3 does not require the External Auditors to, and they did not, consider whether this Statement covers all risk and controls, or to form an opinion on the effectiveness of the Group's risk and control procedures.

An aerial photograph of a dense palm forest, likely a coconut plantation, with a narrow, winding path visible through the trees. The image is used as a background for the Sustainability Statement section.

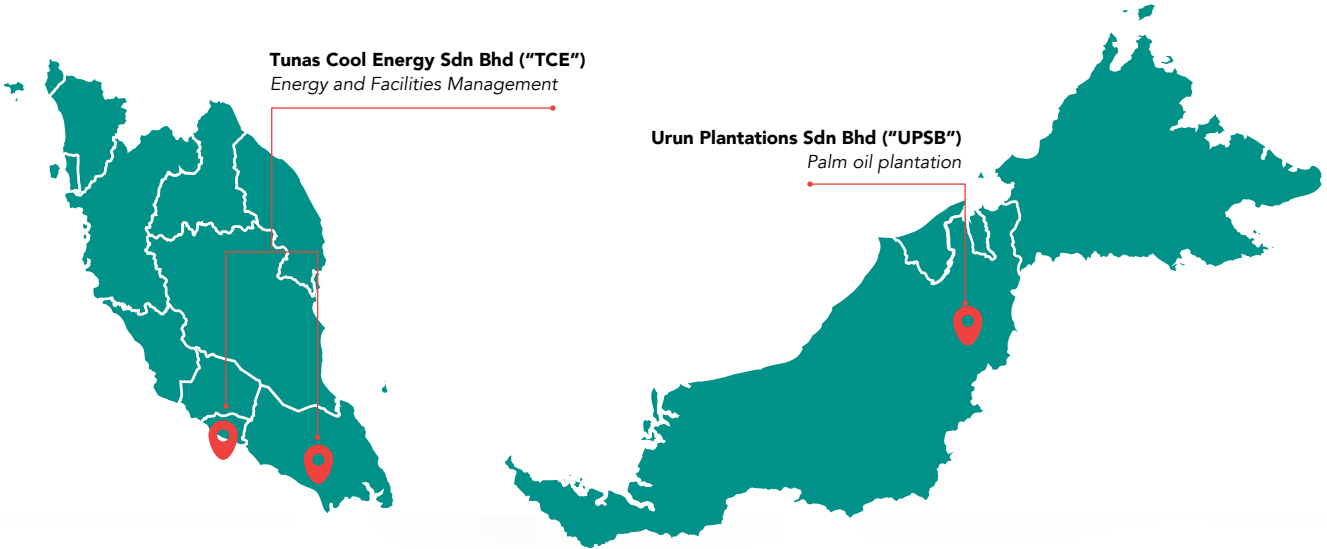
SUSTAINABILITY STATEMENT

ABOUT THIS REPORT

Sin Heng Chan (Malaya) Berhad ("SHC") is pleased to present our annual Sustainability Statement for SHC and its subsidiaries ("the Group"). In this document, we detail how we create enduring value for our stakeholders by outlining our sustainability approach across the Environmental, Social, and Governance ("ESG") pillars, integrating them into every facet of our business. As a conscientious corporation, we are committed to responsible management and the advocacy of sustainable practices in our day-to-day business operations.

SCOPE AND BOUNDARIES

Our Sustainability Statement covers the two (2) core business units located in Bintulu, Sarawak, as well as in Melaka and Pagoh, Johor. These units include, but are not limited to, the following:



The decision is to reflect our commitment to focusing on the core operations that contribute most significantly impact and business performance. By prioritising these key units, we can concentrate on the area that provide the most value and transparency.

Importantly, this disclosure delving into non-financial performance metrics, risks, opportunities, and outcomes related to our core business segments and cash-generating unit (CGU), mainly our palm oil plantations. These entities significantly influence our ability to generate value.

This Statement provides information for the period spanning from 1 January 2024 to 31 December 2024, unless specified otherwise.



SUSTAINABILITY STATEMENT (CONT'D)

REPORTING FRAMEWORKS APPLIED

The regulatory framework and guidelines set out below have guided us in preparing this Sustainability Statement.

- Practice Note 9 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia");
- Sustainability Reporting Guide, 3rd Edition ("SRG") issued by Bursa Malaysia;
- Malaysian Code on Corporate Governance, updated on 28 April 2021 ("MCCG 2021");
- Global Reporting Initiative ("GRI") 2021; and
- United Nations Sustainable Development Goals ("UNSDGs").

By incorporating these regulatory frameworks and guidelines, we demonstrate our commitment to professionalism, accountability and transparency in the preparation of this Sustainability Statement.

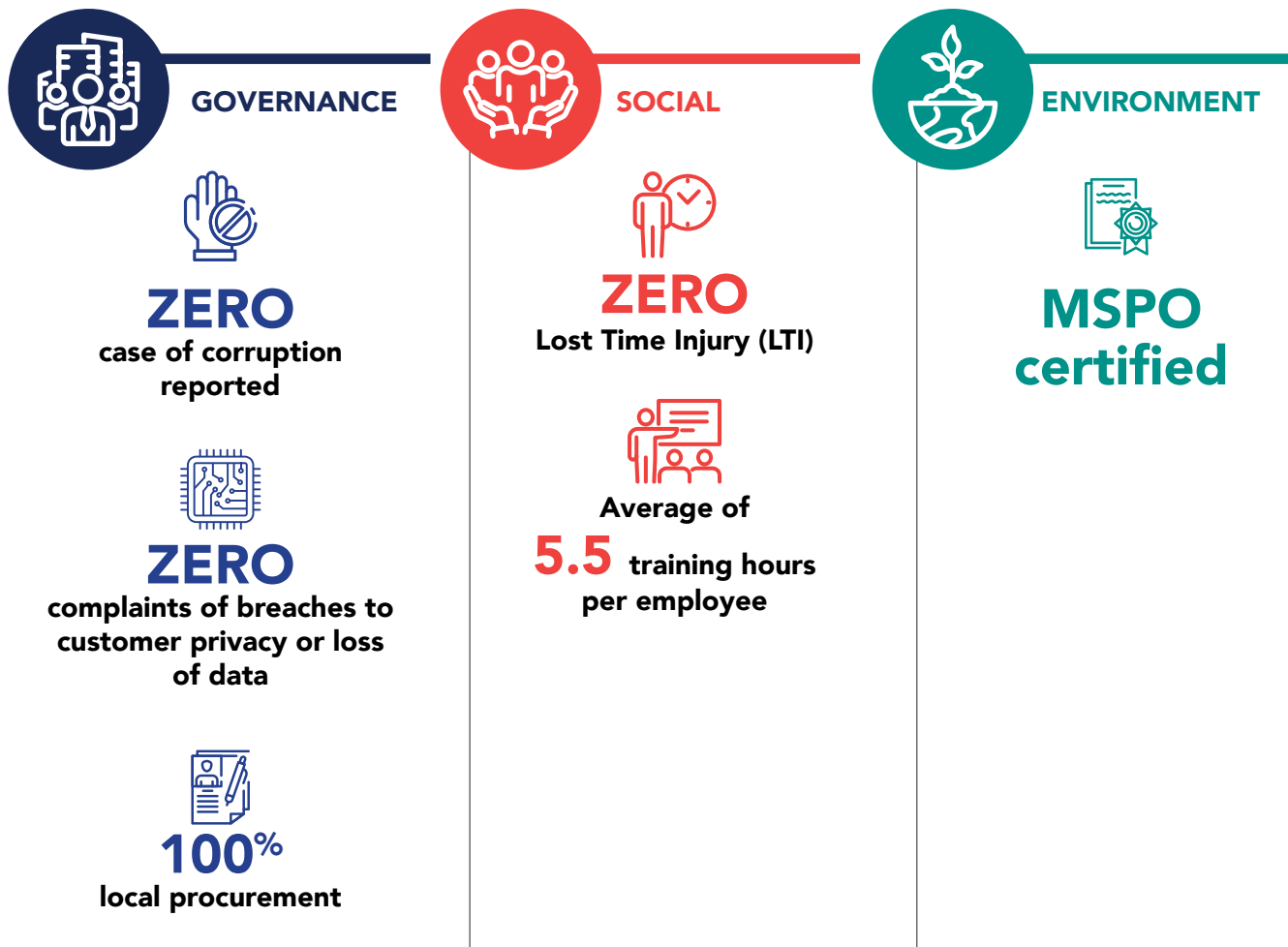
ASSURANCE

This year, the report's content underwent scrutiny by the Group's Sustainability Working Group ("SWG"), comprising senior management representatives, and received approval from the Board of Directors of SHC ("Board"). Our Group has also appointed external consultants to engage and be responsible for formal coordination with various subsidiaries in covering all key material sustainability matters within our Group with the aim to enhance our commitment to transparency and ensure the credibility of the reported information.

FEEDBACK

Our commitment involves an on-going effort to enhance both our sustainability initiatives and reporting practices. We value any feedback related to the content of this report. For more detailed information, the details are accessible at the website www.shcm.com.my.

OUR HIGHLIGHTS OF YEAR 2024



SUSTAINABILITY STATEMENT (CONT'D)

“We hold the view that the obligation to promote sustainability throughout the entire Group begins with Governance.”

SUSTAINABILITY GOVERNANCE

Strong governance plays a central role in the Group's endeavour to achieve its objectives. The Group recognises the importance of conducting operations sustainably, complying with applicable laws, advocating for good governance principles, maintaining the utmost integrity. Within SHC, the Board provides oversight and establishes the direction for the Group's governance affairs. The Board establishes the overarching direction for the Group's governance, with a focus on sustainability. They oversee matters concerning sustainability strategy, performance, and alignment of business activities with ESG considerations raised by stakeholders. The Board evaluates sustainability commitments to ensure they resonate with the Group's vision, mission, and values.

The SWG, comprising senior management members and chaired by the Group General Manager, sets targets for key initiatives and sustainable growth plans, offering guidance on operational functions. Additionally, the SWG evaluates sustainability performance and reports findings to the Board. It also manages day-to-day sustainability operations and oversees initiative implementation.

These practices facilitate alignment of interests and concerted action for sustainability governance. Our Board is dedicated to upholding the highest standards of sustainability governance, with sustainability integrated into the core of our business. We remain committed to respecting human rights, supporting local communities, and minimising environmental impact.

Reducing risk through committed sustainability governance is a fundamental aspect of our endeavour to generate long-term value, forming a cornerstone of our operations. It is crucial for us to maintain relevance within a sustainable global supply chain, thereby fostering on-going positive development.

Sustainability Governance Structure

Board of Directors



- The highest governing body of SHC accountable strategy and performance.
- Accountable for Group sustainability strategy and performance.
- Ensures all business activities address ESG impacts.
- Reviews sustainability commitments and approves those that are consistent with the Group's vision, mission and values.
- Approves the Sustainability Statement for inclusion in SHC Annual Report.

Sustainability Working Group



- Assesses the sustainability performance and reports its findings to the Board.
- Ensure quick response to any critical sustainability related issues.
- Monitors and tracks data to ensure success of the Groups's sustainability programmes and reports its findings to the Board.
- Sets targets for key initiatives and sustainable growth plans while providing guidance on operational functions.
- Manages a successful audit for related standards in the Group.

SUSTAINABILITY STATEMENT

(CONT'D)

STAKEHOLDER ENGAGEMENT

We are dedicated to cultivating lasting relationships with our stakeholders, fostering transparent and reciprocal communication channels with our employees, customers, shareholders, suppliers, as well as a broader network of individuals and entities affected by and impacting our business, including governmental bodies, relevant authorities, and industry partners. Our steadfast commitment to nurturing these connections enables us to glean valuable insights into stakeholders' concerns and issues that significantly influence our business.

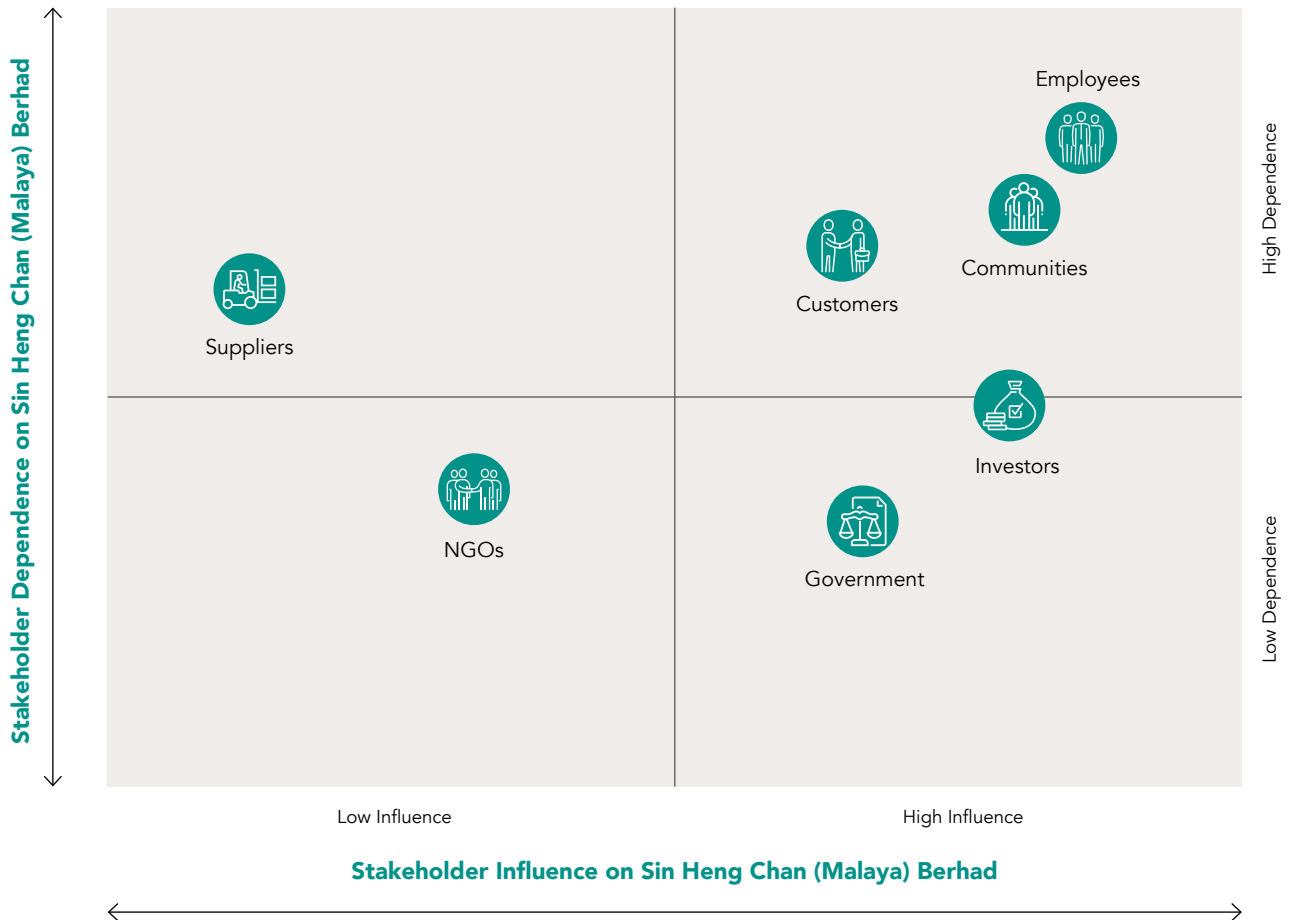
We employ various approaches to engage with our stakeholders, recognising that their feedback and perspectives are integral to our operations and seamlessly incorporated into our business strategy and sustainability initiatives. Recognising the importance of meaningful dialogue, we strive to uphold our reputation as a reliable and ethical corporate entity through on-going engagement. Our stakeholders have numerous avenues to share their feedback, comments, concerns, and opinions. Additionally, our stakeholders have access to a whistleblowing channel to raise any concerns they may have, fostering an environment of transparency and accountability within our organisation.

Stakeholders	Engagement Channel	Frequency	Area of Interest
Employees 	- Management meetings - Awareness training - Competency training - Stakeholder meetings - Performance evaluation	- Monthly - Quarterly - As needed	- Fair remuneration and benefits - Health and safety - Job security and career development - Work competency - Sustainability policy - MSPO certifications - ISO 9001:2015 certification - ISO 45001:2018 certification
Communities 	- Stakeholder meetings - Community engagements - Local hiring	- Monthly - Quarterly - Annually	- Job opportunities - Community development - Logistical and infrastructure - Preservation of cultural heritage - Environmental protection
Investors 	- Annual general meetings - Annual reports - Interim financial reports - Circular/Notices	- Quarterly - Annually	- Dissemination of information - Transparency of information and fiduciary duties
Customers 	- Periodical meetings - Email inquiries - Stakeholder meetings - Customer surveys	- Monthly - Quarterly	- Grievance mechanism - Sustainable crop production - FFB quality - MSPO certifications - ISO 9001:2015 certification - ISO 45001:2018 certification
Government and Regulatory Bodies 	- Periodical inspections - Stakeholder meetings	Annually	- Adhere to relevant laws and regulations - Corporate governance and compliances
Suppliers 	- Contract briefing - Contract negotiations - Site visits - Annual procurements - Awareness and compliance training	Quarterly	- Pricing of services - Project scope and payment schedule - Relevant policies; ensuring good supply chain management - Awareness of the following documents: Employment contracts, Salary slips, Minimum wage, Personal Protection Equipment (PPE)

SUSTAINABILITY STATEMENT

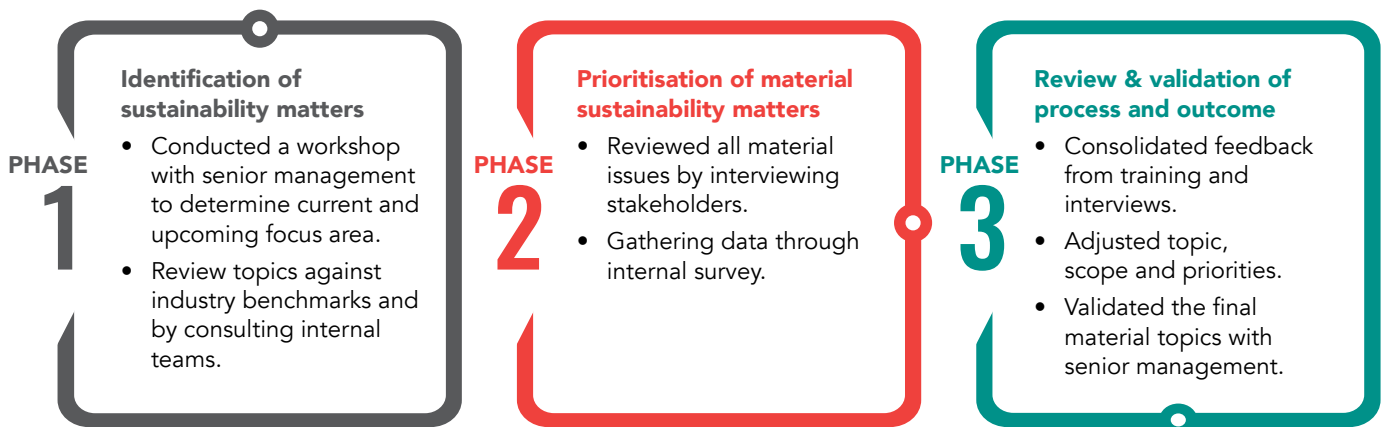
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STAKEHOLDER PRIORITISATION



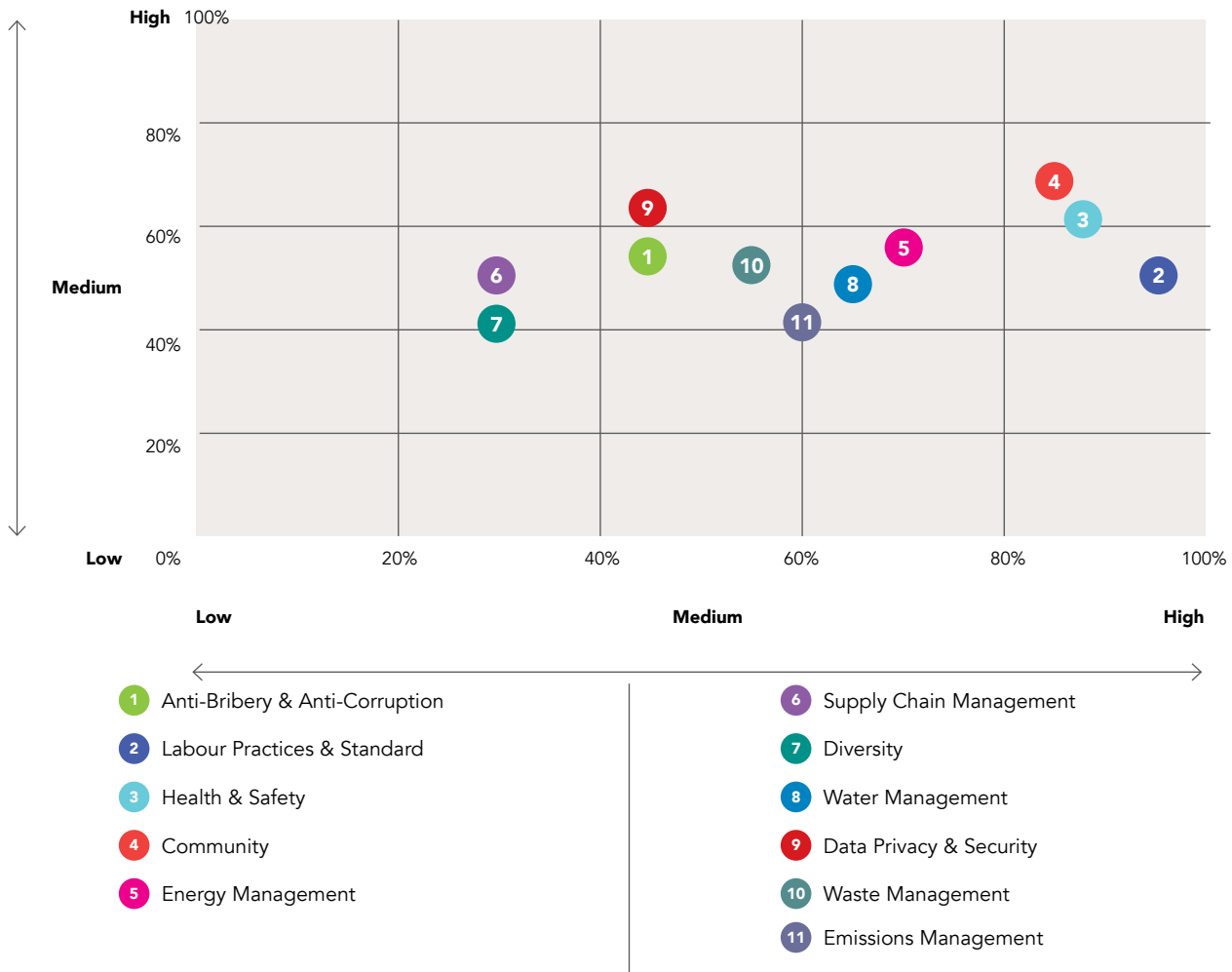
MATERIALITY MATTERS

Overview of Materiality Assessment Process (derived from the Bursa Malaysia Materiality Assessment 3rd Edition)



SUSTAINABILITY STATEMENT (CONT'D)

MATERIALITY MATRIX OF 2024



RISK MANAGEMENT

The Group employs a pragmatic approach to managing risks, consistently tackling the financial and business risks facing the organisation. Our Audit Committee ("AC") and Risk Management Committee ("RMC") operate independently, necessitating separate discussions for each committee. To enhance direct communication and provide clarification on audit matters, external auditors, internal auditors, and senior management participate in the committees as required. The Group enhances preparedness and resilience by identifying and managing potential risks encountered by our organisation.

Material Matters	Potential Risks	Opportunities
Anti-Bribery & Anti-Corruption	Poor corporate governance practices may tarnish the Group's reputation and image	Effective corporate governance practices as a trustworthy company
Supply Chain Management	Suppliers' non-compliance to the Group's ethical principles and safety culture exposes the business to operational disruptions	Stakeholder engagement covering ESG commitments in the discussions
Data Privacy & Security	Breach of information data may lead to loss trust and reputational damage	Improved data management protects critical information data and maintains trust

SUSTAINABILITY STATEMENT

(CONT'D)

Material Matters	Potential Risks	Opportunities
Labour Practices & Standard	Disengaged & underdeveloped employees contribute to lower productivity and performance	Effective talent development and upskilling programme with attractive benefits packages enable to retain and attract top quality industry talent as well as contribute high performance culture
Diversity	Discriminatory employment practices	Inclusive, diverse, and empowering work culture bring a range of viewpoints that enhance the quality of decision-making
Training & Development	- Employees may lack the necessary skills, knowledge, and principle of the company to perform their roles effectively, leading to decreased productivity, performance, and quality of work - Insufficient training can result in higher rates of mistakes, errors, and inaccuracies, impacting the accuracy and reliability of work outcomes	- Prioritise comprehensive training and development programme that address the evolving needs of the workforce and industry - Regular assessment of training effectiveness and commitment to on-going learning and skill enhancement
Occupational Safety & Health	Accidents and injuries in workplace lead to productivity loss, legal repercussions such as penalties and reputational damage	Strong safety and health culture with conducive working environment improves employee's well-being and productivity
Certification & Compliance	- Non-compliance could disrupt operations, causing delays or interruptions - Failure to adhere to certificate requirements may result in legal consequences - Non-compliance with certification standards can tarnish the organisation's reputation, leading to loss of trust among stakeholders	- Facilitate regular internal audits or assessments to monitor compliance status - Identify any gaps or non-compliance issues early on and take corrective actions promptly and active for any opportunities for continual improvements
Community Contribution	Business activities that negatively impact communities affect the company social license to operate	Regular engagement through community impact programme strengthens our relationship with the community
Water Management	Poor water management leads to higher costs and potential scarcity of water resources	Efficient water management may reduce operational costs and promote water conservation behavior
Waste Management	Non-compliance with environmental regulations result in consequences from authorities and activists	Waste reduction and increased resource efficiency can result in cost savings from operations
Energy Management	Poorly maintained facilities may result in energy wastage and decreased overall operational efficiency	Increased resource efficiency can result in cost savings for operations
Emissions Management	Disruptions to supply chains and operations due to extreme weather events caused by climate change	Adapting operations to be more resilient to climate change, can ensure long-term business success

SUSTAINABILITY STATEMENT

(CONT'D)

SUSTAINABILITY MATTERS

The Group has established goals to expedite and oversee our sustainability performance. By associating these targets with a performance scorecard, we can monitor our progress and advancements that we are making for the on-going improvements in alignment with these objectives.

As we advance our sustainability agenda, we remain conscious of how potential risks and opportunities can shape the direction within our company and have identified key sustainability drivers that demonstrates the relationship between these risks and opportunities. We then strive to capitalise on the opportunities through our sustainability framework that targets the three pillars of sustainability: Environment, Social and Governance. There are clear strategies denoted for each pillar, demonstrating our efforts to instil sustainability in all aspects of our operations.

In line with our alignment with the UNSDGs:

Our Group focuses on Sustainable Development Goals ("SDGs") that are relevant to our business operation:



Technology & Innovation

Embark on solar energy for electricity usage which will reduce consumption of fossil fuel-sourced energy.



Waste Management

- Urun Plantations Sdn. Bhd. ("UPSB") to adopt responsible waste management practices according to law.
- Our Group to initiate waste segregation practice by implementing Reduce, Reuse, and Recycle.



Water Management

- Plan and monitor agrochemicals and pollutant usage.
- Construction of proper drainage systems to prevent erosion and flooding.



Agronomic Practices

Implementing sustainable land use practices, such as integrated pest management ("IPM"), and investing in technologies that reduce waste and emissions from our operations.



Governance & Ethics

Ensure that SHC Group adheres to the internal company policies for promoting operational excellence.



Occupational Safety and Health ("OSH")

Organise OSH Awareness Programmes for all SHC employees such as:

- Conduct OSH training and Fire Drill
- Workplace inspection
- Email blast on related topics of OSH
- Safety toolboxes talk during roll call or muster call



Training & Education

- Implementing regular training programmes for employees on environmental best practices, safety measures and sustainable farming technique.
- To focus on career development and skills enhancement, the company can also provide opportunities for employees to participate in relevant courses and workshops.

SUSTAINABILITY STATEMENT (CONT'D)



Employee Well-Being

- Ensuring compliance with labour laws and regulations, providing safe working conditions, fair pay, and benefits for employees.
- Conduct a Social Impact Assessment to identify any potential negative impacts and develop action plans to address them.



Sustainability Certifications

- To meet the criteria of MSPO certification, indicating the corporation's dedication to eco-friendly approaches.
- Complying with ISO 9001:2015 and ISO 45001:2018 standards to further enhance Tunas Cool Energy Sdn. Bhd. ("TCE") reputation and credibility in the industry.

PERFORMANCE SCORECARD

Below are our key targets and progress to date:

Value Creation	Initiatives	Target
For People 	Stakeholder Engagement	• 100% transparency with internal stakeholder. • Achieve full stakeholder involvement by prioritising internal employees through grievance channels and procedures. • Interact with stakeholders to ascertain their certification preferences, thereby improving business operations.
	Employee Well-Being	• Improve employee well-being by establishing Key Performance Indicators (KPIs) related to health and safety. • Conducting training sessions with a focus on training hours for all employees, and performing plans and needs analysis to enhance job satisfaction.
	Diversity & Inclusion	Develop and monitor initiatives to foster diversity and inclusion throughout the workforce at all levels.
For Earth 	Recycling Waste	Enhancing recycling efforts, by boosting 10% of recycling rates, aiming for less waste generated to landfill.
	Greenhouse Gas ("GHG") Emission	Track GHG emissions, including those from diesel, set targets, and establish a baseline year for achievement.
	Water Management	Define targets and a baseline year for reducing water usage.
For Governance 	Anti-Bribery & Anti-Corruption Measures	Achieve a 100% absence of incidents to bolster the adoption of the Anti-Bribery and Corruption Policy and Procedures. This will be accomplished through conducting training programmes to ensure comprehensive understanding across all levels, while also closely monitoring the implemented measures.
	Data Privacy Policy Development	Develop and enhance the practice of monitoring measures for data privacy.

SUSTAINABILITY STATEMENT (CONT'D)



GOVERNANCE

SHC Group's strong governance is the foundation of our commitment to integrity, transparency, and accountability. We uphold the highest standards in corporate governance by implementing robust policies and procedures that ensure ethical business conduct, responsible sourcing, data security, and compliance with regulatory requirements. Through rigorous supplier evaluations, strict cybersecurity measures, and continuous stakeholder engagement, we foster trust and drive sustainable business practices across our operations. Our governance framework not only safeguards our stakeholders but also strengthens our long-term resilience and operational excellence.

INTEGRITY AND ACCOUNTABILITY

Code of Business Conduct and Ethics

SHC Group is committed to maintaining strong corporate governance and upholding the highest ethical standards to safeguard our business and stakeholders. In alignment with the Malaysian Anti-Corruption Commission Act 2009, which took effect on 1 June 2020, we have formalised our commitment through a Code of Business Conduct and Ethics, implemented across the Group since 2022. This policy proactively addresses various forms of corruption, reinforcing our culture of integrity, transparency, and accountability.

The Board has established a Code of Business Conduct and Ethics to uphold these principles, serving as a framework for directors, employees, subsidiaries, and associate companies. This framework incorporates key policies, including the Anti-Bribery and Corruption Policy and the Whistleblowing Policy, ensuring ethical decision-making and compliance. The Code emphasises core values such as integrity, objectivity, accountability, and corporate social responsibility, while also outlining conflict-of-interest guidelines, confidentiality requirements, and responsible public communication protocols.

The Board remains steadfast in adhering to these policies, which undergo periodic reviews to ensure their continued relevance and effectiveness. This commitment reflects our dedication to maintaining public trust and fostering a responsible corporate culture. For further information, please visit SHC website at www.shcm.com.my. The Board remains steadfast in adhering to these policies, which provide clear guidance on ethical conduct and responsibilities.

Anti-Bribery and Corruption Policy

SHC Group is committed to ethical business practices and upholding the highest standards of corporate governance. As part of this commitment, the Group has implemented a robust Anti-Bribery Management System (ABMS), in compliance with Section 17A of the Malaysian Anti-Corruption Commission Act 2009.

At the core of this system is the Anti-Bribery and Corruption (ABC) Policy, which establishes a zero-tolerance stance on bribery and corruption across all business operations, regardless of jurisdiction. The policy sets clear guidelines on gifts, entertainment, hospitality, facilitation payments, political contributions, and relationships with business associates, ensuring that all transactions align with legal and ethical standards. Employees, directors, and stakeholders are required to adhere to these principles, with strict record-keeping measures and whistleblowing channels in place to report any violations.

To mitigate risks, SHC Group conducts periodic bribery and corruption risk assessments, identifying vulnerabilities and implementing necessary safeguards. The ABC Compliance Unit, overseen by senior management, plays a pivotal role in monitoring compliance, providing training, and enforcing disciplinary actions when needed. These measures reinforce the Group's unwavering dedication to integrity, transparency, and ethical business conduct.

SUSTAINABILITY STATEMENT

(CONT'D)

Whistleblowing Policy

SHC Group is committed to fostering a culture of integrity, accountability, and transparency. The Group has implemented a robust Whistleblowing Policy to support this commitment, encouraging employees, stakeholders, and the public to report any suspected violations of the Code of Business Conduct and Ethics, Anti-Bribery and Corruption Policy, or any other misconduct. This policy ensures all reports are treated confidentially, protects whistleblowers from retaliation, and guarantees a fair and transparent investigation process.

SHC Group has established secure and confidential reporting channels, enabling whistleblowers to disclose concerns without fear of reprisal. Reports can be made directly to the Group Managing Director, the Chairman of the Audit Committee, or through designated whistleblowing forms. Upon receiving a report, the Compliance Committee, Audit Committee, and ABC Compliance Unit will conduct a thorough investigation, ensuring that all concerns are addressed appropriately. Any form of retaliation against whistleblowers is strictly prohibited and may result in disciplinary action, including dismissal.

To maintain the effectiveness of this policy, the Compliance Committee regularly reviews and updates whistleblowing procedures, ensuring alignment with legal requirements and best practices. Reports are documented, and findings are periodically reviewed by the Board of Directors and external auditors.

Additional information regarding the whistleblowing policy and procedures is available on the Group's website.

At SHC Group, transparency and accountability are the cornerstones of our operations. We believe that fostering a culture of integrity is essential for building stakeholder trust and ensuring long-term success.

All headquarters employees have successfully completed anti-corruption training, equipping them with the knowledge and skills to identify, prevent, and report corrupt practices. This training covers key regulations, corruption red flags, and internal reporting mechanisms. New hires undergo comprehensive onboarding that includes anti-corruption training through online modules, interactive sessions, and peer discussions, ensuring they understand their role in upholding ethical conduct.

Number of Employees Received Training on Anti-Corruption by Category

Category	2022	2023	2024
Key Senior Management	5	3	1
Middle Management	4	1	1
Executive	5	1	6
Non-Executive	1	1	0

To promote employee accountability, all employees are required to sign a declaration form, affirming their commitment to the Group's Code of Business Conduct and Ethics. Our dedication to ethical business practices extends beyond our workforce, as we proactively instil integrity throughout our supply chain. Before engagement, all suppliers receive the Group's Anti-Bribery and Corruption Policy and Whistleblowing Policy, ensuring compliance from the outset. Additionally, vendors and suppliers participating in our tender process must submit a Vendor Declaration Form, committing to ethical business conduct and a zero-tolerance stance on corruption.

As part of our on-going efforts to foster a responsible business environment, we continuously monitor our performance against anti-corruption indicators. In FY2024, there were no confirmed cases of employee involvement in corruption, nor any legal proceedings against the Group related to fraud, bribery, or corruption. This reflects our unwavering commitment to ethical business practices and governance.

CERTIFICATION AND ACCREDITATION

MALAYSIAN SUSTAINABLE PALM OIL STANDARD (MSPO)

Certified under the Malaysian Sustainable Palm Oil Standard (MSPO), UPSB operates in alignment with Malaysia's national certification scheme for palm oil plantations, independent smallholders, and the broader palm oil supply chain. As an MSPO-certified plantation, we are committed to fostering responsible agricultural practices and upholding sustainability at every stage of our operations.

Our dedication to sustainable business practices is reflected in our role as a certified producer of sustainable palm oil. We have meticulously developed and maintained documentation to meet MSPO's stringent criteria, ensuring continuous compliance and improvement. By integrating sustainability-driven measures, we actively contribute to strengthening Malaysia's commodity sector and promoting responsible palm oil production within the global market supply chain.

QMS ISO 9001:2015 & OSHA ISO 45001:2018

TCE is proud to be certified under QMS ISO 9001:2015 by Bureau Veritas, reinforcing our commitment to quality management and service excellence. This certification assures our clients of reliable and efficient services, allowing them to focus on their core operations with confidence. Such assurance is particularly crucial for high-profile projects like the Dataran Pahlawan Melaka Megamall ("DPMM") and the Pagoh Educational Hub ("PEH") District Cooling System Project, where uninterrupted operation is vital for maintaining optimal comfort and tranquility.

SUSTAINABILITY STATEMENT (CONT'D)

In addition, TCE has achieved ISO 45001:2018 certification, a globally recognised standard for occupational health and safety management systems. By adhering to this framework, we proactively mitigate workplace hazards, minimise risks, and enhance the well-being of our employees. This steadfast commitment to safety protects our workforce and strengthens client confidence in the reliability and security of our products and services.

Sustainable Energy Development Authority (SEDA) License

Our operations in TCE are aligned with the national agenda for sustainable energy development, as evidenced by our possession of a license as a registered solar photovoltaic investor under Net Energy Metering ("NEM") programme. This license acknowledges our adherence to renewable energy and energy efficiency standards within our district cooling systems. By complying with SEDA's requirements, we contribute to Malaysia's efforts in promoting a greener and more sustainable energy landscape.

Construction Industry Development Board (CIDB) G7 License

TCE holds a Construction Industry Development Board (CIDB) G7 license, the highest contractor registration grade in Malaysia. This accreditation signifies our capability to undertake large-scale construction projects related to district cooling systems with the utmost professionalism and expertise. Holding a G7 license demonstrates our commitment to delivering high-quality infrastructure projects that meet stringent industry standards, ensuring the reliability and efficiency of our district cooling solutions. This license also supports our commitment to providing safe and effective solutions for our clients.

CUSTOMER SATISFACTION

We recognise that our success is deeply connected to our customers. Their needs and satisfaction are at the core of our value chain and drive our business decisions. By fostering active engagement through diverse communication channels, we ensure a clear understanding of their expectations and concerns. This customer-centric approach enables us to continuously refine our products and services, delivering tailored solutions that enhance their experience and satisfaction.

In pursuit of continuous improvement, TCE actively engaged with clients in FY2024 through an annual Customer Satisfaction Survey as part of our stakeholder engagement efforts. This survey serves as a key tool in assessing client experiences, evaluating critical performance aspects such as service quality, responsiveness to needs, and alignment with client expectations in enhancing their organisational image.

The FY2024 survey results reflect a strong level of satisfaction, with total scores of 96.87% for the PEH and 81.25% for DPMM. Additionally, TCE is proud to report that no complaints were received in both FY2023 and FY2024, underscoring our commitment to maintaining high service standards and fostering long-term client trust.

TRACEABILITY, RESPONSIBLE SOURCING AND SUSTAINABLE SUPPLY CHAIN

The Group is committed to responsible sourcing, ensuring suppliers are evaluated beyond just pricing and work quality. Our selection process includes comprehensive legal background checks to assess potential risks and ensure compliance with regulations and ethical standards. Supplier selection involves requesting and reviewing proposals based on quality, cost, and reliability. Once approved, suppliers undergo negotiations before order placement with clearly defined terms. Regular communication and development initiatives help maintain strong supplier relationships and drive continuous improvement.

At TCE, rigorous on-site verification visits ensure suppliers uphold ethical and operational standards. Specifically, evaluations for the external facility management service provider at both Pagoh and DPMM Plants assesses workmanship quality, compliance with technical specifications, and service scope. In response to the increasing emphasis on responsible sourcing within the oil palm industry, UPSB works closely with suppliers to enhance sustainable palm oil production. Regular audits and field inspections ensure compliance with local labour and environmental regulations, reinforcing transparency and accountability.

Additionally, we actively support local businesses to strengthen the economy, prioritising local suppliers in our procurement strategy. In FY2024, we achieved 100% local procurement of services across all reported business entities. By maintaining strong partnerships, implementing stringent evaluation processes, and fostering transparency, we uphold the highest standards of professionalism and traceability across our supply chain.

DATA PRIVACY AND SECURITY

SHC Group is committed to safeguarding customer information through stringent cybersecurity and data privacy measures. Recognising the critical importance of trust, we proactively secure our information systems and those of our stakeholders to protect all sensitive data. All customer documents, interactions, and confidential information are securely stored within an internal system with controlled access, granted strictly based on operational requirements and predefined guidelines. To further reinforce data security, we implement confidentiality agreements with both suppliers and customers, ensuring mutual protection and preventing unauthorised disclosure. Upholding the paramount standards of data protection and compliance, we are pleased to report that no substantiated incidents of customer privacy breaches or data loss occurred in FY2024.

SUSTAINABILITY STATEMENT (CONT'D)



SOCIAL

At SHC Group, we recognise that our success is inextricably linked to the well-being of our employees and the vitality of the communities we serve. We are deeply committed to fostering meaningful connections and actively engaging with individuals at all levels. This commitment extends beyond mere compliance, encompassing the creation of a safe, collaborative, and thriving workplace, alongside our dedication to positively impacting the social fabric of our community. We believe in building strong, sustainable relationships grounded in respect, fairness, and mutual benefit. We strive to create a positive social impact, recognising our role in building a more equitable and prosperous society.

DIVERSITY, EQUITY, AND INCLUSION

At SHC Group, we are committed to cultivating a workplace where diversity, equity, and inclusion (DEI) are integral to our culture and operations. We recognise that a diverse workforce, where every individual feels valued and respected, is essential for fostering innovation and driving impactful solutions.

We strive to create an environment where everyone has equitable opportunities to thrive. This commitment is evident in our meticulously structured recruitment process, designed to eliminate discrimination and ensure fairness in all aspects of employment, from hiring and promotion to compensation and development. We believe that equity goes beyond equal opportunity, encompassing the provision of necessary support and resources to enable everyone's success.

By embracing the intrinsic worth of each individual and actively promoting diversity across gender, race, religion, age, and other dimensions, we underscore the profound value of varied perspectives and experiences. We foster an inclusive culture that encourages collaboration and open communication, allowing these diverse viewpoints to flourish. This unwavering dedication to DEI not only enriches our workplace but also empowers every employee to contribute their unique talents, ultimately leading to more impactful and innovative outcomes.

Our commitment remains resolute as we persist in our focus on augmenting the local workforce and fostering greater diversity and a culture of respect every employee, irrespective of their age, ethnicity, gender, or nationality across our organisation. In FY2024, our workforce comprised 85 employees, an increase from 76 in FY2023.

Examining the age distribution of our workforce, we observe a notable concentration of employees within the 30-50 age group, representing a significant portion of our team and indicating a strong base of experienced professionals. Furthermore, our overall employee turnover rate improved, indicating greater workforce stability.



SUSTAINABILITY STATEMENT

(CONT'D)

Workforce Profile

Number of Employees			
Year	2022	2023	2024
Total employees	88	76	85

Percentage of Age Group by Employee Category (%)			
Year	2022	2023	2024
Key Senior Management			
Under 30	0.00	0.00	0.00
Between 30-50	28.60	28.57	42.86
Above 50	71.40	71.43	57.14
Middle Management			
Under 30	0.00	0.00	0.00
Between 30-50	100.00	100.00	83.33
Above 50	0.00	0.00	16.67
Executives			
Under 30	16.66	20.69	21.43
Between 30-50	79.17	75.86	75.00
Above 50	4.17	3.45	3.57
Non-Executives			
Under 30	22.00	14.29	25.00
Between 30-50	68.00	74.29	61.36
Above 50	10.00	11.43	13.64

Percentage of Gender Background by Employee Category (%)			
Year	2022	2023	2024
Key Senior Management			
Male	85.71	57.14	71.43
Female	14.29	42.86	28.57
Middle Management			
Male	85.71	80.00	83.33
Female	14.29	20.00	16.67
Executives			
Male	58.33	55.17	50.00
Female	41.67	44.83	50.00
Non-Executives			
Male	76.00	80.00	81.82
Female	24.00	20.00	18.18

Number of Employees Turnover by Category			
Year	2022	2023	2024
Key Senior Management	0	2	0
Middle Management	0	2	1
Executives	3	3	12
Non-Executives	37	15	7
Total	40	22	20

SUSTAINABILITY STATEMENT (CONT'D)

UPHOLDING HUMAN RIGHTS AND LABOUR STANDARDS

At SHC Group, we firmly believe that our employees are our most valuable asset. As such, we are deeply committed to upholding the highest standards of human rights and labour practices throughout our organisation. We understand that fostering a respectful, equitable, and safe working environment is not only a legal obligation but also a moral imperative. Our dedication to these principles is woven into the fabric of our company culture, guiding our policies, procedures, and day-to-day interactions. We strive to create a workplace where every individual feels valued, heard, and protected, ensuring that their fundamental rights are respected, and their contributions are recognised.

Social and Human Rights Policy

Guided by our established Social and Human Rights Policy, UPSB maintains a strong commitment to internationally recognised standards. This policy aligns with the Federal Constitution, the UN Declaration on Human Rights, and the ILO Decent Work Agenda, reflecting our dedication to ethical labour practices.

Our Social and Human Rights Policy emphasises several key principles:

Prohibition of Forced and Child Labour

We adamantly ensure our organisation abstains from any involvement in forced or child labour. Management strictly prohibits employing workers through coercion or hiring children or young people, adhering to Malaysian laws and regulations. Rigorous screening protocols are meticulously enforced, preventing the hiring of individuals under the age of 15. Furthermore, we unequivocally denounce and prohibit the utilisation of forced, bonded, or indentured labour, as well as any form of involuntary prison labour, slavery, or human trafficking, under all circumstances.

Non-Discrimination and Freedom of Association

We ensure that no forms of discrimination are tolerated within the company to ensure equality and freedom of association. This policy is readily accessible to all employees, available in both English and the local language, through our notice boards.

Respect and Dignity

We are dedicated to treating all employees with respect and dignity, and we strictly prohibit any form of physical, sexual, psychological, or verbal harassment or abuse.

Fair Compensation

We are committed to providing timely payment of at least the minimum wage as required by national law, and we adhere to all legally mandated benefits.

These principles collectively demonstrate our unwavering commitment to ethical labour practices and the well-being of our workforce. Importantly, there have been no substantiated complaints regarding human rights violations within our organisation, further demonstrating our commitment to upholding the highest ethical standards.

Our Approach to Migrant Workers

A significant portion of our workforce in UPSB comprises migrant workers who play a crucial role, particularly in the initial stages of our value chain, such as the harvesting process.

Recognising the vulnerabilities faced by migrant workers during the recruitment process, we have implemented an initiative aimed at safeguarding their rights within our workforce. We prioritise comprehensive and effective management of our foreign workforce. Our commitment encompasses all stages of their employment, including:

Recruitment and Training

Ensuring fair and transparent recruitment processes and providing necessary training to integrate them effectively into our operations.

Living Conditions

Providing adequate and comfortable living conditions that meet or exceed industry standards.

Health Management and Sanitation

Implementing robust health management systems and maintaining high sanitation standards to safeguard their well-being.

Seamless Repatriation

Facilitating a smooth and respectful repatriation process upon completion of their employment.



SUSTAINABILITY STATEMENT (CONT'D)

Employee Welfare & Benefit

We provide a comprehensive benefits package to our employees, recognising their dedication and contribution. These benefits include:

Comprehensive Medical Coverage

- Outpatient Treatment: To support the on-going health of our employees.
- Group Hospitalisation and Surgery: To provide essential medical care during serious illnesses or injuries.

Financial Security

Group Personal Accident (PA) Insurance: To ensure financial protection in case of accidents.

Leave Entitlements

- Congratulatory and Compassionate Leave: To allow employees time for significant life events.
- Study or Examination Leave: To support employees in their pursuit of further education.

Fully Subsidised Parking

To alleviate the burden of commuting costs.

Statutory Contributions (EPF, SOCSO, EIS)

Adherence to all legal requirements for employee social security and retirement funds.

To further support our employees at UPSB, we provide specific amenities that cater to their daily needs and the educational support of their families. This includes access to an on-site Estate Mini Market, which offers convenient access to essential goods, and a Community Learning Centre ("CLC"), designed to provide educational resources and support for our employees' children.

We are committed to supporting the educational development of our employees' children at the UPSB location. To ensure the attendance of students at the CLC, we have implemented the following initiatives:

Transportation

Providing transportation to and from the CLC.

School and Classroom Upgrading

Enhancing the learning environment through school and classroom upgrades.

Meal Provision

Providing meals during recess to ensure students are well-nourished and ready to learn.

We are pleased to report an increase in student attendance at the CLC, from 25 students in FY2023 to 27 students in FY2024. We have also increased the number of teachers at the CLC from 1 to 2, demonstrating our commitment to providing quality education for our employees' children.

We prioritise fostering a positive and supportive work environment that extends beyond traditional benefits. We recognise that investing in our employees' well-being and team cohesion is crucial for their satisfaction and our company's success. In FY2024, we spent approximately RM36,000 towards various employee social activities and support initiatives, demonstrating our commitment to creating a vibrant and engaging workplace. These initiatives included:



We are dedicated to fostering a positive and supportive environment for all our employees, regardless of their origin, ensuring their rights are protected and their contributions are valued. We believe that a well-supported workforce is essential for the sustainable success of our operations.

SUSTAINABILITY STATEMENT (CONT'D)



Training & Development

We recognise the significant value of both personal and professional advancement, firmly holding the belief that continuous learning and development are indispensable for individuals to reach their utmost potential.

Our Group conducts training sessions tailored to enhance the skills and knowledge of both our management team and employees. These sessions cover various areas, including technical competencies, professional certifications, refinement of soft skills, and leadership development. Moreover, we foster a culture that encourages employees to actively pursue, and request training opportunities based on their specific needs and interests.

In FY2024, we facilitated a range of training programmes across different areas, reflecting our commitment to diverse skill enhancement. These programmes fall into the following key categories:

Technical and Professional Skills Enhancement

We supported employees in developing specialised skills through courses such as the "5-Day IEM Energy Manager Training Course" for TCE employees, "Payroll Calculation & Compliance Under The Malaysian Employment Laws" for SHC employees, and various training sessions on "Implementing of E-Invoicing in Malaysia". These initiatives ensure our workforce remains proficient in their respective fields.

Safety and Compliance Training

Recognising the importance of workplace safety, we offered programmes like the "OSH Coordinator programmes" and "Systematic Incident Reporting & Investigation". This investment in safety training underscores our commitment to a secure working environment.

Leadership and Management Development

We also invested in developing leadership and management skills, with courses such as "Dynamic of Negotiation For Purchasing & Procurement", "Finance, Costing & Budgeting Analysis For Managers", and "Strategic Cash Flow Management". These programmes aim to equip our employees with the necessary skills to excel in leadership roles.

Regulatory and Legal Framework Updates

To ensure compliance and keep our employees informed, we organised training on "Kupasan Akta Kerja 1955: Pindaan 2022" (Understanding the Employment Act 1955: 2022 Amendments) and "Common Offences by Directors under the Companies Act 2016".

Technology and Systems Training

We also provided training on new technological tools, such as the "Info-Tech HRMS Professional Seminar 4.2" and "Info-Tech-Mobile Attendance", to enhance efficiency and productivity.

Our commitment to talent development is also demonstrated through our financial and time investment in training programmes. In FY2024, we invested approximately RM27,000 in employee training, reflecting our dedication to enhancing their skills and knowledge. A total of 468 hours of training were provided for our employees, with an average of 5.5 hours per employee.

Total Hours of Training by Employee Category (hour)

Year	2022	2023	2024
Key Senior Management	64	241	189
Middle Management	7	56	135
Executives	42	257	144
Non-Executives	133	0	0
Total	246	554	468

SUSTAINABILITY STATEMENT (CONT'D)

SAFETY & HEALTH

Our foremost commitment lies in nurturing the welfare of both our employees and contractors in our business operations and workplaces. We aim to create a healthy, safe, and conducive environment, by preventing injuries and illnesses among our workforces. Our approach underscores our dedication to the well-being of our team while simultaneously driving heightened efficiency and productivity through our enhancement initiatives.

Safety Policy & System Foundation

Each active entity of the Group has established the Occupational Safety and Health ("OSH") Policy, delineating our unwavering dedication to matters of occupational safety and health. Each policy extends its applicability to all stakeholders within our business operations, encompassing employees, contractors, vendors, and visitors, ensuring a secure work environment.

UPSB operates under Health & Safety Policy that outlines our commitment to providing a safe and healthy working environment for its employees, contractors, and other stakeholders. This policy generally focuses on preventing workplace accidents and injuries, defining the roles and responsibilities of employees and management in maintaining a safe work environment, and ensuring compliance with relevant laws and regulations.

TCE recognises that providing the highest quality of total energy solution service to our customers is intrinsically linked to effectively managing Occupational Health and Safety. To this end, TCE has established a comprehensive Quality, Health & Safety Policy.

This policy demonstrates our commitment to creating a safe and healthy environment for our employees, customers, and the public. In general, the policy outlines our dedication to:

Prioritising customer satisfaction and complying with relevant OSH regulations.

Promoting a culture of safety through employee training, hazard prevention, and continuous improvement of our OSH management system.

TCE also employs systematic approach through the establishment of a comprehensive Integrated Management System with a core component dedicated to Quality, Health, and Safety Management System ("QHSMs"). This system is structured around key documentation framework such as QHSMs manual, QHS Procedures and Work instructions to ensure clarity, accessibility, and effective implementation of OSH practices. This comprehensive framework enables TCE to systematically manage OSH, reduce risks, and continuously improve its safety performance.

Safety Governance & Implementation

Safety and Health Committees have been established in both UPSB and TCE, encompassing representatives from both management and workers, to actively participate in deliberations concerning various occupational safety and health (OSH) matters. These committees serve as the primary forum for discussing safety policies, rules, and procedures within their respective workplaces. Discussions include hazard identification, risk assessment, and the development of effective strategies for managing or mitigating risk levels. The UPSB committee is known as the Safety and Health Committee, while TCE's committee is a comprehensive Quality, Health, Safety, and Environment Committee. Both committees are also responsible for conducting investigations into accidents as they arise and convene at least once every three (3) months to address these crucial matters.

Regular evaluations are conducted on the Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process to maintain its alignment with potential hazards across the operations of UPSB and TCE. To ensure effective communication, everyone within our premises is well-versed in the accident reporting protocol, and dedicated incident reporting lines have been established to facilitate communication of relevant information to management and the committees.

Our organisation maintains dedicated Emergency Response Teams (ERTs) to ensure swift and effective response to workplace emergencies. First aid and ERT personnel are appointed to oversee emergency response for both TCE and UPSB. For TCE, a detailed emergency evacuation plan with employee training is in place to ensure trained personnel are adequately prepared to respond during emergencies. These teams are a critical component of our safety governance framework, providing on-site capabilities to manage incidents and minimise potential harm.

Safety Training & Activities

At SHC Group, the safety and well-being of our workforce are paramount. We cultivate a culture of vigilance through comprehensive safety training, regular briefings, and clear communication via prominent safety warning signs. Our commitment extends to proactive measures, including routine workplace inspections, managerial oversight, rigorous on-site management of chemicals and personal protective equipment, meticulous review of work instructions, and thorough audits.

We prioritise the holistic well-being of our employees by investing in diverse training programmes. These initiatives not only enhance decision-making, promote safe work practices, and sharpen problem-solving skills, but also ensure all employees are thoroughly versed in the specific health and safety standards pertinent to their roles.

SUSTAINABILITY STATEMENT (CONT'D)

Throughout FY2024, we delivered targeted safety training across our business operations. All organisations of SHC Group conducted Fire Drill and Briefing sessions. Additionally, TCE provided specialised training in OSH Coordination, and Systematic Incident Reporting & Investigation. These diverse initiatives reflect our commitment to equipping employees with essential safety and operational knowledge.

This commitment to continuous and comprehensive training is reflected in the increasing number of employees trained on safety and health standards across our various business entities.

Number of Employees Trained on Safety and Health Standard

Year	2022	2023	2024
	22	9	15

In addition to the general safety training programmes, TCE implemented a targeted annual activity plan focused on strengthening occupational health and safety (OSH) measures. This plan included:

- Comprehensive reviews of Group Hazard Identification Risks
- Testing and refinement of Emergency Response Plan
- Safety inspections conducted by HQ QHS personnel
- Excessive noise identification assessments by HQ QHS personnel
- Regular tools and personal protective equipment inspection

Our dedication to maintaining a safe working environment is reflected in our consistent achievement of zero workplace fatalities across the Group for the past few years. This achievement, coupled with a record of zero Lost Time Injuries (LTI) and a Lost Time Injury Frequency Rate (LTIFR) of zero underscores our effective safety protocols.

OSH Performance

Year	2022	2023	2024
Lost Time Injury (LTI)	0	0	0
Lost Time Injury Frequency Rate (LTIFR)	0	0	0

We recognise that a safe and healthy workplace is fundamental to our success and the well-being of our employees. We remain dedicated to continuously improving our safety practices and fostering a safe and secure environment for all.

COMMUNITY CONTRIBUTIONS

We firmly believe that nurturing a harmonious bond between businesses and communities enhances social inclusion and generates enduring, beneficial results. At SHC Group, we uphold our commitment to corporate responsibility by actively engaging in initiatives that contribute to the betterment of the communities where we are present. Our community contributions encompassed a range of initiatives, reflecting our dedication to diverse social needs.

Education and Scholarships

We supported educational advancement through initiatives such as funding PhD research in history education for primary school students at SK Taman Warisan Putri, Seremban. We also provided donations to SK Long Urun to aid in their educational endeavors and provided financial assistance to outstanding Penan ethnic students through student aid.

Community Welfare

A significant portion of our contributions focused on supporting the welfare of nearby villagers (UPSB). This included providing funeral donations, food donations, and monthly social contributions to Jawatankuasa Kawasan Kampung Long Urun, Belaga. We also contributed to the construction of Bailey Bridges, improving local infrastructure and connectivity.

Community Support and Development

This category encompasses our broader efforts to strengthen the local community, including disaster relief/emergency support (food and funeral donations).

In FY2024, our total community contributions amounted to RM457,110, demonstrating our commitment to making a tangible difference in the lives of those around us. We believe that by investing in our communities, we contribute to a more sustainable and equitable future.

SUSTAINABILITY STATEMENT
(CONT'D)



ENVIRONMENT

At SHC Group, we recognise that environmental stewardship is integral to our long-term success and the well-being of the planet. We are committed to minimising our environmental footprint and contributing to a sustainable future. We believe that by integrating environmental considerations into our business strategy, we can create lasting value for our stakeholders and contribute to a healthier, more resilient environment.

Energy Management

At TCE, our core energy division focuses on providing efficient and sustainable cooling solutions to our clients through the operation of DCS. We recognise the critical role of reducing reliance on fossil fuels to mitigate climate change, and DCS serves as a key strategy in this endeavour. Our DCS operations, located in Johor (PEH) and Melaka (DPMM), are designed to enhance energy efficiency and contribute to national sustainable development goals.

As a provider of DCS, TCE is committed to optimising energy effectiveness and minimising our clients’ dependence on non-renewable energy sources. We deliver solutions that align with the principles of harmonising economic progress with environmental conservation and societal well-being. By offering affordable and sustainable cooling, we empower our clients to reduce their energy consumption and contribute to a more resilient and equitable future.

TCE is proud to be at the forefront of green energy technology, delivering the benefits of DCS to our clients. This technology offers:

- Optimised Space Utilisation**
By centralising cooling, we free up valuable building space for our clients, enabling them to maximise their property’s potential, including the development of rooftop green spaces.
- Reduced Refrigerant Usage**
DCS requires significantly less refrigerant than individual building cooling systems, minimising environmental impact.
- Enhanced Energy Efficiency**
Our DCS solutions provide 20% to 40% energy savings compared to conventional cooling, directly translating to lower energy costs and reduced carbon footprints for our clients.

Reliable Cooling Services

Redundant systems and backup chillers ensure uninterrupted cooling services, providing our clients with peace of mind.

In FY2024, our electricity consumption across the group was as follows:

Electricity Consumption (kWh)	2023	2024
	11,832,693.70	12,859,634.88

TCE, being the primary operator of our District Cooling Systems, accounts for the significant majority of our electricity consumption. We observed an increase in electricity usage across the group in FY2024. This increase is primarily attributed to the growing demand for our sustainable cooling solutions. However, we are continuously working to optimise our systems and implement energy-saving measures to mitigate this increase and improve overall efficiency.

To address peak electricity demand, particularly during afternoon and early evening hours when cooling demands are highest, we utilise a sophisticated chilled water storage system. This system produces and stores chilled water during off-peak, lower-cost nighttime hours, which is then distributed to clients during the day. This reduces the need for individual building chillers, significantly lowering energy consumption and associated CO₂ emissions for our clients.

TCE’s operational units diligently monitor the energy consumption associated with providing cooling services, focusing on minimising the use of fossil fuels and electricity. We employ rigorous data collection and analysis to strategically reduce energy usage, benefitting both the environment and our clients’ operational costs.

SUSTAINABILITY STATEMENT (CONT'D)

Water Management

SHC Group recognises the importance of responsible water management across all our operations. We are committed to minimising our water footprint and ensuring the sustainable use of this vital resource.

At TCE, we have implemented a closed-loop system in our District Cooling Systems (DCS), which has proven effective in reducing water consumption by 5% to 15%. This system utilises closed-loop chiller units, employing a coolant fluid to extract heat from industrial and commercial processes. This method is both cost-effective and environmentally friendly, as it eliminates the need for single-pass cooling systems that use and discard water. By continuously recycling and reusing water within our closed-loop system, we significantly reduce our water consumption.

In FY2024, TCE's water consumption was 88,390 m³, a slight increase from 83,543 m³ in FY2023. This increase reflects the increased demand for our cooling services. However, it is important to note that our closed-loop system significantly mitigates the potential water consumption associated with these increased operations. We are continuously evaluating and improving our systems to further optimise water efficiency.



The benefits of our closed-loop system extend beyond water conservation. We also experience reduced costs associated with wastewater treatment and disposal, as well as decreased environmental pollution. Furthermore, the long-term return on investment is substantial, thanks to space and operational energy savings. To ensure the on-going efficiency of this system, we diligently monitor for leaks and corrosion that could impact performance.

At UPSB, our water management strategy focuses on preserving and protecting local waterways while ensuring sustainable water usage for domestic purposes, particularly given our remote location. The abundant rainfall in our plantation area allows us to establish natural water reservoirs and create effective water catchment areas. While we currently lack recorded data for these practices, we have implemented a comprehensive water management plan. This plan outlines strategies and actions to optimise water usage, maintain water quality, and mitigate risks associated with water scarcity, pollution, or flooding. We are committed to implementing data collection processes to better measure and report on our water management performance in the future.

We are dedicated to continuously improving our water management practices across all our divisions, ensuring the responsible and sustainable use of this essential resource.

Waste Management

To prevent environmental contamination, UPSB enforces waste management policies compliant with MSPO Standards and local regulations. We have recently initiated the implementation of waste management and segregation procedures within UPSB, along with establishing SOPs for handling any used chemicals classified as scheduled waste. However, comprehensive data regarding this implementation is currently unavailable.

Within the plantation, diverse types of waste, including general, household, and scheduled waste, are handled. Recyclable materials like plastic and aluminium cans are stored in designated areas before being transported to recycling centres. Although we do not engage in milling activities, the organic waste, Empty Fruit Bunches (EFB), are sometime utilised as supplementary fertiliser in our plantation operations. We prioritise the adoption of a circular cycle whenever feasible which we mainly obtained from our buyers of Fresh Fruit Bunches (FFB).

SUSTAINABILITY STATEMENT (CONT'D)

Emissions Management

SHC Group is committed to minimising our environmental impact through active emissions management and the adoption of sustainable practices. We recognise the importance of addressing climate change and air pollution, and we are working diligently to implement responsible measures across our operations.

UPSB is dedicated to environmentally responsible practices, particularly in our plantation operations. We maintain a strict zero-burning policy, ensuring high compliance with the Malaysian Sustainable Palm Oil (MSPO) standard. Our commitment extends to minimising energy consumption, water usage, and waste production, aligning with a circular economy approach to sustainable plantation management.

In FY2024, our total GHG emissions were calculated by an external consultant in accordance with the GHG Protocol, a globally recognised standard for greenhouse gas accounting and reporting.

Scope 1

Direct Emissions

These emissions are primarily from mobile combustion processes, including the use of petrol and diesel in our fleet. Generators also require of diesel. The emission factors used are based on UK Government GHG Conversion Factors for Company Reporting 2024, as released by the Department for Environment, Food & Rural Affairs (DEFRA).

Scope 2

Indirect Emissions – Electricity

These emissions result from our electricity consumption. We used grid emission factors from the Energy Commission.

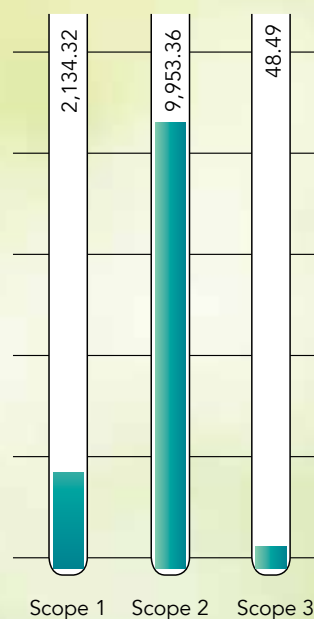
Scope 3

Other Indirect Emissions

This category encompasses business travel and employee commuting. Emission factors for business travel are based on EPA Office Greenhouse Gas Emission Factors, while emission factors for employee commuting are based on UK Government GHG Conversion Factors.

2024 GHG Emissions (tCO₂e)

Total GHG emissions 12,136.17



Recognising the potential impacts of climate change, SHC Group is undertaking a comprehensive evaluation of associated risks and opportunities. We are actively working towards alignment with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, aiming for full compliance by the 2025 deadline mandated by Bursa Malaysia. Additionally, we are closely monitoring the implementation timeline of the National Sustainability Reporting Framework and anticipate adopting International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 and S2 by 2026.

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Measurement Unit	2021	2022	2023	2024
Bursa (Anti-corruption)					
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category					
Key Senior Management (Included Executive Directors)	Percentage	-	33.33	42.86 *	14.29
Middle Management	Percentage	-	26.67	20.00 *	16.67
Executive	Percentage	-	33.33	3.45 *	21.43
Non-Executive	Percentage	-	6.67	2.86 *	0.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	0.00	0.00 *	0.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0	0
Bursa (Community/Society)					
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	-	49,031.00	561,750.00 *	457,110.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	9	5 *	4
Bursa (Diversity)					
Bursa C3(a) Percentage of employees by gender and age group, for each employee category					
Age Group by Employee Category					
Key Senior Management (Included Executive Directors) Under 30	Percentage	-	0.00	0.00	0.00
Key Senior Management (Included Executive Directors) Between 30-50	Percentage	-	28.60	28.57 *	42.86
Key Senior Management (Included Executive Directors) Above 50	Percentage	-	71.40	71.43 *	57.14
Middle Management Under 30	Percentage	-	0.00	0.00	0.00
Middle Management Between 30-50	Percentage	-	100.00	100.00	83.33
Middle Management Above 50	Percentage	-	0.00	0.00	16.67
Executive Under 30	Percentage	-	16.66	20.69 *	21.43
Executive Between 30-50	Percentage	-	79.17	75.86 *	75.00
Executive Above 50	Percentage	-	4.17	3.45 *	3.57
Non-Executive Under 30	Percentage	-	22.00	14.29 *	25.00
Non-Executive Between 30-50	Percentage	-	68.00	74.29 *	61.36
Non-Executive Above 50	Percentage	-	10.00	11.43 *	13.64
Gender Group by Employee Category					
Key Senior Management (Included Executive Directors) Male	Percentage	-	85.71	57.14 *	71.43
Key Senior Management (Included Executive Directors) Female	Percentage	-	14.29	42.86 *	28.57
Middle Management Male	Percentage	-	85.71	80.00 *	83.33
Middle Management Female	Percentage	-	14.29	20.00 *	16.67
Executive Male	Percentage	-	58.33	55.17 *	50.00
Executive Female	Percentage	-	41.67	44.83 *	50.00
Non-Executive Male	Percentage	-	76.00	80.00 *	81.82

Internal assurance External assurance No assurance

(*) Restated

SUSTAINABILITY STATEMENT

(CONT'D)

Indicator	Measurement Unit	2021	2022	2023	2024
Non-Executive	Percentage	-	24.00	20.00 *	18.18
Female					
Bursa C3(b) Percentage of directors by gender and age group					
Male	Percentage	-	92.31	84.62	84.62
Female	Percentage	-	7.69	15.38	15.38
Under 30	Percentage	-	0.00	0.00	0.00
Between 30-50	Percentage	-	7.69	15.38	15.38
Above 50	Percentage	-	92.31	84.62	84.62
Bursa (Energy management)					
Bursa C4(a) Total energy consumption	Megawatt	-	10,919.00	11,833.00 *	12,860.00
Bursa (Health and safety)					
Bursa C5(a) Number of work-related fatalities	Number	-	0	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	-	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	22	9 *	15
Bursa (Labour practices and standards)					
Bursa C6(a) Total hours of training by employee category					
Key Senior Management (Included Executive Directors)	Hours	-	64	241 *	189
Middle Management	Hours	-	7	56 *	135
Executive	Hours	-	42	257 *	144
Non-Executive	Hours	-	133	0 *	0
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	-	0.00	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category					
Key Senior Management (Included Executive Directors)	Number	-	0	2 *	0
Middle Management	Number	-	0	2	1
Executive	Number	-	3	3 *	12
Non-Executive	Number	-	37	15 *	7
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	-	0	0	0
Bursa (Supply chain management)					
Bursa C7(a) Proportion of spending on local suppliers	Percentage	-	100.00	100.00	100.00
Bursa (Data privacy and security)					
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	-	0	0	0
Bursa (Water)					
Bursa C9(a) Total volume of water used	Megalitres	-	81.000000	84.000000 *	88.000000
Bursa (Waste management)					
Bursa C10(a) Total waste generated	Metric tonnes	-	-	-	0.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	-	0.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	-	0.00
Bursa (Emissions management)					
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	-	-	2,134.32
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	-	-	9,953.36
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	-	-	-	48.49

Internal assurance

External assurance

No assurance

(*)Restated

ADDITIONAL COMPLIANCE STATEMENT

1. UTILISATION OF PROCEEDS

During the financial year, there was no proceed raised by the Company from any corporate exercise.

2. MATERIAL CONTRACTS AND CONTRACTS RELATING TO LOANS

There were no contracts relating to loans and material contracts of the Company and its subsidiaries involving the Directors and Major Shareholders interests during the financial year or since the end of the previous financial year.

3. AUDIT AND NON-AUDIT SERVICES

Details of statutory audit, audit-related and non-audit fees paid/payable in the financial year ended 31 December 2024 to the external auditors are set out below:

	Group (RM)	Company (RM)
Audit fees	135,000	53,000
Non-audit fees	7,000	5,000
Total	142,000	58,000

4. RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE AND TRADING NATURE ("RRPT")

- (i) The Group obtained shareholders' mandate on RRPT at the last Annual General Meeting held on 29 May 2024. All RRPT during the financial year under review were within the mandate threshold.
- (ii) The Group will seek shareholders' mandate for the renewal of the RRPT at the forthcoming Annual General Meeting to be held on 28 May 2025.

5. PROPOSED EXEMPTIONS

The Company had obtained the shareholders' approval via an Extraordinary General Meeting held on 16 April 2021 for a proposed exemption under subparagraphs 4.08(1)(a)&(c) of the Rules on Take-Overs, Mergers and Compulsory Acquisitions issued by the Securities Commission Malaysia ("SC") ("Rules") to Dato' Choo Keng Weng ("Dato' Choo") and Tan Sri Dato' Sri Haji Esa bin Haji Mohamed ("Tan Sri Haji Esa") as well as any persons acting in concert ("PACS") with them from the obligation to undertake a mandatory take-over offer on all the remaining shares in SHC not already held by them, pursuant to the acquisition by Sin Heng Chan (Malaya) Berhad ("SHC") of 4,000,002 ordinary shares in Tunas Selatan Pagoh Sdn. Bhd. from Tunas Selatan Construction Sdn. Bhd. for a total purchase consideration of RM145,900,000 which was satisfied via a combination of cash consideration of RM70,000,000, issuance and allotment of 110,000,000 new ordinary shares in SHC and issuance and allotment of 120,000,000 new irredeemable convertible preference shares ("ICPS") ("Exemption"). The Exemption was granted by the SC on 23 April 2021. The duration for the Exemption granted by SC covers the entire tenure of the ICPS which was issued in perpetuity.

ADDITIONAL COMPLIANCE STATEMENT (CONT'D)

5. PROPOSED EXEMPTIONS (cont'd)

The shareholdings of Dato' Choo and Tan Sri Haji Esa as well as the PACs in SHC as at 8 April 2025 and their maximum potential shareholdings after the full conversion of the ICPS by them is set out as follows:

Total Issued Share Capital (Exclude ICPS) : 303,877,387

Total Issued Share Capital (Include ICPS) : 412,877,387

Name	Ordinary Shares as at 8 April 2025			ICPS as at 8 April 2025			Estimated shareholdings assuming full conversion of ICPS		
	Direct	%	No. of Shares	Direct	%	No. of Shares	Direct	%	No. of Shares
Dato' Choo Keng Weng	23,264,293	7.66	38,046,500 ^{1,2,3,4,5}	-	0.00	67,000,000 ^{4,5}	23,264,293	61.47	105,046,500 ^{1,2,3,4,5}
Tan Sri Dato' Sri Haji Esa bin Haji Mohamed	4,338,989	1.43	89,760,000 ^{2,5,6}	-	0.00	97,000,000 ^{5,6}	4,338,989	88.99	186,760,000 ^{2,5,6}
PACs									
Best Acres Sdn.Bhd.	361,500	0.12	-	-	0.00	-	361,500	0.09	-
Goldquest Properties Pty Limited	12,400,000	4.08	-	-	0.00	-	12,400,000	3.00	-
Kuala Lumpur Medical Centre Sdn. Bhd.	7,000,000	2.30	-	-	0.00	-	7,000,000	1.70	-
Macronet Sdn. Bhd.	2,925,000	0.96	-	-	0.00	-	2,925,000	0.71	-
Seng Hoe & Choong Corporation Sdn. Bhd. ("SHCCSB")	22,000,000	7.24	360,000 ⁵	12,000,000	11.01	55,000,000 ⁵	34,000,000	8.23	55,360,000 ⁵
Tunas Selatan Construction Sdn. Bhd. ("TSC")	360,000	0.12	-	55,000,000	50.46	-	55,360,000	13.41	-
Tunas Selatan Sdn. Bhd. ("TSSB")	77,000,000	25.34	360,000 ⁵	42,000,000	38.53	55,000,000 ⁵	119,000,000	28.82	55,360,000 ⁵
Total Shareholdings	149,649,782	49.25[*]		109,000,000	100.00		258,649,782	62.65^{**}	

Note:

* Based on the issued share capital of the Company on 8 April 2025 of 303,877,387 Shares.

** Based on the pro forma enlarged issued share capital of the Company of 412,877,387 Shares, assuming SHCCSB, TSC and TSSB converted all the ICPS into Ordinary Shares.

- Deemed interest in shares held by Best Acres Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- Deemed interest in shares held by Goldquest Properties Pty Limited by virtue of Section 8 of the Companies Act 2016.
- Deemed interest in shares held by Macronet Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- Deemed interest in shares held by Tunas Selatan Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

ADDITIONAL COMPLIANCE STATEMENT (CONT'D)

6. SHARES ISSUANCE SCHEME

The Company established a long-term incentive plan which comprised of Employee Share Option Scheme ("ESOS") and Share Grant Plan ("SGP") of up to 15% of the total number of issued shares in the Company (excluding treasury shares, if any) ("LTIP"). The LTIP was approved by the Shareholders at the Extraordinary General Meeting held on 10 January 2024.

On 15 May 2024, the Company announced that the effective date for the LTIP has been fixed on 15 May 2024, being the date of submission of relevant documents to Bursa Malaysia Securities Berhad.

There were no ESOS Options and/or SGP Awards being issued or exercised since the shareholders' approval been obtained.

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DIRECTORS' REPORT

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and the Company for the financial year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Company is principally engaged in investment holding activities. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associate are set out in Notes 14 and 15 respectively to the financial statements.

FINANCIAL RESULTS

	Group RM	Company RM
Net profit for the financial year	8,734,157	2,657,943

In the opinion of the Directors, the results of the operations of the Group and the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the financial statements.

DIVIDENDS

No dividend has been paid or declared by the Company since the end of the previous financial year. The Directors do not recommend any dividend in respect of the current financial year.

DIRECTORS

The Directors who served during the financial year up to the date of this report are:

Dato' Choo Keng Weng*
 Thomas Tuan Kit Kwong
 Mak Hon Weng
 Tunku Azlan bin Tunku Aziz
 Choo Kin Choong*
 Erna Syafina binti Abdul Rahman

** Directors of the Company and certain subsidiaries*

Other than as stated above, the names of the Directors of the subsidiaries of the Company in office during the financial year up to the date of this report are:

Ghazali bin Ismail
 Dato' Dr Abu Talib bin Bachik
 Chu Siew Fei
 Hedzir bin Aminudin
 Captain Panirchellvum A/L Velaitham
 Tan Sri Dato' Sri Haji Esa bin Haji Mohamed
 Noriha binti Embong

DIRECTORS' REPORT (CONT'D)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of fees and emoluments received or due and receivable by the Directors from the Company and its related corporations, or the fixed salary of a full time employee of the Company and its related corporations as disclosed in Note 7(b) to the financial statements) by reason of a contract made by the Company or its related corporations with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except as disclosed in Note 31(i) to the financial statements.

Neither at the end of the financial year, nor at any time during that financial year, did there subsist any arrangement to which the Company was a party, being arrangements with the object of enabling Directors of the Company to acquire benefits by means of the acquisitions of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act 2016, the interests and deemed interests of Directors in office at the end of the financial year in the shares of the Company and of its related corporations during the financial year are as follows:

	At 1.1.2024	Number of ordinary shares		At 31.12.2024
		Bought	Sold	
Interest in the Company:				
Direct interest				
Dato' Choo Keng Weng	23,264,293*	-	-	23,264,293*
Deemed interest				
Dato' Choo Keng Weng	39,046,500 [#]	5,000,000**	(6,200,000)	37,846,500 [#]
Choo Kin Choong	62,310,793 ^{##}	5,000,000**	(6,200,000)	61,110,793 ^{##}

* Includes shares held by nominees

[#] Deemed interest in shares held by Macronet Sdn. Bhd., Goldquest Properties Pty Limited, Seng Hoe & Choong Corporation Sdn. Bhd., Best Acres Sdn. Bhd. and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016

^{##} Deemed interest in shares held through Dato' Choo Keng Weng, Macronet Sdn. Bhd., Goldquest Properties Pty Limited, Seng Hoe & Choong Corporation Sdn. Bhd., Best Acres Sdn. Bhd. and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016

** Conversion of irredeemable convertible preference shares to ordinary shares

	Number of irredeemable convertible preference shares			
	At 1.1.2024	Bought	Sold	At 31.12.2024
Interest in the Company:				
Deemed interest				
Dato' Choo Keng Weng	72,000,000 [^]	-	(5,000,000)**	67,000,000 [^]
Choo Kin Choong	72,000,000 [^]	-	(5,000,000)**	67,000,000 [^]

[^] Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016

** Conversion of irredeemable convertible preference shares to ordinary shares

Other than the above, none of the other Directors in office at the end of the financial year has any interest in shares of the Company and of its related corporations during the financial year.

DIRECTORS' REPORT (CONT'D)

DIRECTORS' REMUNERATION

Directors' remuneration is as follows:

	Group RM	Company RM
Executive Directors:		
Fees	235,000	85,000
Salaries and other emoluments	3,513,715	1,826,717
Defined contribution plan	443,280	292,080
Non-executive Directors:		
Fees	155,000	155,000
Other emoluments	58,500	58,500
	4,405,495	2,417,297

ISSUE OF SHARES AND DEBENTURES

There was no issuance of shares and debentures during the financial year.

SHARE OPTION SCHEME

No options were granted during the financial year to take up unissued shares of the Company.

OTHER STATUTORY INFORMATION

Before the financial statements of the Group and the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of allowance for doubtful debts and satisfied themselves that there are no known bad debts and that adequate allowances had been made for doubtful debts in the financial statements of the Group and the Company; and
- (ii) to ensure that any current assets which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render it necessary to write off bad debts or the amount of the allowance for doubtful debts in the financial statements of the Group and the Company inadequate to any material extent; or
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading; or
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in the report or the financial statements which would render any amount stated in the financial statements of the Group and of the Company misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

DIRECTORS' REPORT (CONT'D)

OTHER STATUTORY INFORMATION (Cont'd)

In the opinion of the Directors:

- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group and of the Company to meet their obligations as and when they fall due.
- (ii) there has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

COMPANY'S SHAREHOLDING

The details of the Company's shareholding in its subsidiaries and associate are disclosed in Notes 14 and 15 respectively to the financial statements.

INDEMNIFYING DIRECTORS, OFFICERS OR AUDITORS

There was no indemnity given to or liability insurance effected for any Director, officer and auditor of the Group or the Company during the financial year.

SIGNIFICANT EVENT

The Company had announced the proposed establishment of a long term incentive plan ("Proposed LTIP"), which comprises the proposed employee share option scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP") of up to 15% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP, for the eligible employees and Directors (executive and non-executive) of the Company and its subsidiaries which are not dormant. The Proposed LTIP is intended to allow the Company to attract, retain, motivate and reward the eligible Directors and employees who fulfil the eligibility criteria for participation subject to the terms and conditions as set out in the By-Laws governing the Proposed LTIP. On 10 January 2024, an Extraordinary General Meeting was held and all resolutions as set out in the Circular to Shareholders in relation to the I. Proposed Establishment of the Proposed LTIP up to 15% of the total number of issued shares; and II. Proposed Allocation of LTIP Award to the eligible Directors and Major Shareholders were duly passed and carried.

Management has not granted any Employee Share Option Scheme ("ESOS") during the financial year.

AUDITORS' REMUNERATION

Auditors' remuneration is as follows:

	Group RM	Company RM
Al Jafree Salihin Kuzaimi PLT	135,000	53,000

AUDITORS

The auditors, Al Jafree Salihin Kuzaimi PLT, have expressed their willingness to continue in office.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2025.

DATO' CHOO KENG WENG
Director

Kuala Lumpur, Malaysia
23 April 2025

TUNKU AZLAN BIN TUNKU AZIZ
Director

STATEMENT BY DIRECTORS

PURSUANT TO SECTION 251 (2) OF THE COMPANIES ACT 2016

We, **DATO’ CHOO KENG WENG** and **TUNKU AZLAN BIN TUNKU AZIZ**, being two of the Directors of **SIN HENG CHAN (MALAYA) BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024 and of the financial performance and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 23 April 2025.

DATO’ CHOO KENG WENG
Director

TUNKU AZLAN BIN TUNKU AZIZ
Director

Kuala Lumpur, Malaysia
23 April 2025

STATUTORY DECLARATION

PURSUANT TO SECTION 251 (1) (B) OF THE COMPANIES ACT 2016

I, **CHONG SUN CHOI** (MIA Membership No: 30642) being the officer primarily responsible for the financial management of **SIN HENG CHAN (MALAYA) BERHAD**, do solemnly and sincerely declare that the accompanying financial statements are in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared)
by the abovenamed at **Kuala Lumpur**)
in the state of **Federal Territory**)
on 23 April 2025)

CHONG SUN CHOI

Before me,

Commissioner for Oaths

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD (INCORPORATED IN MALAYSIA)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Sin Heng Chan (Malaya) Berhad, which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of material accounting policy information, as set out on pages 82 to 144.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

BASIS FOR OPINION

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

(INCORPORATED IN MALAYSIA)

(CONT'D)

KEY AUDIT MATTERS (Cont'd)

Key audit matters	How our audit addressed the key audit matters
1) Goodwill on consolidation The Group's carrying amount of goodwill on consolidation amounting to RM19,192,988 (2023: RM19,192,988) is disclosed in Note 12(b) to the financial statements. We focused on this area due to the significance of the goodwill balance with indefinite useful life which is subject to annual impairment assessment pursuant to the requirements of MFRS 136. The impairment assessment performed by the Directors involved significant degree of judgements in estimating the assumptions on growth rates and discount rates used. The material accounting policy is disclosed in Note 2.15 to the financial statements and the key assumptions are disclosed in Notes 3.2(i) and 3.2(ii) respectively of the Critical Judgements and Estimation Uncertainty.	Our procedures included, amongst others: • Compared the actual results with previous cash flows projections to assess the performance of the business of the respective CGUs and historical accuracy of the projections; • Obtained the valuation reports prepared by the independent valuer of the assets and challenged the assumptions used in the valuation reports; • Tested the mathematical accuracy of the impairment assessment; • Challenged the key assumptions used by the management for growth rates, discount rates and estimated costs; and • Assessed the adequacy of the disclosures in the financial statements in accordance with the requirements of MFRS 136, including any key sources of estimation uncertainty pertaining to the impairment assessment.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITORS' REPORT THEREON

The Directors of the Group and the Company are responsible for the other information. The other information comprises the Directors' Report, Statement by Directors and Annual Report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the Annual Report 2024, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Annual Report 2024, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors of the Company and take appropriate action.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

(INCORPORATED IN MALAYSIA)

(CONT'D)

RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SIN HENG CHAN (MALAYA) BERHAD

(INCORPORATED IN MALAYSIA)

(CONT'D)

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS (Cont'd)

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law and regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

AL JAFREE SALIHIN KUZAIMI PLT
201506002872 (LLP0006652-LCA) & AF1522
CHARTERED ACCOUNTANTS

Dated: 23 April 2025
Selangor, Malaysia

AIZUL IZUAN BIN ABDUL HAMID
NO. 03509/07/2026 J
CHARTERED ACCOUNTANT

STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

		2024	Group	2023	Company	2023
	Note	RM		RM	RM	RM
Revenue	4	52,863,833		43,413,528	8,000,000	6,000,000
Cost of sales		(40,145,434)		(34,315,275)	-	-
Gross profit		12,718,399		9,098,253	8,000,000	6,000,000
Other operating income		6,604,721		5,003,451	4,785,179	4,503,166
Distribution costs		(1,002,040)		(1,213,715)	-	-
Administrative expenses		(10,881,480)		(8,717,549)	(4,869,842)	(3,856,916)
Other operating expenses		(3,347,107)		(3,333,671)	(1,431,785)	(1,303,038)
Profit from operations		4,092,493		836,769	6,483,552	5,343,212
Finance costs	6	(10,036,377)		(10,708,718)	(3,825,609)	(4,108,771)
Share of results of an associate		15,686,348		17,464,467	-	-
Profit before tax	7	9,742,464		7,592,518	2,657,943	1,234,441
Tax expense	8	(1,008,307)		(469,138)	-	-
Net profit for the financial year, representing total comprehensive income for the financial year		8,734,157		7,123,380	2,657,943	1,234,441
Earnings per share	9					
- Basic (sen)		2.95		2.43	-	-
- Diluted (sen)		2.12		1.73	-	-

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

		Group		Company	
	Note	2024 RM	2023 RM	2024 RM	2023 RM
Non-current assets					
Property, plant and equipment	10	131,800,920	113,378,598	735,925	425,560
Investment properties	11	329,742	338,654	329,742	338,654
Intangible assets	12	21,042,988	21,642,988	-	-
Concession financial assets	13	41,278,275	43,735,280	-	-
Investment in subsidiaries	14	-	-	223,237,042	223,237,042
Investment in an associate	15	220,575,035	215,448,687	-	-
		415,026,960	394,544,207	224,302,709	224,001,256
Current assets					
Concession financial assets	13	2,457,006	2,312,078	-	-
Inventories	16	4,501,754	3,636,759	-	-
Biological assets	17	1,196,368	1,115,248	-	-
Trade receivables	18	9,805,448	5,707,938	-	-
Other receivables, deposits and prepayments	19	5,266,966	5,998,068	99,465	1,279,206
Amount owing by subsidiaries	20	-	-	31,398,849	25,656,034
Current tax assets		70,491	45,917	-	-
Other investments	21	16,828,969	15,891,557	-	-
Fixed deposits, cash and bank balances	22	20,980,235	27,236,582	9,308,683	11,140,543
		61,107,237	61,944,147	40,806,997	38,075,783
Total assets		476,134,197	456,488,354	265,109,706	262,077,039

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2024

(CONT'D)

		2024	Group	2023	Company	2023
	Note	RM		RM	RM	RM
Equity						
Share capital	23	183,005,357	181,355,357	183,005,357	181,355,357	
Irredeemable convertible preference shares	24	37,950,000	39,600,000	37,950,000	39,600,000	
Retained earnings/(Accumulated losses)		56,245,429	47,511,272	(16,534,680)	(19,192,623)	
		277,200,786	268,466,629	204,420,677	201,762,734	
Non-current liabilities						
Borrowings	25	140,819,585	140,508,170	59,526,966	59,442,552	
Finance lease liabilities	26	2,919,370	3,011,186	365,167	59,037	
Deferred tax liabilities	27	9,812,380	8,948,205	-	-	
Other payables and accruals	29	94,710	307,944	-	124,956	
		153,646,045	152,775,505	59,892,133	59,626,545	
Current liabilities						
Trade payables	28	5,534,132	4,544,647	-	-	
Other payables and accruals	29	4,425,458	3,102,892	667,274	652,483	
Borrowings	25	33,395,083	25,898,488	-	-	
Finance lease liabilities	26	1,886,778	1,700,193	129,622	35,277	
Current tax liabilities		45,915	-	-	-	
		45,287,366	35,246,220	796,896	687,760	
Total liabilities		198,933,411	188,021,725	60,689,029	60,314,305	
Total equity and liabilities		476,134,197	456,488,354	265,109,706	262,077,039	

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Share capital RM	Irredeemable convertible preference shares RM	Retained earnings RM	Total RM
31 December 2024				
At 1 January 2024	181,355,357	39,600,000	47,511,272	268,466,629
Conversion of irredeemable convertible preference shares during the financial year	1,650,000	(1,650,000)	-	-
Total comprehensive income for the financial year	-	-	8,734,157	8,734,157
At 31 December 2024	183,005,357	37,950,000	56,245,429	277,200,786
31 December 2023				
At 1 January 2023	181,355,357	39,600,000	40,387,892	261,343,249
Total comprehensive income for the financial year	-	-	7,123,380	7,123,380
At 31 December 2023	181,355,357	39,600,000	47,511,272	268,466,629

Company	Share capital RM	Irredeemable convertible preference shares RM	Accumulated losses RM	Total RM
31 December 2024				
At 1 January 2024	181,355,357	39,600,000	(19,192,623)	201,762,734
Conversion of irredeemable convertible preference shares during the financial year	1,650,000	(1,650,000)	-	-
Total comprehensive income for the financial year	-	-	2,657,943	2,657,943
At 31 December 2024	183,005,357	37,950,000	(16,534,680)	204,420,677
31 December 2023				
At 1 January 2023	181,355,357	39,600,000	(20,427,064)	200,528,293
Total comprehensive income for the financial year	-	-	1,234,441	1,234,441
At 31 December 2023	181,355,357	39,600,000	(19,192,623)	201,762,734

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	9,742,464	7,592,518	2,657,943	1,234,441
Adjustments for:				
Allowance for impairment loss from amount owing by subsidiaries	-	-	29,926	34,812
Amortisation of intangible assets	600,000	600,000	-	-
Amortisation of investment properties	8,912	8,912	8,912	8,912
Depreciation of property, plant and equipment	8,943,977	8,014,736	264,916	200,709
Share of results of an associate	(15,686,348)	(17,464,467)	-	-
Fair value gain on biological assets	(81,120)	(75,399)	-	-
Net unrealised gain on other investments	(840,675)	(386,659)	-	-
Net realised (gain)/loss on other investments	(65,499)	4,350	-	-
Finance costs	10,036,377	10,708,718	3,825,609	4,108,771
Finance income from concession financial assets	(2,886,387)	(3,022,766)	-	-
Gain on disposal of property, plant and equipment	(135,000)	-	(135,000)	-
Interest income	(895,964)	(1,054,323)	(442,678)	(319,061)
Dividend received	(259,627)	(218,165)	-	-
Income from other investments	(170,672)	(134,350)	-	-
Operating profit before changes in working capital	8,310,438	4,573,105	6,209,628	5,268,584
Changes in working capital:				
Inventories	(864,995)	(296,252)	-	-
Trade receivables	(4,097,510)	(1,873,906)	-	-
Other receivables, deposits and prepayments	731,102	(1,224,711)	1,179,741	536,130
Concession financial assets	5,198,464	5,198,464	-	-
Trade payables	989,485	(674,843)	-	-
Other payables and accruals	1,109,332	72,930	(110,165)	(935,414)
Cash generated from operations	11,376,316	5,774,787	7,279,204	4,869,300
Income tax paid	(122,791)	(82,562)	-	-
Net cash generated from operating activities	11,253,525	5,692,225	7,279,204	4,869,300
CASH FLOWS FROM INVESTING ACTIVITIES				
Advances to subsidiaries	-	-	(5,772,741)	(599,563)
Dividend received from:				
- Associate	10,560,000	5,368,000	-	-
- Other investments	259,627	218,165	-	-
Additional placement of other investments	(31,238)	(1,551,718)	-	-
Interest received	895,964	1,054,323	442,678	319,061
Profit earned from other investments	170,672	134,350	-	-
Purchase of property, plant and equipment (a)	(25,285,419)	(15,782,950)	(80,281)	(271,585)
Proceeds from disposal of property, plant and equipment	135,000	-	135,000	-
(Placement)/Upliftment of fixed deposits	(2,956,856)	(8,885,413)	1,607,708	(8,854,559)
Net cash used in investing activities	(16,252,250)	(19,445,243)	(3,667,636)	(9,406,646)

The accompanying notes form an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
CASH FLOWS FROM FINANCING ACTIVITIES				
Drawdown of borrowings	12,732,060	7,027,185	-	-
Repayment of borrowings	(12,353,666)	(8,350,678)	-	-
Interest paid	(9,189,197)	(9,893,862)	(3,741,195)	(2,963,009)
Repayment of lease liabilities	(1,986,111)	(1,412,745)	(94,525)	(33,702)
Net cash used in financing activities	(10,796,914)	(12,630,100)	(3,835,720)	(2,996,711)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(15,795,639)	(26,383,118)	(224,152)	(7,534,057)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE FINANCIAL YEAR	1,987,295	28,370,413	2,285,984	9,820,041
CASH AND CASH EQUIVALENTS AT END OF THE FINANCIAL YEAR	(13,808,344)	1,987,295	2,061,832	2,285,984
Cash and cash equivalents at end of financial year comprised:				
Fixed deposits with licensed banks	20,291,064	26,582,704	9,218,281	11,079,551
Cash and bank balances	689,171	653,878	90,402	60,992
Fixed deposits, cash and bank balances	20,980,235	27,236,582	9,308,683	11,140,543
Less: Bank overdraft	(22,946,310)	(16,363,874)	-	-
Less: Fixed deposits with maturity date more than 3 months	(11,842,269)	(8,885,413)	(7,246,851)	(8,854,559)
Cash and cash equivalents	(13,808,344)	1,987,295	2,061,832	2,285,984

(a) Purchase of property, plant and equipment

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Purchase of property, plant and equipment	27,366,299	17,370,950	575,281	271,585
Financed by way of hire purchase arrangements	(2,080,880)	(1,588,000)	(495,000)	-
Cash payments on purchase of property, plant and equipment	25,285,419	15,782,950	80,281	271,585

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

1. CORPORATE INFORMATION

The Company is a public limited liability company, incorporated and domiciled in Malaysia and listed on the Main Market of Bursa Malaysia Securities Berhad. The Company is principally an investment holding company. There have been no significant changes in the nature of these activities during the financial year.

The principal activities of the subsidiaries and associate are disclosed in Notes 14 and 15 respectively to the financial statements.

The registered office of the Company is located at Suite 2.02, Level 2, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Wilayah Persekutuan, Kuala Lumpur.

The principal place of business of the Company is located at Level 3, Wisma E&C, No. 2, Lorong Dungun Kiri, Damansara Heights, 50490 Wilayah Persekutuan, Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors, in accordance with a resolution of the Directors on 23 April 2025.

2. MATERIAL ACCOUNTING POLICY INFORMATION

The financial statements of the Group and the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS"), International Financial Reporting Standards ("IFRS") and the requirements of the Companies Act 2016 in Malaysia. The financial statements have been prepared under the historical cost convention except otherwise stated in Note 2 to the financial statements.

The preparation of financial statements in conformity with MFRS requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reported period. It also requires Directors to exercise their judgement in the process of applying the Group's and the Company's accounting policies. Although these estimates and judgement are based on the Directors' best knowledge of current events and actions, actual results may differ. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1 Change of accounting policies

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

The Group and the Company adopted the following standards and amendments for the first time for the financial year beginning on 1 January 2024.

Description	Effective for annual periods beginning on or after
Amendments to MFRS 16: Lease Liability in Sale and Leaseback	1 January 2024
Amendments to MFRS 101: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current) and (Non-current Liabilities with Covenants)	1 January 2024
Amendments to MFRS 107 and MFRS 7: Disclosure of Supplier Finance Arrangements	1 January 2024

The adoption of the abovementioned standards and amendments did not have any material financial impact on the financial statements of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.2 Standards and interpretation issued but not yet effective

The standards and amendments that have been issued but not yet effective up as of the date of issuance of the Group's and the Company's financial statements are as follow:

Description	Effective for annual periods beginning on or after
Amendments to MFRS 121: Lack of Exchangeability	1 January 2025
Annual Improvements to MFRS Accounting Standards - Volume 11	1 January 2026
Amendments to MFRS 9 and MFRS 7: (Classification and Measurement of Financial Instruments) and (Contracts Referencing Nature-dependent Electricity)	1 January 2026
Amendments to MFRS 18: Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to MFRS 19: Subsidiaries without Public Accountability (Disclosures)	1 January 2027
Amendments to MFRS 10 and MFRS 128: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred

The Group and the Company intend to adopt the abovementioned standards and amendments when they become effective. The adoption is not expected to have any material impact on the financial statements of the Group and the Company, except as disclosed below:

A) MFRS 18: Presentation and Disclosure in Financial Statements

MFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures and includes new requirements for the location, aggregation and disaggregation of financial information.

Statement of profit or loss

MFRS 18 requires an entity to classify all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations. MFRS 18 also requires an entity to present subtotals and totals for 'operating profit or loss', 'profit or loss before financing and income taxes' and 'profit or loss'.

Management-defined performance measures

MFRS 18 introduces the concept of a management-defined performance measure ("MPM") which it defines as a subtotal of income and expenses that an entity uses in public communications outside financial statements, to communicate management's view of an aspect of the financial performance of the entity as a whole to users. MFRS 18 also requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by MFRS 18 or another MFRS accounting standard.

Location of information, aggregation and disaggregation

MFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. MFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 18.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.2 Standards and interpretation issued but not yet effective (Cont'd)

B) Amendments to MFRS 9 and MFRS 7: Classification and Measurement of Financial Instruments

Amendments to MFRS 9 and MFRS 7 provides clarification on:

- a. a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expired or the liabilities otherwise qualified for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.
- b. way to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance ("ESG")-linked features and other similar contingent features.
- c. the treatment of non-recourse assets and contractually linked instruments.

The Group and the Company are currently assessing the financial impact that may arise from the adoption of MFRS 9 and MFRS 7 amendments.

2.3 Basis of consolidation

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

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

- (i) Power over the investee (such as existing rights that give it the current ability to direct the relevant activities of the investee);
- (ii) Exposure, or rights, to variable returns from its investment with the investee; and
- (iii) The ability to use its power over the investee to affect its returns.

When the Company has less than a majority of the voting rights of an investee, the Company considers the following in assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee:

- (i) The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- (ii) Potential voting rights held by the Company, other vote holders or other parties;
- (iii) Rights arising from other contractual arrangements; and
- (iv) Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.3 Basis of consolidation (Cont'd)

Subsidiaries are consolidated when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. All intra-group balances, income and expenses and unrealised gains and losses resulting from intragroup transactions are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. The resulting difference is recognised directly in retained earnings and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest, and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest, is recognised in the profit or loss. The subsidiary's cumulative gain or loss which has been recognised in other comprehensive income and accumulated in equity are reclassified to the profit or loss or where applicable, transferred directly to retained earnings. The fair value of any investment retained in the former subsidiary at the date control is lost is regarded as the cost on initial recognition of the investment.

2.4 Business combinations

Acquisitions of subsidiaries are accounted for using the acquisition method of accounting. Under the acquisition method, the identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date.

Acquisition costs incurred are expensed and included in administrative expenses. The difference between these fair values and the fair value of the consideration (including the fair value of any pre-existing investment in the acquiree) is goodwill or discount on acquisition. The accounting policy for goodwill is set out in Note 2.15.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

In business combinations achieved in stages, previously held equity interest in the acquiree is re-measured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

Gains or losses on disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

2.5 Subsidiaries

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses. Dividends received from subsidiaries are recorded as a component of revenue in the Company's separate income statement. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts are included in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.6 Associates

An associate is an entity in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. This is normally (though not necessarily) accomplished when the Group, directly or indirectly through subsidiaries, holds 20 per cent or more of the voting rights of the investee.

On acquisition of an associate, any excess of the cost of investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill and included in the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities of the investee over the cost of investment is excluded from the carrying amount of the investment and is instead included as income in the determination of the Group's share of the associate's profit or loss for the period in which the investment is acquired.

An associate is equity accounted for from the date on which the investee becomes an associate.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually.

The profit or loss reflects the Group's share of the results of the associate. Any change in other comprehensive income ("OCI") of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in OCI. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate. When the Group's share of losses exceeds its interest in associate, the Group does not recognise further losses except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Dividends received or receivable from an associate is recognised as a reduction in the carrying amount of the investment.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the profit or loss outside operating profit and represents the profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount. Impairment loss is recognised in profit or loss.

In the Company's separate financial statements, investment in associate is stated at cost less impairment losses. On disposal of such investment, the difference between net disposal proceeds and the carrying amount is included in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.7 Revenue from contracts with customers

Revenue from contracts with customers is recognised by reference to each distinct performance obligation promised in the contract with customer when or as the Group transfers control of the goods or services promised in a contract and the customer obtains control of the goods or services. Revenue from contracts with customers is measured at its transaction price, being the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, net of tax, returns, rebates and discounts. The transaction price is allocated to each distinct good or service promised in the contract. Depending on the terms of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time.

(i) Sale of fresh fruit bunches ("FFB")

The Group's plantation produce revenue is derived from sale of FFB. Revenue from sale of FFB produce is recognised at a point in time when control of the goods is transferred to the customer.

There is no element of financing present as the Group's sale of plantation produce are on credit terms of up to 14 days.

(ii) Revenue from concession arrangement

Under the concession agreement, the Group is engaged to construct the facilities and infrastructure and supply chilled water, which are separate performance obligations.

The fair value of revenue, which is based on fixed price under the agreement has been allocated based on relative standalone selling price of the considerations for each of the separate performance obligations.

The Group recognises construction revenue over time as the project being constructed has no alternative use to the Group and the Group has an enforceable right to the payment for the performance completed to date.

Revenue from supply of chilled water is recognised when the chilled water supply is delivered to off-taker, based on the invoiced value of sale of chilled water supplied computed on a pre-determined formula. The revenue also includes an estimated value of the chilled water supplied from the date of their last meter reading at period end. Accrued unbilled revenues are reversed in the following month when actual billing occurs.

(iii) Sale of goods – construction materials

The Group sells construction materials to local customers. Revenue from sale of construction materials is recognised at a point in time when control of the goods has been transferred, being when the customer accepts the delivery of goods.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.8 Other income

(i) Dividend income

Dividend income is recognised when the right to receive the payment has been established.

(ii) Interest income and finance income from concession arrangement

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Finance income under a service concession arrangement represents the interest income on the long-term receivables recognised in respect of the service concession arrangement.

(iii) Management fee

Management fee is recognised at a point in time upon performances of services, calculated in accordance with terms stipulated in management fee agreement.

2.9 Employee benefits

(i) Short-term employee benefits

Wages, salaries and social security contributions are accrued and recognised as an expense in the financial period in which the associated services are rendered by employees of the Group.

Short-term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

Profit sharing and bonus payments are recognised when, and only when, the Group has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

(ii) Defined contribution plans

Defined contributions plans are post-employment benefits plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

2.10 Borrowing costs

Borrowing costs consist of interest and other costs that the Group incurred in connection with the borrowing of funds. Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset.

Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditure and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale, and in the case of bearer plants, when the oil palms reach maturity.

All other borrowing costs are recognised in profit or loss in the period they are incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.11 Taxation

(i) Current tax

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

Current taxes is recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in OCI or directly in equity.

(ii) Deferred tax

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

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

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investment in subsidiaries, associates and interest in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which that temporary differences can be utilised.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.12 Property, plant and equipment

All property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Construction work in progress items are not available for use and thus not depreciated.

Oil palms are classified as bearer plants. Expenditure that are directly related to the planting and upkeep of oil palms are capitalised until the oil palms reach maturity. Upon maturity, maintenance and upkeep of oil palms are expensed to profit or loss. Depreciation for bearer plants commence when oil palms reach maturity.

All other property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the cost of the assets to their residual values over the term of their estimated useful lives as follows:

Bearer plants - oil palms	30 years
Leasehold building	1.64% - 2%
Plant and machinery	20%
Planting infrastructure	5 - 30 years
Renovation, furniture, fittings and equipment	10% - 50%
Motor vehicles	20%
Office space	50%

The carrying amounts of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying amounts may not be recoverable. See Note 2.17 on impairment of non-financial assets.

The residual values, useful life and depreciation method are reviewed at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2.13 Prepaid lease payments

Prepaid lease rentals represent payments for right to use land over a predetermined period that is accounted for as an operating lease and is stated at cost less accumulated amortisation and accumulated impairment losses.

The prepaid lease rentals are amortised on a straight-line basis over the lease period of 61 years (2023: 61 years).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.14 Investment properties

Investment properties are land and building held for rental income and/or for capital appreciation which are not substantially occupied or intended to be occupied for use by, or in the operations of the Group.

Investment properties are stated at cost less accumulated depreciation and accumulated impairment losses. Freehold land are not depreciated. Other investment properties are depreciated on a straight-line basis to write down the cost of each asset to its residual values over its estimated useful life.

The principal annual depreciation rates are:

Leasehold land over the unexpired lease period is 37 years.

The residual values and useful lives are reviewed, and adjusted if appropriate, annually. Investment properties are tested for impairment whenever indication of impairment exists, see Note 2.17 on impairment of non-financial assets.

2.15 Goodwill

Goodwill arising from the acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each of the Group's cash generating units expected to benefit from the synergies of the combination. Cash generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired.

If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the gain or loss on disposal.

2.16 Service concession arrangements

A substantial portion of the Group's assets are used within the framework of concession contracts granted by a grantor.

In order to fall within the scope of service concession arrangement, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide with the infrastructure, to whom it must provide them, and at what price; and
- the grantor controls the significant residual interest in the infrastructure at the end of the term of the arrangement.

Such infrastructure are not recognised in assets of the Group as property, plant and equipment but in financial assets ("financial asset model") and/or intangible assets ("intangible asset model") depending on the remuneration commitments given by the grantor.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.16 Service concession arrangements (Cont'd)

(a) Concession intangible assets

Concession intangible assets comprising concession rights under intangible asset model, are stated at cost less accumulated amortisation and impairment losses, if any. Concession intangible assets acquired separately are measured on initial recognition at cost, which is the fair value as at the date of acquisition.

The amortisation begins when the concession asset is completed and ready for it to be capable of operating in the manner intended by management. The management adopts the chilled water supplied volume-based amortisation policy during concession period, which is in line with the pattern in which the asset's economic benefits are consumed.

At end of each reporting period, the Group assesses whether there is any indication of impairment. If such indication exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The concession intangible assets apply to service concession arrangements where the grantor has not provided a contractual guarantee in respect of the amount receivable for constructing and operating the asset. During construction or upgrade phase or upon acquisition, the Group records a concession intangible asset representing the right to charge users and recognised profits from the construction or upgrade or acquisition of the infrastructure.

(b) Concession financial assets

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor.

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of:

- amounts specified or determined in the contracts; or
- the shortfall, if any, between amounts received from users and amounts specified or determined in the contract.

Concession financial assets are recognised at amortised cost.

The portion falling due within less than one year is presented in 'Current concession financial assets', while the portion falling due more than one year is presented in the non-current heading.

2.17 Impairment of non-financial assets

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

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows from continuing use ("CGU").

An asset's recoverable amount is the higher of its fair value less costs to sell and its value-in-use. Where the carrying amount of an asset or its related CGU exceeds its estimated recoverable amount, the asset is written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.17 Impairment of non-financial assets (Cont'd)

In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Impairment losses are recognised in profit or loss in the period in which it arises. Impairment losses recognised in respect of CGU are allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to reduce the carrying amounts of the other assets in the CGU on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of assets other than goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised previously. Such reversal is credited to profit or loss in the financial year in which the reversal is recognised.

2.18 Biological assets

The biological assets of the Group comprise of the produce growing on oil palms. Biological assets are measured at fair value less cost to sell. Changes in fair value less cost to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows to be generated from the sale of biological assets.

The management considered the oil content of the unripe biological assets and derived the assumption that the net cash flow to be generated from biological assets prior to more than 2 weeks to harvest to be negligible, therefore quantity of unripe biological assets on bearer plants of up to 2 weeks prior to harvest from the reporting date was used for valuation purpose.

2.19 Inventories

Inventories are stated at the lower of cost and net realisable value, cost being determined on the weighted average basis. Cost includes all incidentals incurred in bringing the inventories into store. Net realisable value represents the estimated selling price less all estimated costs.

2.20 Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances, deposits and other short term, highly liquid investments with originally maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value, net of bank overdrafts and other restricted balances, if any.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.21 Financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest ('SPPI').

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

There are two measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in reversal of impairment together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statements of comprehensive income as applicable.

(ii) Fair value through profit or loss ('FVTPL')

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ('FVOCI') are measured at FVTPL. The Group may also irrevocably designate financial assets at FVTPL if doing so significantly reduces or eliminates a mismatch created by assets and liabilities being measured on different bases. Fair value changes is recognised in profit or loss and presented net within other gains/(losses) on revaluation in the period which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in change of fair value in the statements of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.21 Financial assets (Cont'd)

(d) Subsequent measurement – Impairment

Impairment for debt instruments

The Group assesses on a forward-looking basis the expected credit loss ("ECL") associated with its debt instruments carried at amortised cost and at FVOCI and financial guarantee contracts issued. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

While cash and cash equivalents are also subject to the impairment requirements of MFRS 9, the identified impairment loss was immaterial.

ECL represents a probability-weighted estimate of the difference between present value of cash flows according to contract and present value of cash flows the Group expects to receive, over the remaining life of the financial instrument.

The measurement of ECL reflects:

- an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- the time value of money; and
- reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

General 3-stage approach for receivables and amount due from intercompany

At each reporting date, the Group measures ECL through loss allowance at an amount equal to 12-month ECL if credit risk on a financial instrument or a group of financial instruments has not increased significantly since initial recognition. For all other financial instruments, a loss allowance at an amount equal to lifetime ECL is required for assessment.

Significant increase in credit risk

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information.

The following indicators are incorporated:

- internal credit rating
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- actual or expected significant changes in the operating results of the debtor

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making a contractual payment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.21 Financial assets (Cont'd)

(d) Subsequent measurement – Impairment (Cont'd)

The Group defines a financial instrument as default, which is fully aligned with the definition of credit-impaired, when it meets one or more of the following criteria:

Quantitative criteria:

The Group defines a financial instrument as default, when the counterparty fails to make contractual payment within 90 days of when they fall due.

Qualitative criteria:

The debtor meets unlikeliness to pay criteria, which indicates the debtor is in significant financial difficulty. The Group considers the following instances:

- the debtor is in breach of financial covenants
- concessions have been made by the lender relating to the debtor's financial difficulty
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- the debtor is insolvent

Financial instruments that are credit-impaired are assessed on individual basis.

Write-off:

(i) Trade receivables

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

(ii) Other receivables

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded there is no reasonable expectation of recovery. The assessment of no reasonable expectation of recovery is based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount. The Group may write-off financial assets that are still subject to enforcement activity. Recoveries of amounts previously written off will result in impairment gains.

2.22 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount presented in the statements of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.23 Share capital and dividends

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity.

Dividends on ordinary shares are recognised in equity in the period in which they are declared.

2.24 Leases

Accounting by lessee

Leases are recognised as right of use ('ROU') asset and a corresponding liability at the date on which the leased asset is available for use by the Group (i.e. the commencement date).

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of properties for which the Group is a lessee, it has elected the practical expedient provided in MFRS 16 not to separate lease and non-lease components. Both components are accounted for as a single lease component and payments for both components are included in the measurement of lease liability.

Lease term

In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not to be terminated).

The Group reassess the lease term upon the occurrence of a significant event or change in circumstances that is within the control of the Group and affects whether the Group is reasonably certain to exercise an option not previously included in the determination of lease term, or not to exercise an option previously included in the determination of lease term. A revision in lease term results in remeasurement of the lease liabilities. See accounting policy below on reassessment of lease liabilities.

ROU assets

ROU assets are initially measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentive received;
- Any initial direct costs; and
- Decommissioning or restoration costs.

ROU assets that are not investment properties are subsequently measured at cost, less accumulated depreciation and impairment loss (if any). The ROU assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the ROU asset is depreciated over the underlying asset's useful life. In addition, the ROU assets are adjusted for certain remeasurement of the lease liabilities.

While the Group revalues land and building (presented as part of property, plant and equipment) that it owns, it has chosen not to revalue the ROU building held by the Group.

The Group applies the fair value model to ROU assets that meet the definition of investment property of MFRS 140 consistent with those investment properties owned by the Group. Refer to accounting policy Note 2.14 on investment properties.

The Group presents ROU assets that meet the definition of investment properties in the statements of financial position as investment properties. ROU assets that are not investment properties are presented as a separate line item in the statements of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.24 Leases (Cont'd)

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that are not paid at that date. The lease payments include the following:

- Fixed payments (including in-substance fixed payments), less any lease incentive receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the Group under residual value guarantees;
- The exercise price of a purchase and extension options if the Group is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing is used. This is the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the ROU in a similar economic environment with similar term, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Reassessment of lease liabilities

The Group is also exposed to potential future increases in variable lease payments that depend on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is remeasured and adjusted against the ROU assets.

Short-term leases and leases of low-value assets

Short-term leases are leases with a lease term of 12 months or less. Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

2.25 Related parties

A related party is a person or an entity that is related to the Group and the Company under the following conditions:

- (i) A person or a close member of that person's family:
 - (a) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity;
 - (b) has control or joint control over the reporting entity; or
 - (c) has significant influence over the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.25 Related parties (Cont'd)

A related party is a person or an entity that is related to the Group and the Company under the following conditions: (Cont'd)

- (ii) Any one of the following conditions applies:
 - (a) the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) either entity is an associate or joint venture of the other entity (or of a member of a group of which the other entity is a member).
 - (c) both entities are joint ventures of a third entity.
 - (d) either entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the plan.
 - (f) the entity is controlled or jointly controlled by a person identified in (i)(b).
 - (g) a person identified in (i)(c) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (h) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.
- (iii) Directly, or indirectly through one or more intermediaries, the party:
 - (a) controls, is controlled by, or is under common control with, the Company (this includes parents, subsidiaries, fellow subsidiaries and fellow associates and joint ventures);
 - (b) has an interest in the entity that gives it significant influence over the entity; or
 - (c) has joint control over the entity.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Director (whether executive or otherwise) of that entity.

Close members of the family of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with entity and include:

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

2. MATERIAL ACCOUNTING POLICY INFORMATION (Cont'd)

2.26 Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

All other liabilities are classified as non-current.

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

2.27 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The measurement assumes that the transaction to sell the asset or transfer the liability takes place either in the principal market or in the absence of a principal market, in the most advantageous market.

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

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different level in a fair value hierarchy based on the input used in the valuation technique as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

The Group recognises transfer between levels of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfers.

2.28 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker ("CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that make strategic decisions.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY

3.1 Critical judgements made in applying accounting policies

The following are judgements made by the management in the process of applying the accounting policies of the Group that have the most significant effect on the amounts recognised in the financial statements:

(i) Classification of concession assets between an intangible asset and/or a financial asset in a service concession arrangement

The Group recognises the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset under service concession arrangement. The Group entered into service concession agreement for the installation and maintenance of a district cooling system. The Group has evaluated based on the terms and conditions of each arrangement whether the service concession arrangement is accounted for using intangible asset model and/or financial asset model.

The management judge that if, based on the terms and conditions of the arrangement, the Group has an unconditional contractual right to receive cash from the grantor and the grantor contractually guarantee to pay specific or determinable amounts for the services provided, then the service concession arrangements will be accounted under the financial asset model.

For service concession arrangement which given the Group a right to charge the users for the services provided, but not an unconditional right to receive cash, the Group will recognise the concession asset under the intangible asset model.

3.2 Estimation uncertainty

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

(i) Impairment assessment on cash generating unit relating to oil palm plantation ("Plantation CGU")

The Group is required to assess at the end of each reporting period whether there is any indication that the carrying amount of a CGU may be impaired in accordance to the requirements of MFRS 136, "Impairment of Assets". If any of such indication exists, the management shall estimate the recoverable amount of the CGU. The recoverable amount of the CGU was determined based on the higher of fair value less cost to sell ("FVLCS") and value-in-use ("VIU").

The Plantation CGU includes goodwill allocated to the CGU as disclosed in Note 12(b) and other assets incurred in the oil palm plantation business.

The Plantation CGU's impairment test was based on FVLCS estimated using the income approach, by reference to the valuation carried out in January 2025 by an independent external valuer. The same method has been used in the previous financial year. The fair value measurement was categorised as a Level 3 fair value based on inputs in the valuation techniques used.

The key assumptions used by the Group in arriving the recoverable amount of Plantation CGU includes, among others: the selling price of fresh fruit bunches ("FFB") of RM727.08/metric tonnes ("mt") (2023: RM494.77/mt), FFB yields per hectare ("ha") of 8-23 mt/ha (2023: 8-18 mt/ha) and discount rates of 6% and 10% (2023: 8% and 10%).

Sensitivity to changes in assumptions

Management believes that no reasonably possible change in any of the key assumptions used would cause the carrying amount of the CGU to materially exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (Cont'd)

3.2 Estimation uncertainty (Cont'd)

(ii) Impairment assessment on cash generating unit relating to supply of cooling energy through district cooling system ("District cooling system CGU")

The District cooling system CGU includes concession financial assets, concession intangible assets and goodwill allocated to the CGU as disclosed in Note 12(b).

The recoverable amount of this CGU is based on VIU calculations which is determined by discounting the future cash flows expected to be generated from the use of the unit based on the following key assumptions:

	2024	2023
Projection period	8 to 20-year cash flows projection, based on the remaining period of the concession arrangement	7 to 20-year cash flows projection, based on the remaining period of the concession arrangement
Projected usage	Approximately 22 million RTh per annum	Approximately 22 million RTh per annum
Discount rates	12% per annum	9% per annum

The key assumptions are used in the assessment is based on the Group's historical trends and actual past performances.

(iii) Impairment assessment of investment in a subsidiary – Urun Plantations Sdn. Bhd. ("Urun")

The Company is required to assess at the end of each reporting period whether there is any indication that the carrying amount of its investment in subsidiaries may be impaired in accordance to the requirements of MFRS 136, "Impairment of Assets".

If indicators are present, these investments are subjected to impairment review. The impairment review comprises a comparison of the carrying amount and estimated recoverable amount of the investment.

During the financial year, management has assessed that the investment in Urun has indicator of impairment. Management has applied the FVLCS method to estimate the recoverable amount of this investment. This method has been applied the same when assessing the Plantation CGU. Further details of the key assumptions applied in the impairment assessment of investment in Urun and sensitivity analysis to changes in the assumptions are disclosed in Note 3.2(i).

(iv) Amortisation of concession intangible assets

The carrying amount of the concession intangible assets is amortised by applying the formula "actual chilled water supplied over the estimated total chilled water to be supplied". The denominator of the formula includes estimated total chilled water supply for subsequent years. Changes in the expected total chilled water supply volume could impact future amortisation charges.

(v) Measurement of income taxes

Significant judgement is required in determining the Group's provision for current and deferred taxes because the ultimate tax liability for the Group as a whole is uncertain. When the final outcome of the taxes payable is determined with the tax authorities, the amounts might be different from the initial estimates of the taxes payable. Such differences may impact the current and deferred taxes in the period when such determination is made. The Group will adjust for the differences as over-or under-provision of current or deferred taxes in the current period in which those differences arise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 (CONT'D)

3. CRITICAL JUDGEMENTS AND ESTIMATION UNCERTAINTY (Cont'd)

3.2 Estimation uncertainty (Cont'd)

(vi) Fair value of biological assets

Biological assets represent the produce growing on oil palms. Fresh fruit bunches ("FFB") are harvested from the oil palms. The growing produce are essentially FFB prior to harvesting.

An oil palm fruit typically starts to develop oil from about 14 to 15 weeks after pollination. The oil content in the fruit increases exponentially over the next 5 weeks and reaches its maximum at about 22 weeks.

Management considered the maturity stages of FFB and concluded that FFB that are expected to be harvested for more than 2 weeks are excluded from fair valuation as their fair values are considered to be negligible.

The fair value of the growing produce is determined on the basis of present value of expected future cash flows.

If the selling price of unharvested FFB vary by 10%, the fair value of the Group's biological assets would increase or decrease by RM119,637 (2023: RM111,525).

4. REVENUE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Dividend received from a subsidiary	-	-	8,000,000	6,000,000
Sales of fresh fruit bunches ("FFB")	35,496,228	29,622,977	-	-
Revenue from energy and facilities management services	14,111,048	13,790,551	-	-
Wholesale and distribution	3,256,557	-	-	-
	52,863,833	43,413,528	8,000,000	6,000,000
Timing of revenue recognition under MFRS 15				
Goods transferred at a point in time	38,752,785	29,622,977	8,000,000	6,000,000
Services rendered over time	14,111,048	13,790,551	-	-
	52,863,833	43,413,528	8,000,000	6,000,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

5. SEGMENT REPORTING

The Board of Directors is the Group's chief operating decision maker.

The Board of Directors assesses the performance of the operating segments based on profit before tax.

For management reporting purposes, the Group is organised into the following operating divisions according to the internal reporting structure:

- Plantations
- Energy and facilities management
- Investment holding
- Wholesale and distribution
- Others (consist of subsidiaries which are dormant and pre-operating)

Other segment activities comprise mainly expenses incurred by certain subsidiaries which are not directly attributable to any significant segment.

Segmental information by geographical location has not been disclosed as the Group operates only within Malaysia.

Segment information provided to the Board of Directors for reportable segments for the financial year:

Group	Revenue External sales		Results Segment results before interest, tax and share of results of an associate	
	2024 RM	2023 RM	2024 RM	2023 RM
Plantations	35,496,228	29,622,977	4,487,531	(924,445)
Energy and facilities management	14,111,048	13,790,551	4,476,450	6,003,054
Investment holding	8,000,000	6,000,000	6,483,552	5,343,212
Wholesale and distribution	3,256,557	-	56,258	-
Others	-	-	(30,236)	(34,682)
Eliminations	(8,000,000)	(6,000,000)	(11,381,062)	(9,550,370)
Consolidated	52,863,833	43,413,528	4,092,493	836,769

Group	2024 RM	2023 RM
Consolidated		
Profit from operations	4,092,493	836,769
Finance costs	(10,036,377)	(10,708,718)
Share of results of an associate	15,686,348	17,464,467
Profit before tax	9,742,464	7,592,518
Tax expense	(1,008,307)	(469,138)
Net profit for the financial year	8,734,157	7,123,380

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

5. SEGMENT REPORTING (Cont'd)

Group	Other information Addition of property, plant and equipment	
	2024 RM	2023 RM
Plantations	26,312,491	16,790,298
Energy and facilities management	478,527	309,067
Investment holding	575,281	271,585
Consolidated	27,366,299	17,370,950

Group	Other information Depreciation and amortisation	
	2024 RM	2023 RM
Plantations	8,367,120	7,567,212
Energy and facilities management	911,941	846,815
Investment holding	273,828	209,621
Consolidated	9,552,889	8,623,648

Group Statement of Financial Position	Assets Segment assets		Liabilities Segment liabilities	
	2024 RM	2023 RM	2024 RM	2023 RM
Plantations	118,730,241	99,342,346	101,930,214	83,442,123
Energy and facilities management	345,280,683	350,891,502	103,153,304	114,847,743
Investment holding	265,109,706	262,077,039	60,689,029	60,314,305
Wholesale and distribution	2,708,146	-	11,671,387	-
Others	13,584	13,660	11,382,400	20,371,738
Eliminations	(255,708,163)	(255,836,193)	(89,892,923)	(90,954,184)
Consolidated	476,134,197	456,488,354	198,933,411	188,021,725

6. FINANCE COSTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Term loans	8,560,234	9,876,173	3,807,587	4,103,844
Bank overdraft	1,181,456	523,625	-	-
Finance lease	294,687	308,920	18,022	4,927
	10,036,377	10,708,718	3,825,609	4,108,771

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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7. PROFIT BEFORE TAX

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax arrived after charging/(crediting):				
Interest income:				
Fixed deposits with licensed banks	(895,964)	(1,054,323)	(442,678)	(319,061)
Subsidiaries	-	-	(738,993)	(713,151)
Gain on disposal of property, plant and equipment	(135,000)	-	(135,000)	-
Share of results of an associate	(15,686,348)	(17,464,467)	-	-
Fair value gain on biological assets	(81,120)	(75,399)	-	-
Finance income from concession financial assets	(2,886,387)	(3,022,766)	-	-
Management services fees from:				
Subsidiaries	-	-	(3,456,000)	(3,432,000)
Associate	(540,000)	-	-	-
Rental of premises and car parks	372,186	371,190	165,556	164,366
Rental income	(26,400)	(32,921)	-	-
Allowance for impairment loss from amount owing by subsidiaries	-	-	29,926	34,812
Auditors' remuneration:				
Audit fee	135,000	135,000	53,000	53,000
Non-audit fee	7,000	7,000	5,000	5,000
Amortisation of:				
Intangible assets	600,000	600,000	-	-
Investment properties	8,912	8,912	8,912	8,912
Dividend received:				
Other investments	(259,627)	(218,165)	-	-
Subsidiaries	-	-	(8,000,000)	(6,000,000)
Income from other investments	(170,672)	(134,350)	-	-
Realised gain on other investments	(65,499)	-	-	-
Unrealised gain on other investments	(840,675)	(386,659)	-	-
Realised loss on other investments	-	4,350	-	-
Depreciation of property, plant and equipment	8,943,977	8,014,736	264,916	200,709

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

7. PROFIT BEFORE TAX (Cont'd)

(a) The following are the operating costs included in cost of sales:

	2024 RM	Group 2023 RM
Consumables inventories	12,126,584	12,419,157
Amortisation of intangible assets	600,000	600,000
Depreciation of property, plant and equipment	5,221,373	4,859,881

(b) Directors' remuneration:

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Executive Directors:				
Fees	235,000	180,000	85,000	30,000
Salaries and other emoluments	3,513,715	2,309,981	1,826,717	1,220,579
Defined contribution plan	443,280	325,700	292,080	195,200
Non-executive Directors:				
Fees	155,000	95,000	155,000	95,000
Other emoluments	58,500	59,000	58,500	59,000
	4,405,495	2,969,681	2,417,297	1,599,779

(c) Staff costs:

	2024 RM	Group 2023 RM	Company 2024 RM	2023 RM
Salaries, allowances and others	8,066,138	6,273,523	1,868,937	1,829,287
Defined contribution plan	615,293	506,065	218,407	212,355
	8,681,431	6,779,588	2,087,344	2,041,642

Staff costs of the Group are remunerations included in cost of sales amounting to RM6,034,036 (2023: RM4,179,226)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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8. TAX EXPENSE

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Tax expense comprises				
Current income tax expense	153,626	60,164	-	-
Over provision in prior year	(9,494)	(45,498)	-	-
Deferred tax:				
Over provision in prior year	(49,703)	(167,417)	-	-
Origination and reversal of temporary differences	913,878	621,889	-	-
Total tax expense	1,008,307	469,138	-	-

The reconciliation of tax expense applicable to profit before tax at the statutory tax rate to tax expense at the effective income tax rate of the Group and the Company is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Profit before tax	9,742,464	7,592,518	2,657,943	1,234,441
Tax expense at income tax rate of 24% (2023: 24%)	2,338,191	1,822,204	637,906	296,266
Income not subject to tax	(4,693,038)	(4,233,505)	(1,920,000)	(1,440,000)
Non-deductible expenses	3,816,788	2,471,201	1,976,678	1,143,734
Utilisation of previously unrecognised deferred tax assets	(708,086)	(926,044)	(694,584)	-
Deferred tax liabilities recognised during the financial year	304,155	1,545,944	-	-
Over provision of deferred tax in prior year	(49,703)	(167,417)	-	-
Over provision of income tax in prior year	(9,494)	(45,498)	-	-
Withholding tax	9,494	2,253	-	-
Total tax expense	1,008,307	469,138	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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9. EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the consolidated net profit for the financial year by the weighted average number of ordinary shares in issue during the financial year as follows:

	2024 RM	Group 2023 RM
Net profit attributable to owners of the Company	8,734,157	7,123,380
	Units	Units
Weighted average number of shares in issue	295,609,627	292,877,387
Basic earnings per share (sen)	2.95	2.43

Diluted earnings per share

Diluted earnings per share is calculated by dividing the consolidated net profit for the financial year by the weighted average number of ordinary shares in issue after adjustment for the effects of dilution by potential ordinary shares arising from irredeemable convertible preference shares of 115,000,000 (2023:120,000,000) as at financial year end as follows:

	2024 RM	Group 2023 RM
Net profit attributable to owners of the Company	8,734,157	7,123,380
	Units	Units
Weighted average number of shares in issue and issuable	412,877,387	412,877,387
Diluted earnings per share (sen)	2.12	1.73

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT

Group	Bearer plants RM	Plant and machinery RM	Renovation, furniture, fittings and equipment RM	Motor vehicles RM	Planting infrastructure RM	Construction work in progress RM	Right of use RM	Total RM
2024								
Cost								
As at 1 January 2024	108,800,075	8,212,529	2,652,005	10,460,695	23,947,449	2,901,629	35,349,486	192,323,868
Addition	18,977,508	721,494	185,683	2,665,580	2,064,613	1,505,952	1,245,469	27,366,299
Disposal	-	-	-	(396,226)	-	-	(1,209,203)	(1,605,429)
As at 31 December 2024	127,777,583	8,934,023	2,837,688	12,730,049	26,012,062	4,407,581	35,385,752	218,084,738
Accumulated depreciation								
As at 1 January 2024	40,099,046	4,843,887	2,034,427	7,679,287	12,549,310	-	11,739,313	78,945,270
Charge for the financial year	2,905,944	1,155,807	310,151	1,315,404	2,315,427	-	941,244	8,943,977
Disposal	-	-	-	(396,226)	-	-	(1,209,203)	(1,605,429)
As at 31 December 2024	43,004,990	5,999,694	2,344,578	8,598,465	14,864,737	-	11,471,354	86,283,818
Carrying amount as at 31 December 2024	84,772,593	2,934,329	493,110	4,131,584	11,147,325	4,407,581	23,914,398	131,800,920

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Group	Bearer plants RM	Plant and machinery RM	Renovation, fittings and equipment RM	Motor vehicles RM	Planting infrastructure RM	Construction work in progress RM	Right of use RM	Total RM
2023								
Cost								
As at 1 January 2023	97,908,163	7,074,995	2,305,055	9,271,490	22,248,524	2,327,575	33,871,688	175,007,490
Addition	10,891,912	1,076,751	346,950	1,225,940	1,689,528	1,523,981	615,888	17,370,950
Transferred	-	60,783	-	17,837	9,397	(949,927)	861,910	-
Disposal	-	-	-	(54,572)	-	-	-	(54,572)
As at 31 December 2023	108,800,075	8,212,529	2,652,005	10,460,695	23,947,449	2,901,629	35,349,486	192,323,868
Accumulated depreciation								
As at 1 January 2023	37,193,101	3,839,617	1,774,909	6,762,837	10,595,374	-	10,819,268	70,985,106
Charge for the financial year	2,905,945	1,004,270	259,518	971,022	1,953,936	-	920,045	8,014,736
Disposal	-	-	-	(54,572)	-	-	-	(54,572)
As at 31 December 2023	40,099,046	4,843,887	2,034,427	7,679,287	12,549,310	-	11,739,313	78,945,270
Carrying amount as at 31 December 2023	68,701,029	3,368,642	617,578	2,781,408	11,398,139	2,901,629	23,610,173	113,378,598

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

Company	Renovation, furniture, fittings and equipment RM	Motor vehicles RM	*Right of use RM	Total RM
2024				
Cost				
As at 1 January 2024	880,101	888,486	722,903	2,491,490
Addition	37,435	537,846	-	575,281
Disposal	-	(396,226)	(472,991)	(869,217)
As at 31 December 2024	917,536	1,030,106	249,912	2,197,554
Accumulated depreciation				
As at 1 January 2024	704,457	888,482	472,991	2,065,930
Charge for the financial year	59,282	80,678	124,956	264,916
Disposal	-	(396,226)	(472,991)	(869,217)
As at 31 December 2024	763,739	572,934	124,956	1,461,629
Carrying amount as at 31 December 2024	153,797	457,172	124,956	735,925
2023				
Cost				
As at 1 January 2023	858,428	943,058	472,991	2,274,477
Addition	21,673	-	249,912	271,585
Disposal	-	(54,572)	-	(54,572)
As at 31 December 2023	880,101	888,486	722,903	2,491,490
Accumulated depreciation				
As at 1 January 2023	628,705	943,053	348,035	1,919,793
Charge for the financial year	75,752	1	124,956	200,709
Disposal	-	(54,572)	-	(54,572)
As at 31 December 2023	704,457	888,482	472,991	2,065,930
Carrying amount as at 31 December 2023	175,644	4	249,912	425,560

* Right of use of the Company consists of lease of office space.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(a) Assets held under finance lease

The carrying amount of the Group's motor vehicles and plant and machinery held under finance lease at the reporting date was RM5,335,868 (2023: RM4,743,918).

(b) Assets held under trust

The motor vehicles of the Group and the Company with carrying amount of RM466,281 (2023: RM1) are held under trust by a person connected to a Director of the Company.

(c) Movement of bearer plants

Group	Mature RM	Immature RM	Total RM
2024			
Cost			
As at 1 January 2024	87,178,374	21,621,701	108,800,075
Addition	-	18,977,508	18,977,508
As at 31 December 2024	87,178,374	40,599,209	127,777,583
Accumulated depreciation			
As at 1 January 2024	40,099,046	-	40,099,046
Charge for the financial year	2,905,944	-	2,905,944
As at 31 December 2024	43,004,990	-	43,004,990
Carrying amount as at 31 December 2024	44,173,384	40,599,209	84,772,593
2023			
Cost			
As at 1 January 2023	87,178,374	10,729,789	97,908,163
Addition	-	10,891,912	10,891,912
As at 31 December 2023	87,178,374	21,621,701	108,800,075
Accumulated depreciation			
As at 1 January 2023	37,193,101	-	37,193,101
Charge for the financial year	2,905,945	-	2,905,945
As at 31 December 2023	40,099,046	-	40,099,046
Carrying amount as at 31 December 2023	47,079,328	21,621,701	68,701,029

Included in immature bearer plants are borrowing costs capitalised during the financial year amounting to RM914,231 (2023: Nil).

(d) Assets pledged as security

Bearer plants and planting infrastructure have been charged as security for borrowings as disclosed in Note 25.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

10. PROPERTY, PLANT AND EQUIPMENT (Cont'd)

(e) Right of use

Group	Leasehold building RM	Prepaid lease payments RM	Office space RM	Total RM
2024				
Cost				
As at 1 January 2024	8,823,582	24,667,212	1,858,692	35,349,486
Addition	1,035,469	-	210,000	1,245,469
Disposal	-	-	(1,209,203)	(1,209,203)
As at 31 December 2024	9,859,051	24,667,212	859,489	35,385,752
Accumulated depreciation				
As at 1 January 2024	1,303,838	9,198,972	1,236,503	11,739,313
Charge for the financial year	147,973	468,737	324,534	941,244
Disposal	-	-	(1,209,203)	(1,209,203)
As at 31 December 2024	1,451,811	9,667,709	351,834	11,471,354
Carrying amount as at 31 December 2024	8,407,240	14,999,503	507,655	23,914,398
2023				
Cost				
As at 1 January 2023	7,961,672	24,667,212	1,242,804	33,871,688
Addition	-	-	615,888	615,888
Transferred	861,910	-	-	861,910
As at 31 December 2023	8,823,582	24,667,212	1,858,692	35,349,486
Accumulated depreciation				
As at 1 January 2023	1,168,871	8,730,237	920,160	10,819,268
Charge for the financial year	134,967	468,735	316,343	920,045
As at 31 December 2023	1,303,838	9,198,972	1,236,503	11,739,313
Carrying amount as at 31 December 2023	7,519,744	15,468,240	622,189	23,610,173

The Group's prepaid lease payments pertain to leasehold land, with an unexpired lease period of 33 years (2023: 34 years).

The leasehold land is pledged to a licensed bank for credit facilities granted to the Group as disclosed in Note 25 to the financial statements.

The prepaid lease payments are identified as part of the oil palm plantation cash generating unit of the Group. Details of its impairment assessment are disclosed in Note 3.2(i) to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

11. INVESTMENT PROPERTIES

Group and Company	2024 RM	2023 RM
Cost		
As at 1 January/31 December	418,129	418,129
Accumulated amortisation		
As at 1 January	79,475	70,563
Amortisation for the financial year	8,912	8,912
As at 31 December	88,387	79,475
Carrying amount as at 31 December	329,742	338,654

The fair value of the investment properties as at 31 December 2024 is estimated at RM402,778 (2023: RM402,778) has been arrived at by the Directors based on reference to market evidence of transaction prices for similar properties. As at 31 December 2024, the Directors assessed the fair value of its investment properties based on the current prices in the market of properties of similar conditions and locations.

The fair value disclosure of investment properties is categorised in Level 3 of the fair value hierarchy. Level 3 fair values of land and buildings have been generally derived using the estimated selling price of comparable properties in close proximity that are adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is price per square foot of comparable properties.

Investment properties of the Group and of the Company did not generate rental income during the financial year. Direct operating expenses incurred by the Group and the Company for investment properties during the financial year amounted to RM182 (2023: RM182).

12. INTANGIBLE ASSETS

Group	As at 1.1.2024 RM	Addition RM	As at 31.12.2024 RM
Cost			
Goodwill	19,192,988	-	19,192,988
Concession intangible assets	6,000,000	-	6,000,000
	25,192,988	-	25,192,988
Accumulated amortisation			
Concession intangible assets	3,550,000	600,000	4,150,000
Group	2024 RM	2023 RM	
Carrying amount			
Goodwill	19,192,988	19,192,988	
Concession intangible assets	1,850,00	2,450,000	
	21,042,988	21,642,988	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

12. INTANGIBLE ASSETS (Cont'd)

(a) Concession intangible assets

In 2018, the Group entered into an agreement with Lianbang Ventures Sdn. Bhd. ("the grantor") for the construction, operation and maintenance of a district cooling plant located at Dataran Pahlawan Melaka Megamall. The Group is entitled to charge the grantor a minimum consumption of chilled water supply for a period of 10 years or if the minimum consumption is not achieved, the Company has the right to extend for another 2 years. The grantor does not guarantee the payment of the minimum consumption if it is not achieved during the period agreed.

Cost incurred in connection with the concession was classified as "Concession intangible assets" while the amortisation of concession intangible assets is included in the "cost of sales" line item in the statements of comprehensive income.

The concession intangible assets have been charged as security for borrowings as disclosed in Note 25 to the financial statements.

(b) Goodwill on consolidation

The goodwill in the Group's consolidated statements of financial position arose from the acquisition of two subsidiaries, namely Urun Plantations Sdn. Bhd. and Tunas Cool Energy Sdn. Bhd., represents two cash generating units ("CGU") involved in oil palm plantation ("Plantation CGU") and supply of cooling energy ("District cooling system CGU") respectively.

The Group carries out its impairment assessment on the goodwill on consolidation annually. The carrying amounts of goodwill allocated to each unit are as follows:

	2024 RM	2023 RM
CGU		
Plantation	16,329,389	16,329,389
District cooling system	2,863,599	2,863,599
	19,192,988	19,192,988

The recoverable amounts of these two CGUs are determined based on the higher of fair value less cost to sell ("FVLCS") and value-in-use ("VIU").

The recoverable amount of Plantation CGU is determined based on FVLCS by reference to the valuation carried out in January 2025 by an independent external valuer. The recoverable amount of District cooling system CGU is determined based on VIU calculations.

The relevant key assumptions used and sensitivity to changes in assumptions for Plantation CGU and District cooling system CGU are disclosed in Notes 3.2(i) and 3.2(ii) respectively.

The Directors believe that no impairment of goodwill on consolidation is required as the recoverable amount of these CGUs exceeded their carrying amounts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

13. CONCESSION FINANCIAL ASSETS

	2024 RM	Group 2023 RM
Current	2,457,006	2,312,078
Non-current	41,278,275	43,735,280
	43,735,281	46,047,358

The movements in the net carrying amounts of non-current and current concession financial assets are as follows:

	2024 RM	Group 2023 RM
As at 1 January	46,047,358	48,223,056
Concession revenue recognised	9,824,606	9,824,606
Finance income recognised	2,886,387	3,022,766
Receipts	(15,023,070)	(15,023,070)
As at 31 December	43,735,281	46,047,358

The Group entered into an agreement with Sime Darby Property Selatan Satu Sdn. Bhd. ("the grantor") for the construction and operation of a district cooling system and thereafter supply of cooling energy from this district cooling system to designated university buildings for a period of 22 years. The grantor guaranteed a minimum usage over 22 years. The Group recognised the estimated consideration receivable under the service concession agreement as a financial asset.

The concession financial assets have been charged as security for borrowings as disclosed in Note 25 to the financial statements.

14. INVESTMENT IN SUBSIDIARIES

	2024 RM	Company 2023 RM
Unquoted shares, at cost	223,237,044	223,237,044
Less: Accumulated impairment losses	(2)	(2)
As at 31 December	223,237,042	223,237,042

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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14. INVESTMENT IN SUBSIDIARIES (Cont'd)

The subsidiaries, all incorporated in Malaysia, are as follows:

Name of subsidiaries	Effective equity interest		Principal activities
	2024	2023	
Goldkist (Malaysia) Sdn. Bhd.*	100%	100%	Dormant
Goldkist (NS) Sdn. Bhd.*	100%	100%	Supply of construction materials
SHC Technopalm Plantation Services Sdn. Bhd.*	100%	100%	Dormant
SHC Realty Sdn. Bhd.*	100%	100%	Dormant
Sin Heng Chan Feed Sdn. Bhd.*	100%	100%	Dormant
Urun Plantations Sdn. Bhd.	100%	100%	Cultivation of oil palm
Tunas Cool Energy Sdn. Bhd.	100%	100%	Supply of cooling energy
Tunas Selatan Pagoh Sdn. Bhd.	100%	100%	Project management services and investment holding
Subsidiary of Tunas Cool Energy Sdn. Bhd.			
SHC Capital Sdn. Bhd.	100%	100%	Special purpose vehicle and investment holding

* The audited reports of these subsidiaries contain a material uncertainty relating to the appropriateness of the going concern basis used in the preparation of their financial statements. The Company has confirmed to provide continued financial support to these subsidiaries to continue their business without any significant curtailment of their operations.

Impairment on investment in subsidiaries

The Company is required to assess at the end of each reporting period whether there is any indication that the carrying amount of its investment in subsidiaries may be impaired in accordance to the requirements of MFRS 136, "Impairment of Assets".

As result of the impairment test, management believes that no impairment to be recognised for the current financial year.

15. INVESTMENT IN AN ASSOCIATE

	2024 RM	Group 2023 RM
Unquoted shares, at cost	8,800,000	8,800,000
Share of post acquisition retained earnings	211,775,035	206,648,687
	220,575,035	215,448,687

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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15. INVESTMENT IN AN ASSOCIATE (Cont'd)

The associate incorporated in Malaysia is as follows:

Name of associate	Effective equity interest		Principal activities
	2024	2023	
Sime Darby Property Selatan Sdn. Bhd.*	40%	40%	Investment holding, asset management and construction

* Audited by a firm of auditors other than Al Jafree Salihin Kuzaimi PLT

In 2021, the Company acquired the entire shares of Tunas Selatan Pagoh Sdn. Bhd.. The subsidiary holds 40% of the issued equities of Sime Darby Property Selatan Sdn. Bhd.. The associate is principally engaged in the business of investment holding, asset management and construction.

The summarised financial information based on the audited results of the associate for the financial year ended 31 December 2024, not adjusted for the proportion of ownership interest held by the Group, is as follows:

	2024 RM	Group 2023 RM
<u>Assets and liabilities</u>		
Non-current assets	1,065,679,380	1,135,903,429
Current assets	233,995,847	244,372,643
Non-current liabilities	(619,950,060)	(721,077,164)
Current liabilities	(128,360,910)	(120,667,865)
Net assets	551,364,257	538,531,043
<u>Results</u>		
Revenue	50,198,086	41,010,860
Net profit for the financial year	39,233,214	43,678,514
Share of profit for the financial year	15,686,348	17,464,467

16. INVENTORIES

	2024 RM	Group 2023 RM
At cost:		
Consumables	4,501,754	3,636,759

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

17. BIOLOGICAL ASSETS

	2024 RM	Group 2023 RM
As at 1 January	1,115,248	1,039,849
Fair value changes	81,120	75,399
As at 31 December	1,196,368	1,115,248

The biological assets of the Group comprise of oil palm fresh fruit bunches ("FFB") of up to 2 weeks prior to harvesting.

The quantity of unharvested FFB of the Group as at 31 December 2024 included in the fair valuation of FFB was 1,229 metric tonnes (2023: 1,503 metric tonnes).

The Group's biological assets were fair valued within Level 3 of the fair value hierarchy.

The Group attributes a fair value on the FFB prior to harvest at each statements of financial position date as required under MFRS 141, "Agriculture". FFB are produce of oil palm trees and are harvested continuously throughout the financial year. Each FFB takes approximately 22 weeks from pollination to reach maximum oil content to be ready for harvesting.

In determining the fair value of FFB, management has considered the oil content of all unripe FFB from the week after pollination to the week prior to harvest. As the oil content accrues exponentially in the 2 weeks prior to harvest, the FFB prior to 2 weeks before harvesting are excluded in the valuation as the fair value is considered negligible.

The valuation model adopted by the Group is income approach which considers the expected net cash inflows with reference to the market value of FFB at the date of harvest adjusted for transportation and other cost to sell at the point of harvest. Changes to the assumed prices of the FFB and tonnage included in the valuation will have a direct effect on the reported valuation.

Sensitivity analysis

A 10% increase/decrease in the average oil palm FFB selling price (RM/MT) would result in the following changes to the fair value of the biological assets:

	2024 RM	Group 2023 RM
10% increase	119,637	111,525
10% decrease	(119,637)	(111,525)

18. TRADE RECEIVABLES

	2024 RM	Group 2023 RM
Third parties	9,805,448	5,707,938

Trade receivables of the Group comprise amounts receivable for sale of goods and income receivable from energy and facilities management services. The credit period granted on sale of goods and income receivable from energy and facilities management services ranges from 14 to 150 days (2023: 14 to 60 days).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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19. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other receivables	2,474,902	3,384,228	140,487	1,204,906
Less: Allowance for impairment losses	(1,658,954)	(1,658,954)	(140,487)	(140,487)
	815,948	1,725,274	-	1,064,419
Refundable deposits	2,822,287	2,770,336	41,717	46,718
Prepayments	1,628,731	1,502,458	57,748	168,069
Total other receivables, deposits and prepayments	5,266,966	5,998,068	99,465	1,279,206

Included in other receivables, deposits and prepayments of the Group and of the Company are rental deposits and advance rental of RM85,349 (2023: RM85,349) and RM35,312 (2023: RM35,312) respectively paid to Desa Samudra Sdn. Bhd., a company in which a Director of the Company has interest. Transactions with related parties are disclosed in Note 31 to the financial statements.

20. AMOUNT OWING BY SUBSIDIARIES

	Company	
	2024 RM	2023 RM
Amount owing by subsidiaries	45,347,958	39,575,217
Less: Allowance for impairment losses	(13,949,109)	(13,919,183)
As at 31 December	31,398,849	25,656,034

Amount includes advances to wholly owned subsidiaries amounting to RM24,195,661 (2023: RM22,436,758) which bear interest at 3.25% (2023: 3.25%) per annum. The remaining balances arose mainly from non-trade transactions, which are unsecured, interest free and are repayable on demand.

Movement of the Company's allowance for impairment losses on advance to subsidiaries is as follows:

	Company	
	2024 RM	2023 RM
As at 1 January	13,919,183	13,884,371
Addition	29,926	34,812
As at 31 December	13,949,109	13,919,183

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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21. OTHER INVESTMENTS

	2024 RM	Group 2023 RM
Investments at fair value through profit or loss:		
Investment in unquoted bond	1,533,646	1,577,075
Investment in unit trust	10,477,683	10,132,017
Investment in quoted shares	4,817,640	4,182,465
	16,828,969	15,891,557

22. FIXED DEPOSITS, CASH AND BANK BALANCES

	2024 RM	Group 2023 RM	2024 RM	Company 2023 RM
Fixed deposits with licensed banks	20,291,064	26,582,704	9,218,281	11,079,551
Cash and bank balances	689,171	653,878	90,402	60,992
	20,980,235	27,236,582	9,308,683	11,140,543
Less: Fixed deposits with maturity date more than 3 months	(11,842,269)	(8,885,413)	(7,246,851)	(8,854,559)
Fixed deposits, cash and bank balances	9,137,966	18,351,169	2,061,832	2,285,984

The maturity periods of the fixed deposits as at the end of the financial year are as follows:

	2024 Days	Group 2023 Days	2024 Days	Company 2023 Days
Fixed deposits with licensed banks	1 - 365	1 - 182	1 - 182	1 - 182

The interest rates per annum of fixed deposits as at the end of the financial year are as follows:

	2024 Rates (%)	Group 2023 Rates (%)	2024 Rates (%)	Company 2023 Rates (%)
Fixed deposits with licensed banks	1.85 - 4.00	1.75 - 4.00	2.50 - 4.00	2.50 - 4.00

23. SHARE CAPITAL

Group and Company	2024 Number of shares	2023 Number of shares	2024 RM	2023 RM
Issued and fully paid up				
As at 1 January	292,877,387	292,877,387	181,355,357	181,355,357
Conversion of irredeemable convertible preference shares	5,000,000	-	1,650,000	-
As at 31 December	297,877,387	292,877,387	183,005,357	181,355,357

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions and rank equally with regards to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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24. IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS")

Group and Company	2024 Number of shares	2023 Number of shares	2024 RM	2023 RM
Issued and fully paid up				
As at 1 January	120,000,000	120,000,000	39,600,000	39,600,000
Conversion of irredeemable convertible preference shares	(5,000,000)	-	(1,650,000)	-
As at 31 December	115,000,000	120,000,000	37,950,000	39,600,000

The holders of ICPS have the same rights as holders of ordinary shares as regards to receiving notices, reports and audited financial statements and attending general meetings.

The ICPS shall carry no right to vote at any general meeting or participation in any rights, allotments and/or other distribution in ICPS until and unless such holders convert their ICPS into new ordinary shares except in the following circumstances:

- On a proposal in respect of the winding up, liquidation, compromise and/or arrangement of the Company and during the winding-up, liquidation, compromise and/or arrangement of the Company;
- Any proposal that affects the rights and privileges attached to the ICPS, including, the creation and issuance of further preferences shares ranking in priority to the ICPS;
- Any proposal to reduce the Company's share capital (excluding any cancellation of share capital which is lost or unrepresented by assets); and
- Any proposal for the disposal of the whole or a substantial part of the property, business and undertaking of the Company. For the avoidance of doubt, such disposal shall constitute "Major Disposal" within the meanings as prescribed under the Listing Requirements in which the ordinary shares are listed and quoted on.

During the financial year, the Company issued 5,000,000 new ordinary shares pursuant to the conversion of 5,000,000 irredeemable convertible preference shares (ICPS) at a conversion ratio of 1 ICPS to 0.33 ordinary shares. The new ordinary shares rank *pari passu* in all respects with the existing ordinary shares of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

25. BORROWINGS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current:				
Bank overdraft	22,946,310	16,363,874	-	-
Term loan I	2,952,409	3,000,000	-	-
Term loan II	329,153	312,229	-	-
Term loan III	748,909	703,831	-	-
Term loan IV	545,273	518,554	-	-
Term loan V	873,029	-	-	-
Islamic medium-term note I	5,000,000	5,000,000	-	-
	33,395,083	25,898,488	-	-
Non-current:				
Term loan I	-	5,615,742	-	-
Term loan II	10,056	343,201	-	-
Term loan III	370,795	1,124,144	-	-
Term loan IV	2,127,043	2,608,085	-	-
Term loan V	10,165,453	11,250,000	-	-
Term loan VI	13,159,245	427,185	-	-
Islamic medium-term note I	55,460,027	59,697,261	-	-
Islamic medium-term note II	59,526,966	59,442,552	59,526,966	59,442,552
	140,819,585	140,508,170	59,526,966	59,442,552
Total borrowings				
Bank overdraft	22,946,310	16,363,874	-	-
Term loan I	2,952,409	8,615,742	-	-
Term loan II	339,209	655,430	-	-
Term loan III	1,119,704	1,827,975	-	-
Term loan IV	2,672,316	3,126,639	-	-
Term loan V	11,038,482	11,250,000	-	-
Term loan VI	13,159,245	427,185	-	-
Islamic medium-term note I	60,460,027	64,697,261	-	-
Islamic medium-term note II	59,526,966	59,442,552	59,526,966	59,442,552
	174,214,668	166,406,658	59,526,966	59,442,552
Less: Repayable after one year	(140,819,585)	(140,508,170)	(59,526,966)	(59,442,552)
	33,395,083	25,898,488	-	-

The maturity profile of borrowings is as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Not later than one year	33,395,083	25,898,488	-	-
Later than one year and not later than three years	14,944,638	19,995,232	-	-
Later than three years and not later than five years	46,657,924	23,932,301	30,000,000	10,000,000
Later than five years	79,217,023	96,580,637	29,526,966	49,442,552
	174,214,668	166,406,658	59,526,966	59,442,552

All borrowings are denominated in Ringgit Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

25. BORROWINGS (Cont'd)

Bank overdraft, Term loans I and II

Bank overdraft bears effective interest rate of 5.67% (2023: 5.67%) per annum.

Term loans I and II amounted to RM60,000,000 with a drawdown of RM32,360,400, bear interest at 5.67% (2023: 5.67%) per annum.

Bank overdraft, term loans I and II are secured by:

- (a) First party first legal charge over 2 adjoining pieces of oil palm land held by a subsidiary of the Company as prepaid lease payments;
- (b) A specific debenture over the oil palm plantation of a subsidiary of the Company; and
- (c) Corporate guarantee from the Company for RM85,000,000.

Term loan III

The term loan III amounted to RM4,500,000, bears interest at 2.50% above the lender's cost of fund per annum.

Term loan III is secured by:

- (a) Fresh asset sale agreement of RM6,302,686;
- (b) Deed of assignment of contract proceeds;
- (c) Fresh debenture over the post and all future fixed and floating aspects of a subsidiary of the Company; and
- (d) Corporate guarantee given by the Company for RM4,500,000.

Term loans IV and V

The term loan IV amounted to RM5,000,000, bears interest at 5.67% (2023: 5.67%) per annum.

The term loan V amounted to RM11,250,000, bears interest at 5.67% (2023: 5.67%) per annum.

Term loans IV and V are secured by:

- (a) First party first legal charge over 2 adjoining pieces of oil palm land held by a subsidiary of the Company as prepaid lease payments; and
- (b) Corporate guarantee given by the Company for RM16,250,000.

Term loan VI

The term loan VI amounted to RM20,625,000 with a drawdown of RM13,159,245 bears interest at 5.67% (2023: 5.67%) per annum.

Term loan VI is secured by:

- (a) First party first legal charge over 2 adjoining pieces of oil palm land held by a subsidiary of the Company as prepaid lease payments; and
- (b) Corporate guarantee given by the Holding Company for RM20,625,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

25. BORROWINGS (Cont'd)

Islamic medium-term note I ("Sukuk Wakalah")

In 2020, a wholly owned subsidiary of the Company, SHC Capital Sdn. Bhd. ("SHCC") issued Sukuk Wakalah of RM80,000,000 in nominal value. The proceeds from the issuance of the Sukuk Wakalah is expected to be utilised for finance investment activities, capital expenditure, working capital requirement and other general corporate purposes, which include repayment of any financing activities, borrowings or advances.

The period of repayment is 18 years commencing from December 2020 until June 2037 with effective interest rate of 6.38%.

The major covenants that are required to be complied by the subsidiary are as follows:

- (i) SHCC shall maintain a Finance Service Cover Ratio for so long as any Sukuk Wakalah remains outstanding; and
- (ii) SHCC shall maintain a Finance Service Reserve Account Minimum Required Balance.

The Sukuk Wakalah is secured by the followings:

- (i) An assignment by Tunas Cool Energy Sdn. Bhd. ("TCE") over its rights, titles, interests and benefits under the cooling energy supply agreement entered between the Sime Darby Property Selatan Satu Sdn. Bhd. ("SDPSS") and TCE dated 13 November 2015 ("CESA") in respect of certain payments payable by SDPSS to TCE;
- (ii) An assignment by TCE over its rights, titles, interests and benefits under the cooling energy agreement entered between TCE and KJ Technical Services Sdn. Bhd. ("KJTS") dated 24 January 2017 ("CEA");
- (iii) An assignment by TCE over its rights, titles, interests and benefits in all the Takaful contracts/Insurance policies taken by TCE in relation to its district cooling system business in Pagoh Education Hub, Johor ("Takaful/Insurances");
- (iv) A first ranking charge by the SHCC over the Designated Accounts (as defined under details of designated accounts) and the credit balances therein;
- (v) An assignment by the SHCC over its rights, interests and benefits in relation to the inter-company financing agreement entered or to be entered into between the SHCC and the TCE in respect of the advance by the SHCC to the TCE;
- (vi) A debenture by the SHCC incorporating a first ranking fixed and/or floating charge over and on its assets, both present and future; and
- (vii) Any other security deemed appropriate and mutually agreed between the SHCC and the Principal Adviser/Lead Arranger.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

25. BORROWINGS (Cont'd)

Islamic medium-term note II ("Sukuk Wakalah")

In 2021, the Company issued Sukuk Wakalah of RM60,000,000 in nominal value. The proceeds from the issuance of the Sukuk Wakalah is expected to be utilised to fund 86% of the cash consideration portion of RM70,000,000 for the acquisition of entire shares in Tunas Selatan Pagoh Sdn. Bhd. ("TSP").

The Sukuk were issued on an unrated basis with tenures of eight (8), nine (9) and ten (10) years, with periodic distributions payable on a semi-annual basis.

The major covenants that are required to be complied by the subsidiary are as follows:

- (i) The Company shall ensure that TSP shall remain a wholly owned subsidiary of the Company so long as Sukuk Wakalah is outstanding;
- (ii) The Company shall ensure that Sime Darby Property Selatan Sdn. Bhd. shall remain at least 40% owned by TSP so long as Sukuk Wakalah is outstanding;
- (iii) The Company may incur, assume or permit to exist any indebtedness for borrowed monies from lenders/financiers, provided that the Consolidated Finance to Equity Ratio ("Consolidated FE Ratio") is not more than 3.0 times; and
- (iv) Finance Service Cover Ratio ("FSCR") of at least 1.25 times.

The Sukuk Wakalah is secured by the followings:

- (i) A first legal assignment and charge by the Company over 4,000,002 shares of TSP, including the Company's right over the dividend payments from TSP;
- (ii) A first legal assignment of all the Company's rights, interests, titles and benefits under the Share Sale Agreement ("TSP Share Sale Agreement") between the Company and Tunas Selatan Construction Sdn. Bhd.; and
- (iii) A first party assignment and charge over all of the rights, titles, interests and benefits in the Tranche 1 Designated Accounts and all balances standing to the credit of the Tranche 1 Designated Accounts.

26. FINANCE LEASE LIABILITIES

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Future lease payment payable:				
Not later than one year	2,102,198	1,929,011	149,508	38,628
Later than one year and not later than five years	3,108,204	3,226,395	392,090	61,117
Total future minimum lease payments	5,210,402	5,155,406	541,598	99,745
Less: Future finance charges	(404,254)	(444,027)	(46,809)	(5,431)
	4,806,148	4,711,379	494,789	94,314

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

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26. FINANCE LEASE LIABILITIES (Cont'd)

Present value of minimum lease payments:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Within one year	1,886,778	1,700,193	129,622	35,277
Later than one year and not later than two years	1,397,981	1,450,620	119,625	59,037
Later than two years and not later than five years	1,521,389	1,560,566	245,542	-
	4,806,148	4,711,379	494,789	94,314
Analysed as:				
Repayable within twelve months	1,886,778	1,700,193	129,622	35,277
Repayable after twelve months	2,919,370	3,011,186	365,167	59,037

The finance lease of the Group and of the Company as at the end of the financial year are subject to fixed interest rate ranging from 1.6% to 4.91% (2023: 1.6% to 4.91%) per annum.

Certain property, plant and equipment financed through finance lease are secured by corporate guarantee given by the Company as disclosed in Note 30 to the financial statements.

27. DEFERRED TAX LIABILITIES

	2024 RM	Group 2023 RM
Deferred tax liabilities		
Temporary differences arising from:		
Revaluation of property, plant and equipment, and prepaid lease payments	(5,615,310)	(5,919,465)
Property, plant and equipment	(24,360,427)	(8,023,594)
	(29,975,737)	(13,943,059)
Deferred tax assets		
Unabsorbed capital allowances	9,930,930	4,234,325
Unused tax losses	10,232,427	760,529
	20,163,357	4,994,854
	(9,812,380)	(8,948,205)

28. TRADE PAYABLES

	2024 RM	Group 2023 RM
Third parties	5,534,132	4,544,647

Trade payables are non-interest bearing. The credit period granted to the Group ranges from 15 to 90 days (2023: 15 to 90 days)

NOTES TO THE FINANCIAL STATEMENTS

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29. OTHER PAYABLES AND ACCRUALS

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current:				
Other payables	94,710	307,944	-	124,956
Current:				
Other payables	913,446	1,323,176	165,688	184,262
Accruals	3,512,012	1,779,716	501,586	468,221
	4,425,458	3,102,892	667,274	652,483
Total other payables and accruals	4,520,168	3,410,836	667,274	777,439

30. FINANCIAL GUARANTEES

As at 31 December 2024, the Company gave financial guarantees to licensed banks and financial institutions in respect of facilities granted to certain subsidiaries amounting to RM118,909,245 (2023: RM106,177,185).

The Directors are of the opinion that the financial guarantees need not be recognised as a liability as the probability of default by the relevant subsidiaries is remote.

31. SIGNIFICANT RELATED PARTY DISCLOSURES

(i) Significant related party transactions

For the purposes of these financial statements, parties are considered to be related to the Group and the Company if the party has the ability, directly or indirectly, to control the Group and the Company or exercise significant influence over the Group and the Company in making financial and operating decisions, or vice versa, or where the Group or the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and the Company directly, or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Group or the Company.

The Group and the Company have related party relationship with its subsidiaries and key management personnel.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

31. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(i) Significant related party transactions (Cont'd)

The related party and their relationship with the Group and the Company are as follows:

Name of related party	Relationship
Desa Samudra Sdn. Bhd.	A Director of the Company has interest
Sime Darby Property Selatan Sdn. Bhd.	Associate
Sime Darby Property Selatan Satu Sdn. Bhd.	A subsidiary of Sime Darby Property Selatan Sdn. Bhd.

During the financial year, significant related party transactions are as follows:

Group	2024 RM	2023 RM
Desa Samudra Sdn. Bhd.		
- Rental of premises, car parks and service charges charged to the Group	(410,952)	(410,166)
Sime Darby Property Selatan Satu Sdn. Bhd.		
- Supply of cooling energy	15,029,190	15,044,745
Sime Darby Property Selatan Sdn. Bhd.		
- Dividends received	10,560,000	5,368,000
- Management services fee charged by the Group	540,000	-
Company	2024 RM	2023 RM
Urun Plantations Sdn. Bhd.		
- Management services fee charged by the Company	852,000	852,000
- Interest charged by the Company	738,993	713,151
Tunas Cool Energy Sdn. Bhd.		
- Management services fee charged by the Company	1,380,000	1,380,000
Tunas Selatan Pagoh Sdn. Bhd.		
- Management services fee charged by the Company	1,200,000	1,200,000
- Dividends paid to the Company	8,000,000	6,600,000
Goldkist (NS) Sdn. Bhd.		
- Management services fee charged by the Company	24,000	-
Desa Samudra Sdn. Bhd.		
- Rental of premises, car parks and service charges charged to the Company	(184,780)	(183,590)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

31. SIGNIFICANT RELATED PARTY DISCLOSURES (Cont'd)

(ii) Remuneration of key management personnel

The remuneration of key management personnel (inclusive of Directors' remuneration as disclosed in Note 7 to the financial statements) during the financial year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries, allowances and bonus	4,997,958	3,580,994	2,331,358	1,704,894
Defined contribution plan	608,893	478,242	345,781	253,110
Social security contribution	5,649	5,649	2,434	2,589
Fees	390,000	275,000	240,000	125,000
	6,002,500	4,339,885	2,919,573	2,085,593

32. FINANCIAL INSTRUMENTS

(a) Financial instruments by category

	2024 RM	Group 2023 RM
Financial assets at FVTPL		
Other investments	16,828,969	15,891,557
Financial assets at amortised cost		
Concession financial assets	43,735,281	46,047,358
Trade receivables	9,805,448	5,707,938
Other receivables and deposits	3,638,235	4,495,610
Fixed deposits, cash and bank balances	20,980,235	27,236,582
	78,159,199	83,487,488
Financial liabilities at amortised cost		
Trade payables	5,534,132	4,544,647
Other payables and accruals	4,520,168	3,410,836
Borrowings	174,214,668	166,406,658
Finance lease liabilities	4,806,148	4,711,379
	189,075,116	179,073,520

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(a) Financial instruments by category (Cont'd)

	2024 RM	Company 2023 RM
Financial assets at amortised cost		
Other receivables and deposits	41,717	1,111,137
Amount owing by subsidiaries	31,398,849	25,656,034
Fixed deposits, cash and bank balances	9,308,683	11,140,543
	40,749,249	37,907,714
Financial liabilities at amortised cost		
Other payables and accruals	667,274	777,439
Borrowings	59,526,966	59,442,552
Finance lease liabilities	494,789	94,314
	60,689,029	60,314,305

(b) Financial risk management, objectives and policies

The activities of the Group and the Company are subject to a variety of financial risks, including commodity price risk, interest rate risk, credit risk and liquidity risk. The Group's and the Company's financial risk management objective is to ensure that the Group and the Company create values for their shareholders.

(i) Commodity price risk

The Group is exposed to commodity price risk since the price of oil palm fresh fruit bunches ("FFB") is subject to fluctuations due to unpredictable factors such as weather, government policies, changes in global demand resulting from population growth, and global production of similar and competitive crops.

Revenue of the Group is therefore subject to price fluctuations in the commodity market.

As at 31 December 2024, a sensitivity analysis has been performed based on the Group's exposure to commodity prices. A 10% increase or decrease in FFB prices with all other variables being held constant, would increase or decrease the Group's profit before tax, by approximately RM3,549,623 (2023: RM2,962,298).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group and the Company are exposed to interest rate risk mainly through the impact of rate charges on bank borrowings. The interest rates for the said bank borrowings are disclosed in Note 25.

The Group's and the Company's exposures to interest rates on financial liabilities are detailed below. The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liabilities at the end of the reporting period will remain unchanged for the whole year.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's and the Company's profit before tax for the financial year would be decreased or increased as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Floating rate liabilities:				
Borrowings	871,073	832,033	297,635	297,213

Other financial assets and financial liabilities are either fixed interest rate or non-interest bearing and therefore are not affected by changes in interest rates.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and assign credit limits to these counterparties by using their own trading records.

Credit risk arises from credit exposures to customers, including outstanding receivables, as well as fixed deposits, cash and bank balances.

Under MFRS 9, cash and cash equivalents are also subject to the impairment. However, the identified impairment loss was immaterial as the counterparties are reputable financial institutions with high credit ratings and no history of default.

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(iii) Credit risk (Cont'd)

(a) Trade receivables

Credit risk concentration profile

As at the end of the reporting period, the Group has significant concentration of credit risk that arise from exposure to 5 major customers (2023: 4) which constitutes approximately 100% (2023: 100%) of the Group's trade receivables.

Exposure to credit risk, credit quality and collateral

Receivable balances are monitored on an ongoing basis. As the Group and the Company do not hold any collateral, the maximum exposure to credit risk represented by the carrying amount of trade receivables as at the end of reporting period.

Ageing analysis of trade receivables

The ageing analysis of trade receivables as at the end of the reporting period is as follows:

	2024 RM	Group 2023 RM
Trade receivables		
Neither past due nor impaired	6,441,661	2,877,209
Past due but not impaired:		
Less than 30 days	188,142	1,529,294
31 to 60 days	219,429	201,157
More than 60 days	2,956,216	1,100,278
	3,363,787	2,830,729
	9,805,448	5,707,938

Trade receivables that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group. None of the trade receivables that are neither past due nor impaired have been renegotiated during the financial year.

Trade receivables that are past due but not impaired

As at 31 December 2024, RM3,363,787 (2023: RM2,830,729) of trade receivables of the Group were past due but not impaired. The Group believes that no impairment is necessary in respect of these trade receivables as they are active customers with good collection track record and no recent history of default, but with slower repayment records.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility of cash flows.

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The tables below summarises the maturity profile of the Group's and the Company's financial liabilities at the end of the reporting period based on undiscounted contractual payments:

Group	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2024					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Trade payables	5,534	5,534	5,534	-	-
Other payables and accruals	4,520	4,520	4,425	95	-
<u>Interest bearing:</u>					
Finance lease liabilities	4,806	5,210	2,102	3,108	-
Borrowings	174,215	242,921	42,243	92,924	107,754
	189,075	258,185	54,304	96,127	107,754
2023					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Trade payables	4,545	4,545	4,545	-	-
Other payables and accruals	3,411	3,411	3,103	308	-
<u>Interest bearing:</u>					
Finance lease liabilities	4,711	5,155	1,929	3,226	-
Borrowings	166,407	254,941	33,441	57,466	164,034
	179,074	268,052	43,018	61,000	164,034

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(b) Financial risk management, objectives and policies (Cont'd)

(iv) Liquidity risk (Cont'd)

Company	Carrying amount RM'000	Contractual undiscounted cash flows RM'000	On demand or within one year RM'000	One to five years RM'000	Over five years RM'000
2024					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Other payables and accruals	667	667	667	-	-
<u>Interest bearing:</u>					
Finance lease liabilities	495	542	150	392	-
Borrowings	59,527	81,348	3,730	44,548	33,070
	60,689	82,557	4,547	44,940	33,070
2023					
Financial liabilities at amortised cost					
<u>Non-interest bearing:</u>					
Other payables and accruals	777	777	652	125	-
<u>Interest bearing:</u>					
Finance lease liabilities	94	100	39	61	-
Borrowings	59,443	80,176	2,958	11,808	65,410
	60,314	81,053	3,649	11,994	65,410

(c) Fair value of financial instruments

	2024		2023	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
Group				
Finance lease liabilities	4,806	4,806	4,711	4,711
Company				
Finance lease liabilities	495	495	94	94

The fair values of borrowings are approximately their carrying amounts, as they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

The carrying amounts of the other financial assets and liabilities of the Group and the Company at the reporting date approximated their fair values either due to the relatively short-term nature or are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

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(CONT'D)

32. FINANCIAL INSTRUMENTS (Cont'd)

(d) Fair value hierarchy

The fair value measurement hierarchies used to measure assets and liabilities carried at fair value in the statements of financial position as at 31 December 2024 are as follows:

- (a) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- (b) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).
- (c) Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 RM	Level 2 RM	Level 3 RM	Total RM
Group				
2024				
Investment properties	-	-	402,778	402,778
Biological assets	-	-	1,196,368	1,196,368
Other investments	15,295,323	-	1,533,646	16,828,969
2023				
Investment properties	-	-	402,778	402,778
Biological assets	-	-	1,115,248	1,115,248
Other investments	14,314,482	-	1,577,075	15,891,557
Company				
2024				
Investment properties	-	-	402,778	402,778
2023				
Investment properties	-	-	402,778	402,778

33. CAPITAL MANAGEMENT

The primary objective of the Group's and the Company's capital management is to ensure that the Group's and the Company's ability to continue as a going concern and maximise shareholder value.

The Group and the Company manage their capital structure and make adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 December 2024.

The Group and the Company monitor capital using a gearing ratio, which is net debts divided by total capital plus net debts. The Group and the Company include within net debts, trade and other payables, finance lease liabilities, borrowings less fixed deposits, cash and bank balances.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

(CONT'D)

33. CAPITAL MANAGEMENT (Cont'd)

Gearing ratio

The gearing ratio analysis at end of the reporting period is disclosed as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Debts	189,075,116	179,073,520	60,689,029	60,314,305
Less: Fixed deposits, cash and bank balances	(20,980,235)	(27,236,582)	(9,308,683)	(11,140,543)
Net debts	168,094,881	151,836,938	51,380,346	49,173,762
Capital				
Equity attributable to owners of the Company	277,200,786	268,466,629	204,420,677	201,762,734
Capital and net debts	445,295,667	420,303,567	255,801,023	250,936,496
Gearing ratio	38%	36%	20%	20%

34. SIGNIFICANT EVENT

The Company had announced the proposed establishment of a long term incentive plan ("Proposed LTIP"), which comprises the proposed employee share option scheme ("Proposed ESOS") and the proposed share grant plan ("Proposed SGP") of up to 15% of the issued share capital of the Company (excluding treasury shares, if any) at any point in time during the duration of the Proposed LTIP, for the eligible employees and Directors (executive and non-executive) of the Company and its subsidiaries which are not dormant. The Proposed LTIP is intended to allow the Company to attract, retain, motivate and reward the eligible Directors and employees who fulfil the eligibility criteria for participation subject to the terms and conditions as set out in the By-Laws governing the Proposed LTIP. On 10 January 2024, an Extraordinary General Meeting was held and all resolutions as set out in the Circular to Shareholders in relation to the I. Proposed Establishment of the Proposed LTIP up to 15% of the total number of issued shares; and II. Proposed Allocation of LTIP Award to the eligible Directors and Major Shareholders were duly passed and carried.

Management has not granted any Employee Share Option Scheme ("ESOS") during the financial year.

LIST OF PROPERTIES HELD

AS AT 31 DECEMBER 2024

Landed properties in the Group consist of:

	Location	Description	Area	Tenure (Year Expiring)	Age of Building	Carrying Amount (RM)
A.	Leasehold					
1	Lot 228 Melaka Tengah Jalan Tun Mutahir 75300 Melaka	Vacant Land	9,440 sq. ft.	2061	N/A	329,742
2	Provisional Lease Block 31, Lot 10 Punan Land District Sarawak	Oil Palm Plantation with Office/ Store/Worker Quarters	10,661 hectares	2057	24 years	14,999,503
	Lease of State Land Block 67, Lot 1 Dulit Land District Sarawak	Oil Palm Plantation	210.5 hectares	2057	N/A	
Grand Total						15,329,245

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2025

Number of Shares Issued : 303,877,387
 Class of Shares : Ordinary Shares
 Voting Rights : One Vote Per Ordinary Share
 No. of shareholders : 3,902

DISTRIBUTION OF SHAREHOLDINGS as at 8 April 2025

Category	No. of Shareholders	No. of Shares	Percentage %
Less than 100	129	3,501	0.00
100 - 1,000	851	716,372	0.24
1,001 - 10,000	1,636	8,741,323	2.88
10,001 - 100,000	1,086	37,361,410	12.29
100,001 - less than 5% of issued shares	197	130,872,656	43.07
5% and above of issued shares	3	126,182,125	41.52
Total	3,902	303,877,387	100.00

LIST OF SUBSTANTIAL SHAREHOLDINGS as at 8 April 2025

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Seng Hoe & Choong Corporation Sdn. Bhd.	22,000,000	7.24	360,000 ⁷	0.12
2	Tunas Selatan Sdn. Bhd.	77,000,000	25.34	360,000 ⁷	0.12
3	UOB Kay Hian Securities (M) Sdn. Bhd.	27,182,125	8.95	-	-
4	Dato' Choo Keng Weng	23,264,293 ¹	7.66	38,046,500 ^{2, 3, 4, 5 & 7}	12.52
5	Tan Sri Dato' Sri Haji Esa bin Haji Mohamed	4,338,989	1.43	89,760,000 ^{3, 6 & 7}	29.54
6	Choo Kin Choong	-	-	61,310,793 ⁸	20.18

Notes:

- ¹ Includes shares held by nominees.
- ² Deemed interest in shares held by Best Acres Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ³ Deemed interest in shares held by Goldquest Properties Pty Limited by virtue of Section 8 of the Companies Act 2016.
- ⁴ Deemed interest in shares held by Macronet Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁵ Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁶ Deemed interest in shares held by Tunas Selatan Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁷ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁸ Deemed interest in shares held through Dato' Choo Keng Weng, Best Acres Sdn. Bhd., Goldquest Properties Pty Limited, Macronet Sdn. Bhd., Seng Hoe & Choong Corporation Sdn. Bhd., and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2025

(CONT'D)

LIST OF TOP 30 SHAREHOLDERS/DEPOSITORS as at 8 April 2025

No.	Name	No. of Shares held	Percentage (%)
1	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Tunas Selatan Sdn. Bhd.	77,000,000	25.34
2	UOB Kay Hian Securities (M) Sdn. Bhd. IVT	27,182,125	8.95
3	Seng Hoe & Choong Corporation Sdn. Bhd.	22,000,000	7.24
4	Choo Keng Weng	15,083,793	4.96
5	Goldquest Properties Pty Limited	12,400,000	4.08
6	RHB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Leong Kok Wah	9,566,800	3.15
7	Tee Tiam Lee	8,550,500	2.81
8	Citigroup Nominees (Tempatan) Sdn. Bhd. UBS AG Singapore for Choo Keng Weng	7,478,500	2.46
9	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Kuala Lumpur Medical Centre Sdn. Bhd.	7,000,000	2.30
10	Maybank Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Esa Bin Mohamed	4,338,989	1.43
11	Mercsec Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Macronet Sdn. Bhd.	2,925,000	0.96
12	Geoffrey Lim Fung Keong	2,604,000	0.86
13	Leong Kok Wah	2,500,000	0.82
14	Gan Hong Liang	2,178,800	0.72
15	RHB Capital Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Su Ming Ming	2,052,000	0.68
16	Lim Chin Lee	2,000,000	0.66
17	Loh Lai Kim	1,928,600	0.64
18	Ma Boon Lan	1,570,000	0.52
19	Maybank Nominees (Tempatan) Sdn. Bhd. Panirchellvum A/L Velaitham	1,500,100	0.49
20	Lee Vee Min	1,185,000	0.39
21	Ngo Seh Tee	1,100,000	0.36
22	Soh Eng Joo	1,082,100	0.36
23	CGS International Nominees Malaysia (Tempatan) Sdn. Bhd. Pledged Securities Account for Ng Geok Wah (B BRKlang-CI)	845,000	0.28
24	Maybank Securities Nominees (Tempatan) Sdn. Bhd. Maybank Securities Pte Ltd for Eng Holdings Sdn. Bhd.	838,553	0.28
25	HLB Nominees (Tempatan) Sdn. Bhd. Pledged Securities Account for Wong Ah Kim	799,700	0.26
26	Loo Kiat Hoo	750,000	0.25
27	Citigroup Nominees (Asing) Sdn. Bhd. Exempt An for OCBC Securities Private Limited (Client A/C-NR)	727,671	0.24
28	Murugan A/L Subeh @ Joseph	716,000	0.24
29	Tan Chai Kiang	712,000	0.23
30	Lee Lai Leng	695,600	0.23
Total		219,310,831	72.17

ANALYSIS OF SHAREHOLDINGS

AS AT 8 APRIL 2025

(CONT'D)

DIRECTORS' INTEREST IN SHARES

as at 8 April 2025

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Mak Hon Weng	-	-	-	-
2	Dato' Choo Keng Weng	23,264,293 ¹	7.66	38,046,500 ^{2, 3, 4, 5 & 6}	12.52
3	Choo Kin Choong	-	-	61,310,793 ⁷	20.18
4	Thomas Tuan Kit Kwong	-	-	-	-
5	Tunku Azlan bin Tunku Aziz	-	-	-	-
6	Erna Syafina binti Abdul Rahman	-	-	-	-

Notes:

- ¹ Includes shares held by nominees.
- ² Deemed interest in shares held by Best Acres Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ³ Deemed interest in shares held by Goldquest Properties Pty Limited by virtue of Section 8 of the Companies Act 2016.
- ⁴ Deemed interest in shares held by Macronet Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁵ Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁶ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.
- ⁷ Deemed interest in shares held through Dato' Choo Keng Weng, Best Acres Sdn. Bhd., Goldquest Properties Pty Limited, Macronet Sdn. Bhd., Seng Hoe & Choong Corporation Sdn. Bhd., and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016.

ANALYSIS OF SHAREHOLDINGS

IRREDEEMABLE CONVERTIBLE PREFERENCE SHARES ("ICPS") AS AT 8 APRIL 2025

Total Number of shares issued : 109,000,000 ICPS

LIST OF SUBSTANTIAL SHAREHOLDINGS as at 8 April 2025

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Seng Hoe & Choong Corporation Sdn. Bhd.	12,000,000	11.01	55,000,000 ¹	50.46
2	Tunas Selatan Construction Sdn. Bhd.	55,000,000	50.46	-	-
3	Tunas Selatan Sdn. Bhd.	42,000,000	38.53	55,000,000 ¹	50.46

Notes:

¹ Deemed interest in shares held by Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

LIST OF SHAREHOLDERS as at 8 April 2025

No.	Name	No. of Shares	%
1	Seng Hoe & Choong Corporation Sdn. Bhd.	12,000,000	11.01
2	Tunas Selatan Construction Sdn. Bhd.	55,000,000	50.46
3	Tunas Selatan Sdn. Bhd.	42,000,000	38.53

DIRECTORS' INTEREST IN SHARES as at 8 April 2025

No.	Name	Direct		Indirect	
		No. of Shares	%	No. of Shares	%
1	Mak Hon Weng	-	-	-	-
2	Dato' Choo Keng Weng	-	-	67,000,000 ¹	61.47
3	Choo Kin Choong	-	-	67,000,000 ²	61.47
4	Thomas Tuan Kit Kwong	-	-	-	-
5	Tunku Azlan bin Tunku Aziz	-	-	-	-
6	Erna Syafina binti Abdul Rahman	-	-	-	-

Notes:

¹ Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 of the Companies Act 2016.

² Deemed interest in shares held by Seng Hoe & Choong Corporation Sdn. Bhd. and Tunas Selatan Construction Sdn. Bhd. by virtue of Section 8 and Section 59(11)(c) of the Companies Act 2016.

NOTICE OF SIXTY-THIRD (63RD) ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Third (63rd) Annual General Meeting ("AGM") of Sin Heng Chan (Malaya) Berhad ("SHC" or the "Company") will be held at Function Room 1 & 2, Kuala Lumpur Golf & Country Club (KLGCC), 10, Jalan 1/70 D, Bukit Kiara, 60000 Kuala Lumpur, Federal Territory of Kuala Lumpur on Wednesday, 28 May 2025 at 9.00 a.m. for the following purposes:

AGENDA

AS ORDINARY BUSINESS

1. To receive the Audited Financial Statements for the financial year ended 31 December 2024 together with the Directors' and Auditors' Reports thereon. **Please refer to Note 1**
2. To approve the payment of Directors' fees and benefits payable up to RM350,000.00 for the period from the conclusion of the 63rd Annual General Meeting until the conclusion of the 64th Annual General Meeting. **Ordinary Resolution 1**
3. To re-elect Mr. Thomas Tuan Kit Kwong who retires in accordance with Article 94 of the Constitution of the Company and being eligible, has offered himself for re-election. **Ordinary Resolution 2**
4. To re-elect YBHG. Dato' Choo Keng Weng who retires in accordance with Article 94 of the Constitution of the Company and being eligible, has offered himself for re-election. **Ordinary Resolution 3**
5. To re-appoint Messrs Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 4**

AS SPECIAL BUSINESS

To consider, and if thought fit, to pass the following Resolutions:

6. **RETENTION OF INDEPENDENT DIRECTOR** **Ordinary Resolution 5**
 To retain Mr. Mak Hon Weng who has served the Board for more than nine (9) years as Independent Non-Executive Director of the Company.
7. **AUTHORITY TO ISSUE SHARES BY THE COMPANY PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT 2016** **Ordinary Resolution 6**
 "THAT subject always to the Companies Act 2016 ("the Act"), the Constitution of the Company and approvals from Bursa Malaysia Securities Berhad ("Bursa Securities") and any other governmental/regulatory authorities, the Directors of the Company be and are hereby empowered, pursuant to Sections 75 and 76 of the Act, to issue shares in the Company at any time and upon such terms and conditions and for such purposes as the Directors of the Company may, in their absolute discretion, deem fit provided that the aggregate number of shares to be issued pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company at the time of submission to the authority AND THAT the Directors of the Company be and are hereby empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Securities AND THAT such authority shall continue to be in force until the conclusion of the next AGM of the Company.

 AND THAT pursuant to Section 85 of the Act, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new Company shares ranking equally to the existing issued Company shares arising from any issuance of the new Company shares pursuant to Sections 75 and 76 of the Act."

NOTICE OF SIXTY-THIRD (63RD) ANNUAL GENERAL MEETING (CONT'D)

8. **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE**

Ordinary Resolution 7

"THAT the Company and/or its subsidiaries ("the Group") be and is/are hereby authorised to enter into all arrangements and/or transactions involving the interests of Directors, Major Shareholders or persons connected with Directors and/or Major Shareholders of the Group ("Related Parties") as specified in Section 2.2.1 of the Circular to Shareholders dated 30 April 2025 ("Circular"), provided that such arrangements and/or transactions are:

- (i) recurrent transactions of a revenue or trading nature;
- (ii) necessary for the Group's day-to-day operations;
- (iii) carried out in the ordinary course of business on normal commercial terms not more favourable to the Related Parties than those generally available to the public; and
- (iv) not detrimental to the minority shareholders.

('Recurrent Related Party Transaction ("RRPT") Mandate');

AND THAT the RRPT Mandate, unless revoked or varied by the Company in general meeting, shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier;

AND FURTHER RESOLVED THAT the Directors be and are hereby authorised to complete and do all such acts and things as they may consider expedient or necessary or in the interest of the Company to give effect to the RRPT Mandate."

9. To transact any other business which may properly be transacted at an AGM for which due notice shall have been given.

By order of the Board,

LIM SECK WAH

(MAICSA 0799845)

(SSM PC No. 202008000054)

KONG MEI KEE

(MAICSA 7039391)

(SSM PC No. 202008002882)

Company Secretaries

Kuala Lumpur

Dated this: 30 April 2025

NOTICE OF SIXTY-THIRD (63RD) ANNUAL GENERAL MEETING (CONT'D)

Notes:

1. This Agenda is meant for discussion only as under the provisions of Section 340(1)(a) of the Companies Act 2016, the Audited Financial Statements do not require formal approval of the shareholders. As such this item on the Agenda is not put forward for voting.
2. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 21 May 2025. Only a depositor whose name appears on the Record of Depositors as at 21 May 2025 shall be entitled to attend the said Meeting or appoint proxies to attend, speak and vote on his/her behalf.
3. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
4. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
5. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
6. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
7. The Proxy Form must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email to mega-sharereg@megacorp.com.my or via facsimile at 03-2732 5388, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.
8. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirements of Bursa Securities.
9. **Explanatory Notes:**

Ordinary Resolution 1 on Directors' Fees and Benefits

Section 230(1) of the Companies Act 2016 provides that the fees of the Directors and any benefits payable to the Directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, shareholders' approval shall be sought at the 63rd AGM on the Directors' fees and benefits under resolution 1.

The Directors' benefits comprising travelling, meeting allowance and benefits in-kind.

Ordinary Resolution 5 on Retention of Independent Director

The Board of Directors has vide the Nomination and Remuneration Committee conducted an assessment of independence of Mr. Mak Hon Weng who has served as Independent Non-Executive Director for a cumulative term of more than nine (9) years and recommended him to continue to act as Independent Non-Executive Director based on the following justifications:

- (a) He fulfilled the criteria under the definition of an Independent Director, as stipulated in the Main Market Listing Requirements of Bursa Securities and thus, he would be able to function as check and balance, provides a broader view and brings an element of objectivity to the Board;
- (b) His years of experience in banking industry enabled him to provide the Board with a diverse set of experience, expertise, and independent judgement; and
- (c) He has performed his duty diligently and in the best interest of the Company and provides a broader view, independent and balanced assessment of proposal from the Management.

Pursuant to the Malaysian Code on Corporate Governance, the Company would apply the two-tier voting process in seeking shareholders' approval to retain Independent Director beyond nine (9) years of tenure.

NOTICE OF SIXTY-THIRD (63RD) ANNUAL GENERAL MEETING (CONT'D)

Ordinary Resolution 6 on Authority to Issue Shares by the Company pursuant to Sections 75 and 76 of the Companies Act 2016

The proposed Ordinary Resolution 6 is to seek mandate from its members to waive the pre-emptive right pursuant to Section 85 of the Companies Act 2016 and to give flexibility to the Board of Directors to issue and allot shares at any time in their absolute discretion and for such purposes as they consider would be in the interest of the Company without convening a general meeting.

The Company continues to consider opportunities to broaden its earnings potential. If any of the expansion/diversification proposals involves the issue of new shares, the Directors, under certain circumstance when the opportunity arises, would have to convene a general meeting to approve the issue of new shares even though the number involved may be less than ten percent (10%) of the total number of the issued shares.

In order to avoid any delay and costs involved in convening a general meeting to approve such issue of shares, it is thus considered appropriate that the Directors be empowered to issue shares in the Company, up to any amount not exceeding in total ten percent (10%) of the total number of issued shares of the Company. The authority will provide flexibility to the Company for the issuance of shares for the purpose of the possible fund-raising activities for the purpose of funding future project/investment, working capital and/or acquisitions. This authority, unless revoked or varied at a general meeting will expire at the conclusion of the next AGM of the Company.

The Company did not issue any ordinary shares during the financial year ended 31 December 2024.

Ordinary Resolution 7 on Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This resolution is primarily to give flexibility to the Board of Directors to enter into recurrent related party transactions of revenue or trading nature with the Directors/Major Shareholders or persons connected with the Directors/Major Shareholders ("Renewal RRPT Mandate").

Further information of Renewal RRPT Mandate is contained in the Circular to Shareholders dated 30 April 2025.

STATEMENT ACCOMPANYING THE NOTICE OF ANNUAL GENERAL MEETING

Details of the Directors who are standing for re-election at this AGM can be found on pages 4 and 5 Profile of Directors in the Company's Annual Report 2024.

Mr. Thomas Tuan Kit Kwong and YBHG. Dato' Choo Keng Weng, the Directors are retiring in accordance with Article 94 of the Constitution of the Company and eligible for re-election at the forthcoming 63rd AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

**SIN HENG CHAN (MALAYA) BERHAD**Registration No. 196201000185 (4690-V)
(Incorporated in Malaysia)**PROXY FORM**

(Before completing this form, please refer to the notes)

CDS Account No.	:	
No. of Shares Held	:	

I/We* _____ NRIC/Passport/Registration No.* _____
(Full name in block)of _____
(Address)

with email address _____ mobile phone no. _____

being a member/members* of **SIN HENG CHAN (MALAYA) BERHAD** ("the Company") hereby appoint(s):

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings %
Address		
Email Address		
Mobile Phone No.		

and/or*

Full Name (in Block)	NRIC/Passport No.	Proportion of Shareholdings %
Address		
Email Address		
Mobile Phone No.		

or failing him/her, the Chairman of the Meeting as *my/our proxy to attend, speak and vote for *my/our behalf at the Sixty-Third (63rd) Annual General Meeting of the Company to be held at Function Room 1 & 2, Kuala Lumpur Golf & Country Club (KLGCC), 10, Jalan 1/70 D, Bukit Kiara, 60000 Kuala Lumpur, Federal Territory of Kuala Lumpur on Wednesday, 28 May 2025 at 9.00 a.m. or any adjournment thereof in the manner as indicated below:

RESOLUTIONS RELATING TO:		FIRST PROXY		SECOND PROXY	
		FOR	AGAINST	FOR	AGAINST
ORDINARY RESOLUTION					
1.	Approval of payment of Directors' fees and benefits payable up to RM350,000.00 for the period from the conclusion of the 63 rd Annual General Meeting until the conclusion of the 64 th Annual General Meeting.				
2.	Re-election of Mr. Thomas Tuan Kit Kwong as a Director retiring under the Constitution of the Company.				
3.	Re-election of YBHG. Dato' Choo Keng Weng as a Director retiring under the Constitution of the Company.				
4.	Re-appointment of Messrs Al Jafree Salihin Kuzaimi PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.				
SPECIAL BUSINESS					
ORDINARY RESOLUTION					
5.	Retention of Mr. Mak Hon Weng as an Independent Non-Executive Director.				
6.	Authority to issue shares pursuant to Sections 75 and 76 of the Companies Act, 2016.				
7.	Proposed renewal of shareholders' mandate for recurrent related party transactions of a revenue or trading nature.				

Please indicate with a "/" or "X" in the space provided how you wish your vote to be cast. If no instruction as to voting is given, the proxy will vote or abstain from voting at his/her discretion.

Signature of Shareholder(s)/Common Seal

Signed this _____ day of _____ 2025

* Strike out whichever is not desired.

Notes:

1. For the purpose of determining a member who shall be entitled to attend, speak and vote at the AGM, the Company shall be requesting the Record of Depositors as at 21 May 2025. Only a depositor whose name appears on the Record of Depositors as at 21 May 2025 shall be entitled to attend the said Meeting or appoint proxies to attend, speak and vote on his/her behalf.
2. A member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his/her stead. A member may appoint up to two (2) proxies to attend the same meeting provided that he/she specifies the proportion of his/her shareholding to be represented by each proxy. A proxy may but need not be a member of the Company.
3. Where a member is an authorised nominee as defined under the Securities Industry (Central Depositories) Act 1991, it may appoint at least one (1) proxy but not more than two (2) proxies in respect of each securities account it holds with ordinary shares of the Company standing to the credit of the said securities account.
4. Where a member is an exempt authorised nominee, it may appoint multiple proxies for each omnibus account it holds.
5. The instrument appointing a proxy shall be in writing under the hand of the appointer or his/her attorney duly authorised in writing or, if the appointer is a corporation, either under the Corporation's Common Seal or under the hand of an officer or attorney so authorised.
6. The Proxy Form must be deposited at the office of the Poll Administrator, Mega Corporate Services Sdn. Bhd. situated at Level 15-2, Bangunan Faber Imperial Court, Jalan Sultan Ismail, 50250 Kuala Lumpur or submitted via email to mega-sharereg@megacorp.com.my or via facsimile at 03-2732 5388, not less than forty-eight (48) hours before the time set for holding the Meeting or any adjournment thereof.
7. All resolutions set out in this Notice of AGM will be put to vote by way of poll pursuant to Paragraph 8.29A(1) of the Main Market Listing Requirement of Bursa Malaysia Securities Berhad.
8. By submitting the duly executed Proxy Form, a member and his/her proxy consent to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010 for this Meeting and any adjournment thereof.

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AFFIX
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The Poll Administrator

SIN HENG CHAN (MALAYA) BERHAD
REGISTRATION NO. 196201000185 (4690-V)
C/O MEGA CORPORATE SERVICES SDN. BHD.

Level 15-2, Bangunan Faber Imperial Court
Jalan Sultan Ismail
50250 Kuala Lumpur
Wilayah Persekutuan



SIN HENG CHAN (MALAYA) BERHAD

Registration No. 196201000185 (4690-V)
(Incorporated in Malaysia)

TO : Sin Heng Chan (Malaya) Berhad
Level 3, Wisma E&C,
No. 2, Lorong Dungun Kiri,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

Contact Person : Ms. Shahira/Ms. Shew

Email : cosec@shcm.com.my

Tel No. : 60 (3) 2094 7992

Fax No. : 60 (3) 2094 7996

Please send me a copy of the following report(s) of Sin Heng Chan (Malaya) Berhad which is/are ticked on the relevant box(es) below:

☐

Annual Report 2024

☐

Circular To Shareholders In Relation To Proposed Renewal of Existing Shareholders' Mandate For Recurrent Related Party Transactions of A Revenue or Trading Nature

Particulars of Shareholder

Name of Shareholder : _____

Mailing Address : _____

NRIC/Passport/Registration No. : _____

CDS Account No. : _____

Email Address : _____

Contact No. : _____

Signature

Date :

Note:

We shall forward a printed copy of the Annual Report 2024 and/or Circular to Shareholders on RRPT as soon as reasonably practicable upon receipt of your written request.

Fold This Flap For Sealing

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Sin Heng Chan (Malaya) Berhad

Level 3, Wisma E&C,
No. 2, Lorong Dungun Kiri,
Damansara Heights,
50490 Kuala Lumpur,
Wilayah Persekutuan.

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www.shcm.com.my



SIN HENG CHAN (MALAYA) BERHAD

(Reg. No. 196201000185 (4690-V))
(Incorporated in Malaysia)

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Malaysia
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