



MHC Plantations Bhd.

[196001000393 (4060-V)]

(Incorporated in Malaysia)

ANNUAL REPORT

2024

Road towards
Excellence

TABLE OF CONTENTS

Business Overview

Notice of Annual General Meeting	02
Corporate Information	06
Corporate Structure	07
Profile of Directors	08
Profile of Key Senior Management	12
Chairman's Statement	14
Penyataan Pengerusi	16

Performance Review

Five-Year Financial Highlights	18
Five-Year Plantation Statistics	19
Management's Discussion and Analysis	20

Sustainability Statement

Sustainability Statement	24
--------------------------	----

Governance

Corporate Governance Overview Statement	40
Statement of Directors' Responsibility	50
Statement on Risk Management and Internal Control	51
Audit Committee Report	54
Additional Compliance Information	56



FINANCIAL STATEMENTS

Directors' Report	57
Statement by Directors & Statutory Declaration	61
Independent Auditors' Report to the Members of MHC Plantations Bhd.	62
Statements of Profit or Loss and Other Comprehensive Income	68
Statements of Financial Position	69
Statements of Changes In Equity	70
Statements of Cash Flows	73
Notes to the Financial Statements	76

Additional Information

List of Properties	129
Statement of Shareholdings	133
Form of Proxy	



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Fifth (65th) Annual General Meeting (“**65th AGM** and/or “**AGM**”) of the Company will be held at Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak, Malaysia on Friday, 23 May 2025 at 11.30 a.m. for the following purposes of considering and, if thought fit, passing the resolutions, with and without any modifications:

AGENDA

AS ORDINARY BUSINESS:	ORDINARY RESOLUTION NO.
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 2
2. To approve the payment of Directors’ benefits payable to Non-Executive Directors up to RM180,000 from the 65th AGM until the next AGM of the Company.	1
3. To re-elect the following Directors retiring in accordance with the Company’s Constitution:	
3.1 Tan Sri Dr. Mah King Thian	2
3.2 Puan Wan Salmah Binti Wan Abdullah	3
4. To re-appoint Messrs PKF PLT as Auditors of the Company to hold office until the next AGM and to authorise the Directors to fix their remuneration.	4

As **SPECIAL BUSINESS**, to consider and, if thought fit, with or without any modification, to pass the following resolutions:

5. **PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016** **5**

“THAT pursuant to Sections 75 and 76 of the Companies Act, 2016 (“the Act”), the Directors be and are hereby empowered to allot and issue shares in the Company at any time and from time to time until the conclusion of the next AGM and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided the aggregate number of shares to be issued does not exceed ten per centum (10%) of the total number of issued shares of the Company at the time of issue, subject always to the Constitution of the Company and approval of all relevant regulatory bodies being obtained for such allotment and issuance.

THAT pursuant to Section 85 of the Act, read together with Article 10 of the Constitution of the Company, approval be and is hereby given to waive the statutory pre-emptive rights of the shareholders of the Company to be offered new shares ranking equally to the existing issued shares of the Company arising from issuance of new shares pursuant to this Mandate.

AND THAT the Directors of the Company be and are also empowered to obtain the approval for the listing of and quotation for the additional shares so issued on Bursa Malaysia Securities Berhad AND FURTHER THAT such authority shall commence immediately upon the passing of this Resolution and continue to be in force until the conclusion of the next AGM of the Company.”

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act, 2016.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the Record of Depositors as at **15 May 2025** shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.

By Order of the Board

CHAN MAY YOKE
(SSM PC No. 202008002012)
(MAICSA 7019010)

Chartered Secretary

Perak Darul Ridzuan
23 April 2025

Notes:

1. PROXY

A member, other than an exempt authorised nominee is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him/her. A proxy must be 18 years and above and need not be a member of the Company.

Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.

Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.

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 seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.

The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603) 78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.

For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.

2. AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Agenda 1 is meant for discussion only as Section 340(1)(a) of the Companies Act, 2016 only requires the Audited Financial Statements to be laid before the Company at the AGM and does not require shareholders' approval. Hence, this Agenda is not put forward for voting.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes: (Cont'd)

3. DIRECTORS' BENEFITS TO NON-EXECUTIVE DIRECTORS

Section 230(1) of the Companies Act, 2016 provides amongst others, that "fees" of the Directors and "any benefits" payable to Directors of a listed company and its subsidiaries shall be approved at a general meeting. Pursuant thereto, shareholders' approval is sought for this payment in Ordinary Resolution 1 for Payment of Directors' benefits to Non-Executive Directors from the 65th AGM until the next AGM of the Company. The summary of the aforesaid payment is as follows:

Description	Non-Executive Directors
Monthly Allowance	RM3,500 per month
Meeting Allowance	RM1,000 per meeting

Note: The Directors' benefits payable to the Non-Executive Directors of the Company would be calculated based on the current composition of the Board and Board Committees and the number of meetings scheduled for the Board and Board Committees and includes all benefits payable to the Directors, such as meeting allowances, committees' fees, subsidiaries' directors' fees, etc.

4. RE-ELECTION OF DIRECTORS

Tan Sri Dr. Mah King Thian and Puan Wan Salmah Binti Wan Abdullah who retire by rotation are standing for re-election as Directors of the Company and being eligible, have offered themselves for re-election at this 65th AGM.

The Board has via the Nomination Committee had conducted an assessment on the effectiveness and contributions of the abovesaid retiring Directors including their skills, experience, competency and time commitments, and has recommended for them to be re-elected to the Board. The profiles of the retiring Directors are set out in the Profile of Directors of the Annual Report 2024.

5. RE-APPOINTMENT OF EXTERNAL AUDITORS ("EA")

The Audit Committee ("AC") has carried out an assessment of the suitability and independence of the EA, which included an assessment of the engagement teams' qualifications, credentials and experience, audit work approach and performance of the work within MHC Group's timeline by completing an assessment questionnaire.

The AC in its assessment found Messrs PKF PLT to be sufficiently objective and independent and was satisfied with the suitability based on the quality of audit, performance and resources in terms of their audit team provided to the Group.

The Board, therefore, approved the AC's recommendation that the re-appointment of Messrs PKF PLT as External Auditors of the Company for the financial year ending 31 December 2025 be put forward for the shareholders' approval at the AGM.

6. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016

The proposed Ordinary Resolution 5 is a renewal of the general mandate for issuance of shares by the Company under Sections 75 and 76 of the Companies Act, 2016. The mandate, if passed, will empower the Directors from the date of the above AGM until the next AGM, to allot and issue up to a maximum of 10% of the total number of issued shares of the Company at the time of issue (other than bonus or rights issue) for such purposes as they consider would be in the best interest of the Company. This would eliminate any delay arising from and cost involved in convening a general meeting to obtain approval of the shareholders for such issuance of shares. This authority will unless revoked or varied by the Company at a general meeting, will expire at the next AGM of the Company.

NOTICE OF ANNUAL GENERAL MEETING (Cont'd)

Notes: (Cont'd)

6. PROPOSED AUTHORITY TO ALLOT AND ISSUE SHARES IN GENERAL PURSUANT TO SECTIONS 75 AND 76 OF THE COMPANIES ACT, 2016 (CONT'D)

The general mandate sought for allotment and issue of shares is a renewal of the general mandate sought in the preceding year. As at the date of Notice, no new shares in the Company were issued pursuant to the mandate granted to the Directors at the Sixty-Fourth (64th) AGM held on 24 May 2024 and hence no proceeds were raised therefrom. The general mandate will provide flexibility to the Company for any possible fundraising activities, including but not limited to placing of shares for purpose of funding future investment project(s), working capital and/or acquisitions.

At this juncture, there is no decision to issue new shares. If there should be a decision to issue new shares after the general mandate is sought, the Company will make an announcement in respect thereof.

ANNUAL REPORT 2024 AND CORPORATE GOVERNANCE REPORT 2024

The Annual Report 2024 and Corporate Governance Report 2024 may be downloaded at www.mhc.com.my

CORPORATE INFORMATION

DIRECTORS

Dato' Seri Mah King Seng
(Executive Chairman)

Tan Sri Dr. Mah King Thian
(Managing Director)

Wan Salmah Binti Wan Abdullah
(Non-Independent Non-Executive Director)

Heng Beng Fatt
(Independent Non-Executive Director)

Dato' TPr. Suki Mee
(Independent Non-Executive Director)

Mah Li-Na
(Alternate Director to Dato' Seri Mah King Seng)

Mah Siu Wen
(Alternate Director to Tan Sri Dr. Mah King Thian)
(appointed on 21 November 2024)

AUDIT COMMITTEE

Heng Beng Fatt (Chairman)
Wan Salmah Binti Wan Abdullah
Dato' TPr. Suki Mee

EXECUTIVE COMMITTEE

Datin Seri Ooi Ah Thin (Chairperson)
Dato' Seri Mah King Seng
Tan Sri Dr. Mah King Thian

NOMINATION COMMITTEE

Dato' TPr. Suki Mee (Chairman)
Wan Salmah Binti Wan Abdullah
Heng Beng Fatt

REMUNERATION COMMITTEE

Tan Sri Dr. Mah King Thian (Chairman)
Heng Beng Fatt
Dato' TPr. Suki Mee

COMMITTEE TO REVIEW PRESS OR PUBLIC ANNOUNCEMENTS

Dato' Seri Mah King Seng
Tan Sri Dr. Mah King Thian

REGISTERED OFFICE

Kompleks Pejabat Behrang 2020
Jalan Persekutuan 1
35900 Tanjung Malim
Perak Darul Ridzuan
Malaysia
Tel. No. +605-4590001/2
Fax No. +605-4590003
E-mail address: admin@mhc.com.my

PRINCIPAL PLACE OF BUSINESS

Kompleks Pejabat Behrang 2020
Jalan Persekutuan 1
35900 Tanjung Malim
Perak Darul Ridzuan
Malaysia
Tel. No. +605-4590001/2
Fax No. +605-4590003
Website: <https://www.mhc.com.my>
E-mail address: admin@mhc.com.my

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
Malaysia
Tel. No. +603-78904700
Fax No. +603-78904670
E-mail address:
bsr.helpdesk@boardroomlimited.com

COMPANY SECRETARY

Chan May Yoke
(SSM PC No. 202008002012)
(MAICSA 7019010)

AUDITORS

Messrs PKF PLT
Lot 23-1 & 25-1, 1st Floor
Lintas Plaza
Lorong Lintas Plaza
88300 Kota Kinabalu
Sabah, Malaysia
Tel. No. +6088-266723
Fax No. +6088-267721

PRINCIPAL BANKERS

Ambank (M) Berhad
Malayan Banking Berhad
Public Bank Berhad
RHB Bank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : 5026
Stock Short Name : MHC

COUNTRY OF INCORPORATION

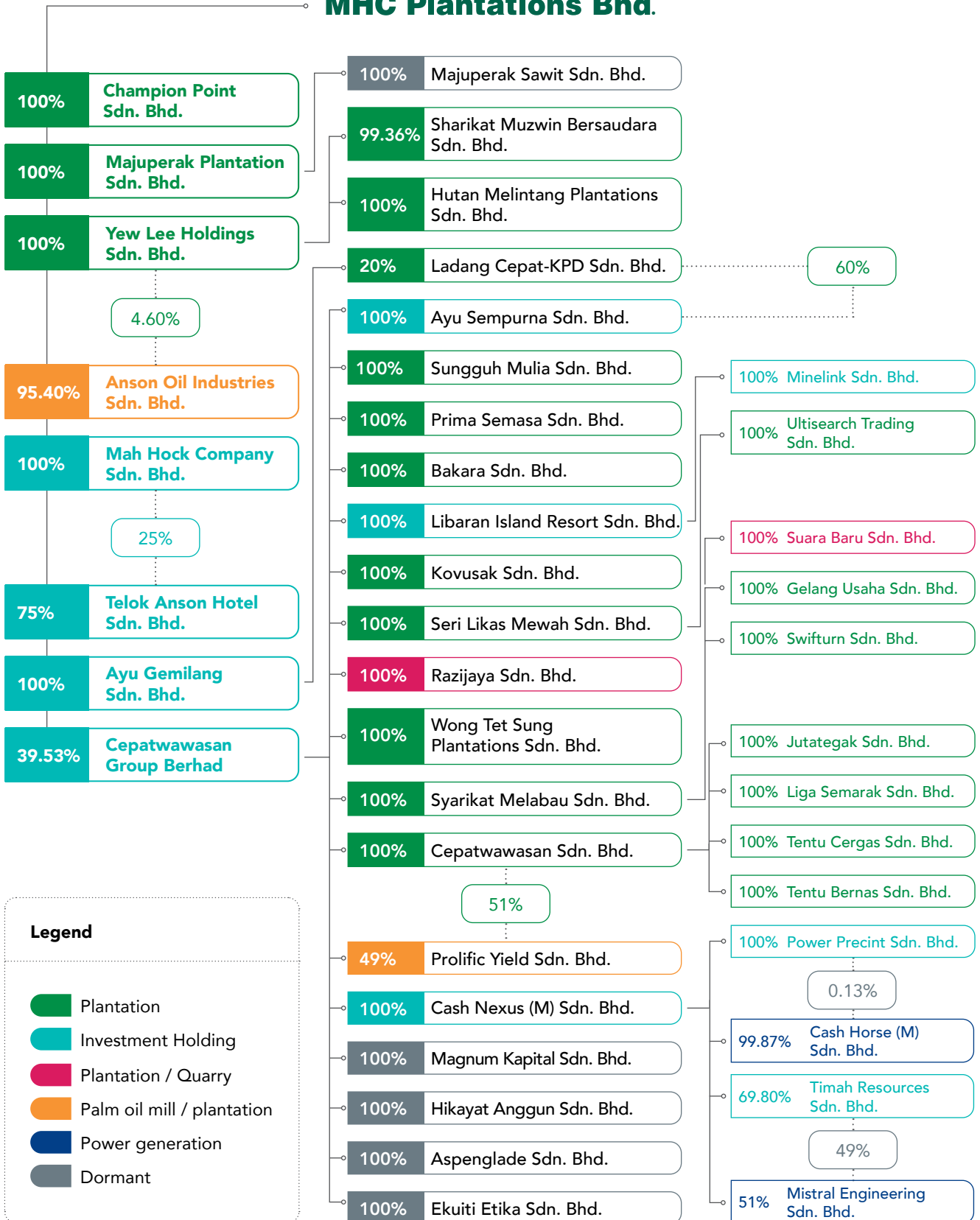
Malaysia



CORPORATE STRUCTURE



MHC Plantations Bhd.



Legend

- Plantation
- Investment Holding
- Plantation / Quarry
- Palm oil mill / plantation
- Power generation
- Dormant

PROFILE OF DIRECTORS



DATO' SERI MAH KING SENG

Executive Chairman

Aged 66, Male, Malaysian

- Dato' Seri Mah King Seng joined the Board of Directors on 20 September 1978. He was appointed as an Executive Chairman on 13 July 2005.
- He is also a member of the Executive Committee and the Committee for the review of press releases or public announcements.
- He joined the Company in 1978 after graduating from the University of Minnesota, United States of America with a degree in Agricultural Science and has been with the Group since then, garnering more than twenty years' experience in managing the operations of the Group's estates, mills and hotel. In 1980, he attended the Palm Oil Mill Engineer/Executive Training course on palm oil mill operations organised by the Malaysian Oil Palm Growers Council. He subsequently obtained his Bachelor of Law Degree in 1985 from the University of Buckingham, United Kingdom and was admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1990.
- He is a Director of Behrang 2020 Sdn. Bhd. and several other private limited companies. He is also the Managing Director of Cepatwawasan Group Berhad, a company listed on the Main Market of Bursa Securities. He is also the Managing Director of Timah Resources Limited, an Australian incorporated company listed on the Australian Securities Exchange.
- He is a son of Datin Seri Ooi Ah Thin who is a Director and substantial shareholder of Dato Mah Pooi Soo Realty Sdn. Bhd. ("DMR"), a major shareholder of the Company, and the elder brother of Tan Sri Dr. Mah King Thian, the Managing Director of the Company, who is also a Director and substantial shareholder of DMR.
- Dato' Seri Mah King Seng is also a Director and substantial shareholder of DMR. He is deemed interested in certain recurrent related party transactions carried out in the ordinary course of business between the Company and its Group with the DMR group and certain privately owned companies. Save for the recurrent related party transactions, he has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He attended all the Board Meetings held during the financial year.

PROFILE OF DIRECTORS (Cont'd)

TAN SRI DR. MAH KING THIAN

Managing Director

Aged 61, Male, Malaysian

- Tan Sri Dr. Mah King Thian joined the Board of Directors on 28 December 1992. He is currently the Managing Director responsible for the Group's operations, corporate and legal affairs, accounting and finance.
- He is also a member of the Executive Committee, the Chairman of the Remuneration Committee and the Committee for the review of press releases or public announcements.
- He graduated from Monash University, Australia with a Bachelor of Economics Degree majoring in Accounting in 1986 and also a Bachelor of Laws Degree in 1987. He was subsequently admitted and enrolled as an Advocate and Solicitor of the High Court of Malaya in 1989, and he then joined the Company in the same year. He is also a Fellow Member of Certified Practising Accountant Australia (FCPA).
- In 2018, Tan Sri Dr. Mah King Thian successfully completed his postgraduate study on oil palm renewable energy businesses and was conferred the degree of Doctor of Philosophy (PhD) by the Liverpool Business School in the United Kingdom.
- He is a Director of Behrang 2020 Sdn. Bhd. and several other private limited companies. He is also the Executive Chairman of Cepadwawasan Group Berhad, a company listed on the Main Market of Bursa Securities. He is also the Executive Chairman of Timah Resources Limited, an Australian incorporated company listed on the Australian Securities Exchange.
- He is a son of Datin Seri Ooi Ah Thin who is a Director and substantial shareholder of Dato Mah Pooi Soo Realty Sdn. Bhd. ("DMR"), a major shareholder of the Company, and the younger brother of Dato' Seri Mah King Seng, the Executive Chairman of the Company, who is also a Director and substantial shareholder of DMR.
- Tan Sri Dr. Mah King Thian, is also a Director and substantial shareholder of DMR. He is deemed interested in certain recurrent related party transactions carried out in the ordinary course of business between the Company and its Group with the DMR group and certain privately owned companies. Save for the recurrent related party transactions, he has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He attended all the Board Meetings held during the financial year.



PUAN WAN SALMAH BINTI WAN ABDULLAH

Non-Independent Non-Executive Director

Aged 71, Female, Malaysian

- Puan Wan Salmah Binti Wan Abdullah was appointed to the Board on 10 July 2009 as an Independent Non-Executive Director of the Company. She was re-designated as a Non-Independent Non-Executive Director on 29 May 2023.
- She is also a member of the Audit Committee and Nomination Committee of the Company.
- She graduated from University Sains Malaysia with a Bachelor of Social Science (Hons). She has more than 20 years' experience in property development and land related matters. She began her career working with Perbadanan Kemajuan Negeri Perak (PKNP) as a Project Officer and was promoted to Director of Land and Property and Director of Land and Industrial Estate Development in 1995. She was also appointed as a Director of some of the subsidiaries of PKNP. She had previously served as a Director of Majuperak Holdings Berhad from 1995 to June 2008.
- She does not have any directorship in public companies and other listed issuers.
- She does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- She attended all the Board Meetings held during the financial year.

PROFILE OF DIRECTORS (Cont'd)



MR. HENG BENG FATT

Independent Non-Executive Director
Aged 60, Male, Malaysian

- Mr. Heng Beng Fatt was appointed to the Board on 23 July 2010 as a Non-Independent Non-Executive Director of the Company. On 10 August 2017, he was re-designated as an Independent Non-Executive Director.
- He is the Chairman of the Audit Committee and a member of the Remuneration Committee and Nomination Committee of the Company.
- He holds the qualification of Master of Business Administration from the University of Bath and is a member of the Malaysian Institute of Accountants.
- He has vast experience in accounting, finance, administration, business development and corporate affairs, having served in various capacities during his tenure with Golden Screen Cinemas Sdn. Bhd. ("GSC") namely as Chief Operating Officer of GSC Malaysia, Senior Manager - Corporate Services, Human Resources and Admin Manager, Business Development Manager, Finance and Admin Manager and Accountant. He also served as an Accountant at Avery Malaysia and Auditor at Ernst & Young. Currently, he is the Advisor - Government Liaison, Projects & Advisory of GSC.
- He also serves as a treasurer for the Malaysian Association of Film Exhibitors.
- He does not have any directorship in public companies and other listed issuers.
- He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He attended all the Board Meetings held during the financial year.

DATO' TPR. SUKI MEE

Independent Non-Executive Director
Aged 60, Male, Malaysian

- Dato' TPr. Suki Mee was appointed to the Board on 20 April 2023 as an Independent Non-Executive Director of the Company.
- He is the Chairman of the Nomination Committee and a member of the Audit Committee and Remuneration Committee of the Company.
- He holds the qualifications of a Masters in Philosophy of Development Science at Universiti Kebangsaan Malaysia and a Degree in Urban and Regional Planning at Universiti Teknologi Malaysia. He is also a corporate member of the Malaysian Institute of Planner and a registered Town Planner under the Malaysian Town Planner Board (LPBM) (Akta 538).
- He held the position of Town Planner from 1988 to 1993 in Selangor, Kuala Lumpur and Pahang respectively. From 1993 to 1999, he held the position of Assistant Director of the Urban And Rural Planning Department in Perak. He was appointed as the Chairman of Lembaga Getah Malaysia (LGM) Properties Corporation from 2009 to 2015. In 2019, he was appointed to the Board of Directors in Pembangunan Sumber Manusia Berhad (PSMB). From 2017 to 2023, he was appointed to the Board of Trustees of the Malaysia Timber Certification Council (MTCC). He has been appointed as the Board of Trustees of the Malaysia Forest Fund (MFF) from 2022 to 2024. From 2023 to 2025, he was appointed to the Board of Directors of Institut Koperasi Malaysia (IKMa). Currently, he is a Registered Town Planner at DIGI PLANNERS since March 1999. He is also actively involved in Orang Asli NGO and co-operative.
- He does not have any directorship in public companies and other listed issuers.
- He does not have any family relationship with any other Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He attended all the Board Meetings held during the financial year.

PROFILE OF DIRECTORS (Cont'd)

MS. MAH LI-NA

Alternate Director to Dato' Seri Mah King Seng
Aged 34, Female, Malaysian

- Ms. Mah Li-Na was appointed to the Board on 7 March 2018 as an Alternate Director to Dato' Seri Mah King Seng, the Executive Chairman of the Company.
- She initially graduated from the University of Melbourne, Australia with a Bachelor of Commerce, majoring in Accounting and Finance in 2010. Thereafter, she joined the Chinese Language Programme in Tsinghua University, Beijing, China to enhance her fluency in Mandarin.
- She went on to pursue her second degree, Bachelor of Laws with the University of London and completed with a Second Upper Class Honours in 2016.
- She has previously interned with KPMG Malaysia, Forensics Accounting Department in 2009, then proceeded to join the company as an Associate in 2012. During her tenure there, she participated in investigations of financial frauds and was involved in the preparation of the KPMG Fraud Survey Report then.
- She is an Alternate Director to Dato' Seri Mah King Seng in both Cepatawawasan Group Berhad, a company listed on the Main Market of Bursa Securities and Timah Resources Limited, an Australian incorporated company listed on the Australian Securities Exchange. She is also currently with Cepatawawasan Group Berhad as Management Accountant and assists the Managing Director of Cepatawawasan Group Berhad, Dato' Seri Mah King Seng in management duties.
- She is the daughter of Dato' Seri Mah King Seng who is a Director and substantial shareholder of Dato Mah Pooi Soo Realty Sdn. Bhd. ("DMR"), a major shareholder of the Company and the granddaughter of Datin Seri Ooi Ah Thin, who is also a Director and substantial shareholder of DMR. She has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

CONVICTIONS FOR OFFENCES

None of the Directors has been convicted of any offence within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.



MR. MAH SIU WEN

Alternate Director to Tan Sri Dr. Mah King Thian
Aged 29, Male, Malaysian

- Mr. Mah Siu Wen was appointed to the Board on 21 November 2024 as an Alternate Director to Tan Sri Dr. Mah King Thian, the Managing Director of the Company.
- He graduated from the University of Glasgow, United Kingdom (UK) with a BEng in Mechanical Engineering (Honours). Subsequently, he completed a MSc in Engineering with Finance at University College London (UCL), UK and was admitted to the Institute of Engineers Malaysia (IEM). He started his career in the equity research department of a Singapore based brokerage before pursuing a Master of IT in Business (Financial Technology & Analytics) at Singapore Management University (SMU), Singapore. Following which, he was offered a scholarship by the University of Melbourne's School of Engineering, Australia to complete his Master of Information Systems in one year. He then worked in Deloitte's Melbourne, Australia office as part of their operations engineering offering. He left his role as a consultant to join MHC Plantations Bhd and Cepatawawasan Group Berhad as Senior Operations Manager.
- He is an Alternate Director to Tan Sri Dr. Mah King Thian in both Cepatawawasan Group Berhad, a company listed on the Main Market of Bursa Securities and Timah Resources Limited, an Australian incorporated company listed on the Australian Securities Exchange.
- He is the eldest son of Tan Sri Dr. Mah King Thian who is a Director and substantial shareholder of Dato Mah Pooi Soo Realty Sdn. Bhd. ("DMR"), a major shareholder of the Company and the grandson of Datin Seri Ooi Ah Thin, who is also a Director and substantial shareholder of DMR. He has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.

PROFILE OF KEY SENIOR MANAGEMENT



DATO' SERI MAH KING SENG

Executive Chairman
Aged 66, Male, Malaysian

- Refer to the Profile of Directors on page 8.

TAN SRI DR. MAH KING THIAN

Managing Director
Aged 61, Male, Malaysian

- Refer to the Profile of Directors on page 9.

MR. SOONG SWEE KOON

Chief Operating Officer
Aged 69, Male, Malaysian

- Mr. Soong Swee Koon is a qualified engineer with a Steam Engineers Certificate of Competency (First Grade).
- He started his career in power generation with Perak Hydro Electric Power Company (UK firm) in 1974. In the following years, he specialised in power generation, Hydro and Steam Thermal Power Plants, and maintenance and workshop overhaul of Cummins Diesel Engines and generators. From 1980 to 1996, he worked as an engineer in United Plantations Berhad. The palm oil mill under Mr. Soong's management was the winner of the Anugerah Award for Best Palm Oil Mill in Malaysia (2nd Place from year 1990-1995).
- He served as senior engineer, technical advisor, project manager and regional consultant to a number of energy companies from 1996 to 2010.
- He joined the Company in 2010 as Group Engineer and was appointed as Chief Operating Officer of the Company on 15 November 2012. He is also the Executive Director of Timah Resources Limited, an Australian incorporated company listed on the Australian Securities Exchange.
- He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He has not been convicted of any offence within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

PROFILE OF KEY SENIOR MANAGEMENT (Cont'd)

MR. MANIAM A/L PERUMAL

Group General Manager of Subsidiary of MHC, Cepatwawasan Group Berhad
Aged 62, Male, Malaysian

- Mr. Maniam A/L Perumal was appointed as Group General Manager of Cepatwawasan Group Berhad on 17 July 2021.
- He obtained his Bachelor Degree in Economics from Universiti Kebangsaan Malaysia, Bangi, Malaysia. He has more than 32 years of extensive experience in the plantation industry which includes 26 years of operational and 6 years of advisory experience. He started his career as an Assistant Manager with Boustead Estate Agency Sdn. Bhd. and rose through the ranks to various capacities. He later joined Trade Winds Plantation Berhad as Planting adviser and was later promoted to Regional General Manager. Prior to him joining Cepatwawasan Group Berhad, he was with Acapalm Plantation Services as Visiting Agent.
- He does not have any directorship in public companies and listed issuers.
- He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He has not been convicted of any offence within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

MR. CHAN KIM MENG

Group Accountant
Aged 52, Male, Malaysian

- Mr. Chan Kim Meng holds a professional accounting qualification from the Association of Chartered Certified Accountants (ACCA), United Kingdom. He is also a member of the Malaysian Institute of Accountants.
- Prior to joining the Company, he pursued a career in accountancy in the public accounting firm of Ernst & Young for 9 years.
- He has wide working experience in the field of accounting and corporate finance.
- He joined the Company in 2006 as Group Accountant.
- He does not have any directorship in public companies and listed issuers.
- He does not have any family relationship with any Director and/or major shareholder of the Company and has no conflict of interest or potential conflict of interest, including interest in any competing business with the Company or its subsidiaries.
- He has not been convicted of any offence within the past five (5) years and there were no public sanctions or penalties imposed by the relevant regulatory bodies during the financial year ended 31 December 2024.

MR. MAH SIU WEN

Senior Operations Manager
Aged 29, Male, Malaysian

- Refer to the Profile of Directors on page 11.

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors of MHC Plantations Bhd., I am pleased to present the Annual Report of the Group and the Company for the financial year ended 31 December 2024.

Group Performance

The Group's revenue increased by 6% from RM477.44 million to RM503.72 million, primarily driven by higher average selling prices of crude palm oil ("CPO") and palm kernel ("PK") despite a decrease in sales volume. Profit before tax ("PBT") grew by 26%, rising from RM48.12 million to RM60.55 million. This growth was mainly attributed to improved margins in the plantation segment, supported by a 6% increase in fresh fruit bunches ("FFB") production and a 15% rise in average FFB selling prices.

The highlights of the Group performance are stated below:

Average selling price per tonne:-

	FY2024 RM	FY2023 RM	Difference (%)
CPO	4,180	3,812	10%
PK	2,673	2,005	33%
FFB	809	701	15%

Production:-

	FY2024 MT	FY2023 MT	Difference (%)
CPO	89,880	92,673	-3%
PK	23,327	24,716	-6%
FFB	158,046	148,669	6%

Extraction rate:-

	FY2024 (%)	FY2023 (%)	Difference (%)
CPO	18.47	19.09	-3%
Kernel	4.79	5.09	-6%

	FY2024 MWh	FY2023 MWh	Difference (%)
Electricity Export	58,323	62,222	-6%



Dividend

On 28 March 2025, the Board approved the following single-tier interim dividend:

1. A single-tier dividend of 3.00 sen per ordinary share for the financial year ending 31 December 2025.
2. A single-tier special dividend of 6.00 sen per ordinary share for the financial year ended 31 December 2024.

The decision to issue the special dividend was based on a thorough assessment of the Group's financial position, taking into account gearing levels, upcoming cash requirements and potential future business prospects. We believe the Group's stable financial position enables us to share our success with our shareholders without compromising our commitment to continued growth.

While the Group cannot guarantee the issuance of special dividends in the future, we acknowledge the trust and confidence our shareholders have placed in us and sincerely appreciate your continued support.

CHAIRMAN'S STATEMENT (Cont'd)

Prospect and Outlook

The Group expects its FFB production to increase in 2025 as labor challenges continue to ease and more replanted areas reach maturity. Given the tightening palm oil supply and the anticipated higher biofuel mandate in Indonesia (B40), the Group remains cautiously optimistic about future CPO prices.

Looking ahead, the Group anticipates that rising production costs and labor shortages will continue to pose challenges for the industry.

To remain competitive, the Group will focus on:

1. Implementing cost-saving practices across all segments.
2. Increasing FFB yields through process improvements, replanting activities and mechanization.
3. Identifying synergistic and value-adding activities to diversify earnings.

The Group hopes these strategies will enable it to maintain satisfactory profitability in 2025.

Acknowledgement

I wish to thank the Management and Staff for their dedication and contributions throughout the year.

To our valued suppliers, customers, bankers, business associates and advisers, thank you for your commitment and support to the Group.

Finally, to our highly valued shareholders, please accept my heartfelt gratitude for your unwavering and continued support.

Dato' Seri Mah King Seng

Executive Chairman



PENYATAAN PENGERUSI

Bagi pihak Lembaga Pengarah MHC Plantations Bhd., saya dengan sukacitanya menyampaikan Laporan Tahunan Kumpulan dan Syarikat bagi tahun kewangan berakhir 31 Disember 2024.

Pendapatan Kumpulan meningkat sebanyak 6% daripada RM477.44 juta kepada RM503.72 juta, terutamanya didorong oleh purata harga jualan minyak sawit mentah ("CPO") dan kernal ("PK") yang lebih tinggi walaupun terdapat penurunan dalam jumlah jualan. Keuntungan sebelum cukai ("PBT") meningkat sebanyak 26% daripada RM48.12 juta kepada RM60.55 juta. Pertumbuhan ini disebabkan terutamanya oleh margin yang lebih baik dalam segmen perladangan, disokong oleh peningkatan 6% dalam pengeluaran buah tandan segar ("FFB") dan kenaikan 15% dalam purata harga jualan FFB.

Sorotan penting prestasi Kumpulan Syarikat adalah seperti berikut:

Harga purata jualan per tan metrik ("TM"):-

	TK2024 RM	TK2023 RM	Perbezaan (%)
CPO	4,180	3,812	10%
PK	2,673	2,005	33%
FFB	809	701	15%

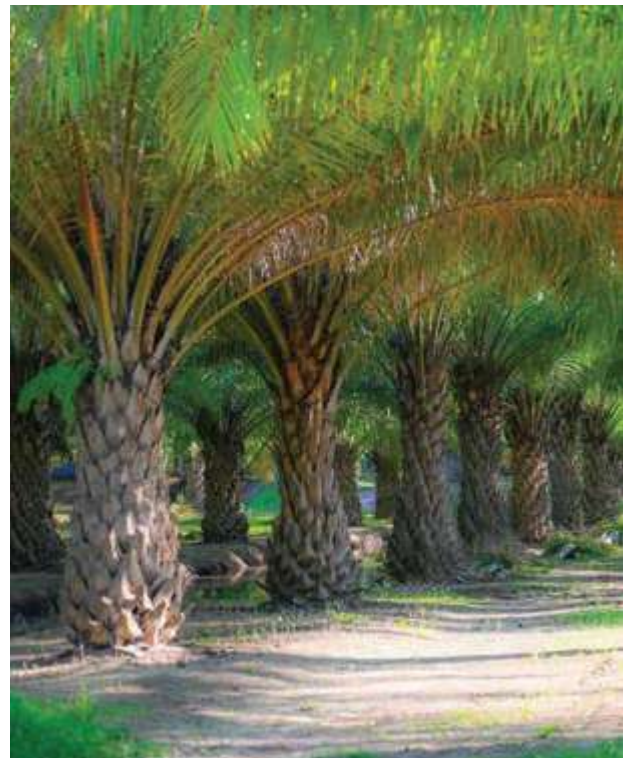
Pengeluaran:-

	TK2024 MT	TK2023 MT	Perbezaan (%)
CPO	89,880	92,673	-3%
Kernel	23,327	24,716	-6%
FFB	158,046	148,669	6%

Kadar Pengekstrakan:-

	TK2024 (%)	TK2023 (%)	Perbezaan (%)
CPO	18.47	19.09	-3%
Kernel	4.79	5.09	-6%

	TK2024 MWh	TK2023 MWh	Perbezaan (%)
Eksport Elektrik	58,323	62,222	-6%



Dividen

Pada 28 Mac 2025, Lembaga Pengarah telah meluluskan dividen interim satu tier berikut:

1. Dividen interim satu tier sebanyak 3.00 sen sesaham untuk tahun kewangan berakhir 31 Disember 2025.
2. Dividen khas satu tier sebanyak 6.00 sen sesaham untuk tahun kewangan berakhir 31 Disember 2024.

Keputusan untuk menentukan dividen khas adalah berdasarkan penilaian menyeluruh terhadap kedudukan kewangan Kumpulan, dengan mengambil kira tahap penggearan, keperluan tunai akan datang dan prospek perniagaan masa depan yang berpotensi. Kami percaya kedudukan kewangan Kumpulan yang stabil membolehkan kami berkongsi kejayaan kami dengan pemegang saham kami tanpa menjejaskan komitmen kami untuk pertumbuhan yang berterusan.

Kumpulan tidak dapat memastikan bahawa situasi kewangan masa hadapan akan membolehkan kami mengeluarkan dividen khas lagi, tetapi kami ingin mengiktiraf kepercayaan dan keyakinan yang telah diberikan oleh pemegang saham kami kepada kami, dan berharap sokongan berterusan anda.

PENYATAAN PENGERUSI (Cont'd)

Prospek dan Tinjauan

Kumpulan menjangkakan pengeluaran FFB akan meningkat pada tahun 2025 apabila cabaran tenaga buruh terus berkurangan dan lebih banyak kawasan yang ditanam semula mencapai kematangan. Memandangkan bekalan minyak sawit yang mengetatkan dan jangkaan mandat biofuel yang lebih tinggi di Indonesia (B40), Kumpulan kekal optimistik dengan berhati-hati tentang harga CPO masa hadapan.

Memandang ke hadapan, Kumpulan menjangkakan bahawa peningkatan kos pengeluaran dan kekurangan buruh akan terus menimbulkan cabaran kepada industry kelapa sawit.

Untuk kekal berdaya saing, Kumpulan akan memberi tumpuan kepada:

1. Melaksanakan amalan penjimatan kos merentas semua segmen.
2. Meningkatkan hasil FFB melalui penambahbaikan proses, aktiviti penanaman semula dan mekanisasi.
3. Mengenal pasti aktiviti sinergi dan nilai tambah untuk mempelbagaikan pendapatan.

Kumpulan berharap strategi ini akan membolehkannya mengekalkan keuntungan yang memuaskan pada tahun 2025.

Penghargaan

Saya ingin mengambil kesempatan ini untuk merakamkan ribuan terima kasih yang tidak terhingga kepada pihak pengurusan dan semua kakitangan atas khidmat dan dedikasi mereka sepanjang tahun 2024.

Terima kasih juga kepada semua pembekal dan pelanggan, rakan perniagaan, penasihat dan pihak bank atas komitmen dan bantuan yang telah diberikan.

Sebagai akhir kata, kepada semua pemegang saham yang dihargai, terima kasih yang tidak terhingga saya ucapkan di atas sokongan anda semua. Saya berharap semoga anda semua akan dirahmati dengan kejayaan dan kemakmuran di masa hadapan.

Dato' Seri Mah King Seng
Pengerusi Eksekutif

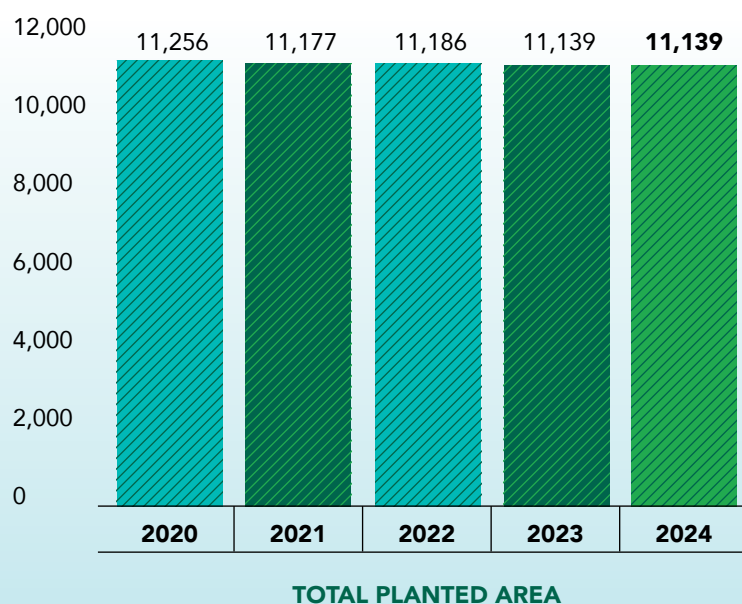


FIVE-YEAR FINANCIAL HIGHLIGHTS

	2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
INCOME STATEMENT					
Revenue	503,716	477,436	593,266	599,008	354,739
Profit before tax	60,551	48,123	80,439	96,692	31,199
Profit attributable to owners of the Company	28,712	22,029	34,622	42,100	13,674
FINANCIAL POSITION					
ASSETS					
Property, plant and equipment	474,351	472,836	472,094	486,201	507,400
Investment properties	45,264	45,264	45,264	45,264	45,264
Investment in securities	234	251	281	279	338
Deferred tax assets	3,079	4,321	4,648	6,539	6,777
Goodwill on consolidation	43,867	43,867	43,867	43,867	43,867
Current assets	217,045	171,106	165,131	139,123	95,850
Total assets	783,840	737,645	731,285	721,273	699,496
EQUITY					
Share capital	196,544	196,544	196,544	196,544	196,544
Reserves	141,178	124,323	111,698	88,697	54,322
Equity attributable to owners of the Company	337,722	320,867	308,242	285,241	250,866
Non-controlling interest	296,036	292,159	293,632	281,898	253,568
Total equity	633,758	613,026	601,874	567,139	504,434
LIABILITIES					
Deferred tax liabilities	48,785	49,068	50,636	50,997	48,913
Borrowings	10,159	17,309	25,561	33,126	46,866
Lease liabilities	6,807	9,716	2,867	2,908	3,876
Current liabilities	84,331	48,526	50,347	67,103	95,407
Total liabilities	150,082	124,619	129,411	154,134	195,062
Total equity and liabilities	783,840	737,645	731,285	721,273	699,496
FINANCIAL INDICATORS					
Basic earning per share (sen)	14.61	11.21	17.62	21.42	6.96
Net dividend per share (sen)	6.00	6.00	6.00	4.00	1.50
Net assets per share (RM)	1.72	1.63	1.57	1.45	1.28

FIVE-YEAR PLANTATION STATISTICS

		Group				
		2024 RM'000	2023 RM'000	2022 RM'000	2021 RM'000	2020 RM'000
OIL PALM						
Production:						
FFB	(mt)	158,046	148,669	129,782	143,862	149,702
Crude palm oil	(mt)	89,880	92,673	87,056	94,290	87,349
Palm kernel	(mt)	23,327	24,716	23,015	25,306	22,966
Average selling price:						
FFB	(RM/mt)	809	701	979	880	503
Crude palm oil	(RM/mt)	4,180	3,812	5,048	4,427	2,712
Palm kernel	(RM/mt)	2,673	2,005	3,083	2,889	1,597
Yield per matured hectare	(mt)	15.18	13.93	13.24	15.80	16.02
Oil extraction rate	%	18.47	19.09	19.31	19.68	19.50
Palm kernel rate	%	4.79	5.09	5.10	2.28	5.13
PLANTED OIL PALM AREA						
(Weighted average hectares):		11,139	11,139	11,186	11,177	11,256
Mature		10,410	10,670	9,805	9,108	9,344
Immature		729	469	1,381	2,069	1,912
TOTAL PLANTED AREA		11,139	11,139	11,186	11,177	11,256



MANAGEMENT'S DISCUSSION AND ANALYSIS

DESCRIPTION OF OUR GROUP'S BUSINESS

MHC Plantations Bhd ("MHC") was incorporated on 31 December 1960 (hereinafter, MHC and its subsidiaries are collectively referred to as the "Group").

The principal activities of the Company include oil palm cultivation, investment holding, and hotel operations. The subsidiary companies are involved in oil palm cultivation, quarry operations, milling and sales of oil palm products, investment holding, and power generation.

As of 31 December 2024, the Group has a landbank of approximately 10,280 hectares in Sabah and 3,080 hectares in Peninsular Malaysia. The Group owns one oil mill in Sabah and another in Peninsular Malaysia, with a total milling capacity of 135 metric tonnes per hour. Additionally, the Group has expanded into oil palm renewable energy by constructing and operating a 12-megawatt Biomass Power Plant ("Biomass Plant") and a 4.0-megawatt Biogas Power Plant ("Biogas Plant") both in Sandakan, Sabah as well as a 2.4-megawatt Biogas Power Plant in Teluk Intan.

FINANCIAL REVIEW

Revenue and Profit Before Taxation

The Group's revenue increased by 6% from RM477.44 million to RM503.72 million, primarily driven by higher average selling prices of crude palm oil ("CPO") and palm kernel ("PK") despite a decrease in sales volume. Profit before tax grew substantially by 26%, rising from RM48.12 million to RM60.55 million. This growth was mainly attributed to improved margins in the plantation segment, supported by a 6% increase in fresh fruit bunch ("FFB") production and a 15% rise in average FFB selling prices. However, weaker contributions from the Oil Mill and Power Plant segments partially offset these gains.

Average selling price per metric tonne ("MT"):-

	FY2024 RM	FY2023 RM	Difference (%)
CPO	4,180	3,812	10%
PK	2,673	2,005	33%
FFB	809	701	15%
Electricity/kWh	0.4001	0.3928	2%

Sales Volume:-

	FY2024	FY2023	Difference (%)
CPO (MT)	89,178	93,042	-4%
Kernel (MT)	23,563	24,545	-4%
FFB (MT)			
- to own mills	129,726	111,522	16%
- to external parties	28,320	37,147	-24%
Electricity (MWh)	58,323	62,222	-6%

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL REVIEW (CONT'D)

Revenue and Profit Before Taxation (Cont'd)

The financial performances of the individual business segments has been analysed on a year over year basis as follows:

- (i) Plantation – The Plantation segment's profit increased significantly by 80% from RM29.44 million to RM53.00 million, driven by a 6% increase in FFB yields and a 15% rise in the average FFB selling price. Additionally, the segment recorded a RM2.54 million gain in the fair value of biological assets, reversing the RM0.09 million loss in the corresponding period and further enhancing profitability.
- (ii) Oil Mill – The Oil Mill segment's profit declined significantly by 37% from RM19.04 million to RM12.05 million, largely due to a 3% decrease in the average OER and a lower milling margin. The decline was driven by intense competition for FFB supplies and a substantial decrease in FFB production in the Sandakan region.
- (iii) Power Plant – Profit fell by 28% from RM12.33 million to RM8.86 million, primarily due to the write-off of three Guascor gas engines at the Biogas Power Plant. Wear and tear on the Biomass Power Plant's existing boiler caused a 6% decline in power exports and negatively affected other interconnected non-power-generating activities. The new boiler and turbine at the Biomass Power Plant are expected to be operational by September 2025. To further secure profitability, management plans to repair the existing boiler and turbine. With two sets of turbines and boilers running, the Biomass Power Plant's power generation capability is expected to improve significantly.

Other Income

Other income increased by 89% from RM14.06 million to RM26.59 million, mainly due to higher contributions from downstream activities and a fair value gain of RM2.54 million on biological assets.

Other Operating Expenses

Other operating expenses increased substantially by 196% from RM1.79 million to RM5.30 million, largely due to a RM2.76 million write-off of three Guascor gas engines at the 4MW Biogas Power Plant and a RM0.68 million write-off of three old vertical sterilizers at the Oil Mill. The decision to write off the Guascor engines was driven by high maintenance costs, difficulties in sourcing spare parts, and the closure of the local service provider, whereas the decision to write off the old vertical sterilizers was due to safety concerns.

Finance Cost

Finance cost rose 25% from RM2.14 million to RM2.66 million mainly due to higher interest rates and an increase in bank borrowings.

Taxation

The Group's effective tax rate for the current year was higher than the statutory tax rate of 24% mainly due to the derecognition of deferred tax assets arising from capital and investment tax allowances in certain subsidiaries, as the future taxable income required to utilise these allowances is uncertain.

Profit Attributable to Equity Holders of the Company

Profit attributable to equity holders of the Company and earnings per share of the Group improved by 30% year-on-year to RM28.71 million and 14.61 sen respectively.

Cash Flow

In FY2024, the Group generated higher net cash from operating activities of RM81.27 million compared to RM65.42 million in the previous financial year mainly due to higher profitability as profit before tax rose to RM60.55 million (2023: RM48.12 million) supported by improved palm product prices and operational efficiency.

Net cash used in investing activities amounted to RM39.57 million in FY2024, primarily driven by a RM35.55 million allocation to property, plant and equipment (2023: RM22.91 million) and an additional short-term investment placement of RM4.84 million. This significant increase reflects the Group's strategic investments in infrastructure upgrades, particularly enhancements to the Biomass Power Plant aimed at improving operational efficiency and long-term sustainability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)

FINANCIAL REVIEW (CONT'D)

Cash Flow (Cont'd)

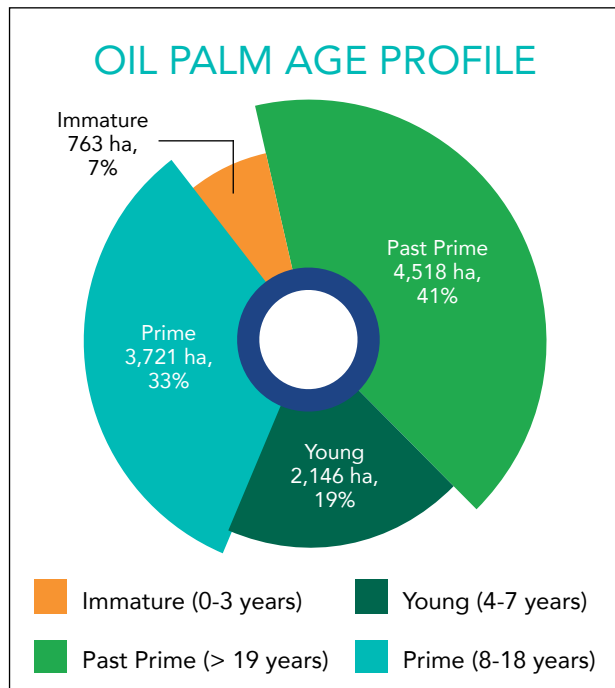
The Group recorded a net cash outflow of RM2.64 million in 2024 (2023: RM32.96 million outflow) in financing activities, primarily due to stable dividend distributions of RM11.79 million to equity holders and RM8.47 million to non-controlling shareholders. The decision to distribute stable dividends demonstrates the Group's commitment to rewarding shareholders while maintaining a balanced approach to financial stewardship and effective debt management. Nonetheless, the Group drew down a short-term borrowing of RM58.50 million to address working capital requirements. Of this amount, RM30.00 million was repaid during the year, while the remaining RM28.50 million was deposited into cash reserves. These short-term borrowings were fully settled in January 2025, ensuring no long-term strain on the Group's financial position. Concurrently, disciplined debt repayments totaling RM37.50 million (including the RM30.00 million noted above and an additional RM7.50 million repayment; 2023: RM10.50 million) reduced leverage while preserving liquidity.

Overall, the Group's cash and cash equivalents grew by 53% to RM112.72 million in 2024 (2023: RM73.73 million), driven by strong operating cash flow of RM81.27 million.

OPERATIONAL REVIEW

Plantation Operations

As of 31 December 2024, the Group's total plantation land stands at approximately 13,360 hectares, of which 83% or 11,139 hectares are planted with oil palms. The remaining plantable area is about 500 hectares. Of the total planted area, approximately 93% or 10,376 hectares are mature while the remaining 7% or 763 hectares are immature. The Group recorded a 6% growth in FFB production from 148,669 MT in 2023 to 158,046 MT in 2024 driven by enhanced operational efficiency. Accordingly, the average yield per hectare for 2024 improved to 15.18 MT/hectare compared to 13.93 MT/hectare in 2023. However, labor shortages, particularly skilled harvesters, remained a challenge compounded by the difficulty of managing older and less productive palms. Additionally, immature acreage expanded to 763 hectares (2023: 491 hectares) as replanting efforts intensified to ensure long-term sustainability.



The age profile of the developed area is shown below:

Particulars	Hectare	%
0 – 3 years (Immature)	763	7
4 – 7 years (Young)	2,146	19
8 – 18 years (Prime)	3,712	33
> 19 years (Past Prime)	4,518	41
Total	11,139	100

Milling Operations

The Group operates one oil mill in Sabah and one in Peninsular Malaysia with a total milling capacity of 135 MT per hour. The total FFB processed volume remained relatively flat at 0.45 million MT year over year. However, total CPO production decreased by 3% to 89,880 MT (2023: 92,673 MT), while total kernel production declined by 6% to 23,327 MT (2023: 24,716 MT). The drop in production was primarily due to a decrease in the Group's oil extraction rate (OER) to 18.47% (2023: 19.09%) and a decline in the kernel extraction rate (KER) to 4.79% (2023: 5.09%).

Moving forward, the Group aims to enhance margins by optimizing FFB procurement, improving operational efficiency and aligning processing fees with market conditions. Strategic investments in automation, quality control, and cost management will be key to mitigating supply volatility and maintaining profitability.

MANAGEMENT'S DISCUSSION AND ANALYSIS (Cont'd)



OPERATIONAL REVIEW (CONT'D)

Power Plant Operations

The Group operates a renewable energy division consisting of a 12-megawatt Biomass Plant and a 4.0-megawatt Biogas Plant, both in Sandakan, as well as a 2.4-megawatt Biogas Power Plant in Teluk Intan.

The 12-megawatt biomass power plant generates electricity using oil palm empty fruit bunches (EFB) as the primary fuel, with oil palm shells and mesocarp fibers as secondary fuels. The Group obtained Feed-In Tariff (FiT) approval from the Sustainable Energy Development Authority Malaysia (SEDA) on 12 May 2014 to sell renewable electricity to Sabah Electricity Sdn Bhd (SESB) at a FiT rate of RM0.3486/kWh for 16 years, commencing on 1 January 2015.

The two Biogas Plants generate renewable electricity by capturing methane gas from palm oil mill effluent (POME) and combusting it in biogas engines, reducing greenhouse gas emissions. Additionally, there is zero discharge into rivers, as the final discharge from the biogas plant is released through a drip irrigation system for land application.

On 18 February 2015, the Group obtained Biogas FiT approval from SEDA for the 4.0-megawatt Biogas Plant to sell renewable electricity to SESB for 16 years, commencing on 15 February 2017. The Group also obtained Biogas FiT approval from SEDA on 5 May 2017 for the 2.4-megawatt Biogas Plant in Teluk Intan to sell up to 1MW of renewable electricity to Tenaga Nasional Berhad (TNB) at a FiT rate of RM0.4669/kWh for 16 years, commencing on 3 July 2019.

On 11 May 2022, the Group received additional Biogas FiT approval from SEDA for its 2.4-megawatt Biogas Plant in Teluk Intan to sell an additional 1MW of renewable electricity to TNB at a FiT rate of RM0.4000/kWh for 21 years, commencing on 11 May 2025. The Group successfully commissioned a new 1MW gas engine in Teluk Intan in the second half of 2024, which contributed positively to its performance for the year.

PROSPECT

The Group expects FFB production to increase in 2025 as labor shortages ease and more replanted areas reach maturity. With tightening palm oil supply and Indonesia's anticipated higher biofuel mandate (B40), the Group remains cautiously optimistic about future CPO prices.

However, rising production costs and challenging environmental conditions are expected to pressure profitability.

To remain competitive, the Group will focus on:

1. Implementing cost-saving measures across all segments.
2. Increasing FFB yields through process improvements, replanting, and mechanization.
3. Identifying synergistic and value-adding activities to diversify earnings.

The Group believes these strategies will support sustainable profitability in the financial year 2025.

SUSTAINABILITY STATEMENT

INTRODUCTION

MHC Plantations Bhd is committed to operating sustainably and responsibly. This Sustainability Report provides an overview of the Group's sustainability performance for its Plantation, Oil Mill and Power Plant business segments in Malaysia during the period of 1 January 2024 to 31 December 2024.

The report has been prepared in accordance with the latest Bursa Malaysia's Sustainability Guide (3rd Edition) which sets out the sustainability-related disclosure obligations prescribed the Main Market Listing Requirements. In the preparation of this report, we have considered the material issues that affect our business operations and its impact on our internal and external stakeholders, including investors, regulatory bodies, employees, suppliers, customers, and the local community.

We remain committed to improving our sustainability performance, ensuring that we maintain timely and transparent communication with all our stakeholders. We will achieve this by monitoring specific targets and key performance indicators, fostering strong and collaborative relationships with all stakeholders, and harmonizing material sustainability risks across the Group.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Group's sustainability governance structure is integrated into our corporate governance framework. The Board of Directors is ultimately responsible for the Group's strategic direction on sustainability while being supported by the respective Board Committees by virtue of delegation. The Chief Operating Officer ("COO") is primarily responsible for providing overall direction, leading strategic decision-making and driving execution for all of the Group's sustainability related matters. The Board of Directors, entrusted with oversight of the Group's sustainability practices, is kept informed and regularly updated on the progress of sustainability matters and any issues arising therefrom.

The Group has established a sustainability governance structure as depicted below: -

Committee	Responsibilities
Board of Directors	<ul style="list-style-type: none"> Approve and monitor the development of Management's corporate sustainability strategies, policies and performance; and Ensures the integration of sustainability agenda in business strategy.
Chief Operating Officer	<ul style="list-style-type: none"> Responsible for providing overall direction, leading strategic decision-making and driving execution for all of the Group's sustainability related matters.
Sustainability Committee	<ul style="list-style-type: none"> Lead the implementation of sustainability strategies and policies within their respective departments; Monitor and provide regular updates to the COO regarding their department's sustainability performance, based on the strategic direction set out by the Board; Identify, assess, evaluate, manage and report material sustainability risks and opportunities relevant to the Group's operations for approval; and Facilitate sustainability disclosures as required by laws and regulations, and subsequently recommend them for approval.

The Sustainability Policy of the Group can be found on the Company's website at www.mhc.com.my

SUSTAINABILITY STATEMENT (Cont'd)

STAKEHOLDER ENGAGEMENT

The Group recognises that the engagement and feedback of its stakeholders are an integral part of its sustainability strategies and initiatives.

The stakeholders engagement process involves both formal and informal approaches. The following table provides an overview of the efforts undertaken by the Group to further the engagement of its stakeholders.

Stakeholder	Modes of Engagement	Key Areas of Interest
Employees	<ul style="list-style-type: none"> Meetings Internal communications Training sessions Morning muster Events and functions Annual appraisals 	<ul style="list-style-type: none"> Safety and health issues and practices Employee engagement Wages and remuneration Suggestions and areas for improvement
Smallholders and local communities	<ul style="list-style-type: none"> Formal and informal meetings Corporate social responsibility events 	<ul style="list-style-type: none"> MSPO certification program for oil palm cultivation Employment opportunities Complaints and grievances
Customers	<ul style="list-style-type: none"> One-to-one meetings Phone calls Site visits Contract negotiation 	<ul style="list-style-type: none"> Product quality Compliance with sustainability standards Supply chain and traceability of product Price competitiveness
Government and Regulators	<ul style="list-style-type: none"> Two-way dialogue through forums and workshops One-to-one meetings Site visits and inspections Events and seminars 	<ul style="list-style-type: none"> Compliance of relevant regulatory requirements
Shareholders and investors	<ul style="list-style-type: none"> Quarterly reporting Annual Report Annual General Meeting As and when needed 	<ul style="list-style-type: none"> Operational performance Good corporate governance Business strategy
Contractors and Suppliers	<ul style="list-style-type: none"> One-to-one meetings Tender and bidding process Visits Product/technology trial Contract negotiations 	<ul style="list-style-type: none"> Company's policies and governance Sustainability related matters Payment terms and timeliness

Investor and Shareholder Relations

The Board recognises the importance of timely dissemination of information. We strive to keep our shareholders and investing community well informed of all major developments in the Group. A periodic overview of the Group's performance and operation is provided to shareholders and the investing public via announcements, disclosures in the Annual Report and quarterly release of financial results.

The Company uses the Annual General Meeting (AGM) as a forum for dialogue and interaction with all its shareholders. The Board of directors and key members of the management team are available to answer any questions raised.

The Company's website at www.mhc.com.my contains vital information concerning the Group and it is updated on a regular basis. Shareholders are able to pose questions to the Company through the website.

SUSTAINABILITY STATEMENT (Cont'd)

MATERIALITY

The Group took into consideration the views and responses of all its stakeholders when conducting its materiality analysis exercise. It has deliberated over the various environmental, economic and social aspects of its operation whilst simultaneously taking into account their respective impact and risks. By doing so, the Group has also discovered opportunities for future success and continued growth.

From the evaluation of the Group's Sustainability Risk and Opportunities, the Group has maintained commitment to the Thirteen (13) key sustainability issues identified and discussed in the previous year's Sustainability report. At the time, these issues were assessed as being of high concern to stakeholders and of high significance to the Group, and we have remained committed to them throughout the entirety of 2024. These material issues have been prioritized through our materiality assessment process. Material issues identified are then assessed to establish if proper policies and procedures are implemented to manage and monitor these issues.

The 13 key sustainability issues are listed below: -

KEY SUSTAINABILITY MATTERS	SUSTAINABILITY FRAMEWORK
Economic Performance Governance and Business Ethics Sustainability Certification	MARKET PLACE
Water Management Energy Consumption Greenhouse Gas (GHG) Emission Waste Management Land Remediation and Contamination	ENVIRONMENT
Training and Education Labour Relations and Human rights Occupational Safety and Health Employee Retention & Engagement	WORKPLACE
Community Care and CSR initiatives	COMMUNITY

MARKET PLACE

Economic Performance

The Group recorded revenue of RM503.72 million and profit before tax of RM60.55 million for the financial year ended 31 December 2024 as compared to RM477.44 million and RM48.12 million respectively in the previous financial year. Further details of the Group's economic performance for FY2024 can be found in the Financial Statement in this Annual Report.

Value Distribution

The Group continuously generates wealth for our stakeholders, as shown in the table below: -

	2022 RM'000	2023 RM'000	2024 RM'000
Economic value generated			
Revenue and other income	604,976	491,287	527,498

SUSTAINABILITY STATEMENT (Cont'd)

MARKET PLACE (Cont'd)

Value Distribution (Cont'd)

The Group continuously generates wealth for our stakeholders, as shown in the table below: - (Cont'd)

	2022 RM'000	2023 RM'000	2024 RM'000
Economic value distributed			
- Operating costs	421,358	341,617	358,627
- Employee wages and benefits	43,710	49,405	51,670
- Payment to providers of capital (ie. dividend and finance costs)	22,440	22,529	22,930
- Payment to Government (ie. Taxes and levies)	50,398	35,284	39,662
- CSR contribution	433	626	529

Governance and Business Ethics

Our business conduct shall be guided by honesty, integrity and a commitment to excellence. We are committed to promoting responsible practices among our business partners and showing care for the wellbeing of our customers. The Group upholds the principles of good corporate governance in line with the expectations of our stakeholders and investors, whilst adhering to the rules and regulations of the law. The Group's practices, alongside our continuous improvements and commitment to corporate governance, is further elaborated on in the 'Corporate Governance Overview Statement' found in this Annual Report.

In keeping with good corporate governance and as per the Group's Anti-Bribery and Corruption Policy, and Whistleblowing Policy (Policy), all our employees and workers are encouraged to raise genuine concerns regarding any improper conduct. Wrongdoings include, but are not limited to, any breaches of trust, corruption, fraud, waste and/or misappropriation of Group resources, abuses of power or position, sexual harassment, endangerment of the health and safety of employees or the public and any attempt to conceal or suppress information relating to the above. The Group reviews the Policy regularly, to mitigate the potential risks.

The Group's Code of Conduct and Ethics, Anti-Bribery and Corruption Policy and Whistleblowing Policy are accessible through the Group's website at www.mhc.com.my

Anti-Corruption

The Board and senior management remain committed to conducting business with integrity, guided by our Code of Conduct ("CoC"). The CoC communicates the Group's fundamental principles and guidelines to all employees, including Directors in addressing ethical issues and carrying out their responsibilities. The Group's zero tolerance stance against corruption is outlined in our Anti-Bribery and Corruption ("ABC") Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("MACC") Act 2009. The ABC policy covers employees, consultants, and third parties, outlining guidelines on gifts, facilitation payments, political and charitable contributions. Employees are responsible for compliance, and violations may result in disciplinary action. The Group has established a dedicated whistleblowing channel under the Whistleblowing Policy, which allows employees and external stakeholders to report improprieties confidentially through email, telephone, or mail. Upholding these anti-corruption measures is vital for fostering trust, maintaining integrity, and ensuring the sustained success and reputation of our company in a global business environment.

Corruption risk assessment

This year we have undertaken a corruption risk assessment that covers all of our business segments ie Plantation, Oil Mill and Power Plant.

SUSTAINABILITY STATEMENT (Cont'd)

MARKET PLACE (Cont'd)

Anti-Corruption (Cont'd)

Corruption risk assessment (Cont'd)

	2023	2024
Percentage of operations assessed for corruption-related risks	100%	100%

Corruption-related training

Percentage of employee completed Corruption-related training	2023	2024
Management	100%	12%
Executive	100%	13%
Non-executive	100%	37%
General workers	100%	37%

All existing employees were trained in 2023. In 2024, only new employees underwent training per company policy. Refresher training for existing employees will be conducted every 2 to 3 years as necessary, based on risk assessments and regulatory developments.

Corruption incidents

As of 31 December 2024, we recorded zero incidents of corruption across the Group's business operations.

	2023	2024
Number of confirmed corruption incidents	Nil	Nil

Sustainability Certification

Malaysian Sustainable Palm Oil Certification ("MSPO")

MSPO is a mandatory national sustainability certification scheme for the oil palm industry in Malaysia, covering the entire supply chain from oil palm plantations to downstream facilities. All oil palm industry players in Malaysia are mandated to be certified under the MSPO certification scheme by the end of 2019.

The seven principles of MSPO are as follows: -

- Principle 1 – Management commitment and responsibility
- Principle 2 – Transparency
- Principle 3 – Compliance to legal requirements
- Principle 4 – Social responsibility, health, safety and employment conditions
- Principle 5 – Environment, natural resources, biodiversity and ecosystem services
- Principle 6 – Best practices; and
- Principle 7 – Development of new plantings

SUSTAINABILITY STATEMENT (Cont'd)

MARKET PLACE (Cont'd)

Sustainability Certification (Cont'd)

Malaysian Sustainable Palm Oil Certification ("MSPO") (Cont'd)

As a responsible member of the industry, we are proud to state that all of our plantations and our Mill have completed MSPO certification. In addition, our oil mills in Teluk Intan and Sandakan were also certified under the MSPO Supply Chain Certification ("SCCS"). This further reinforces our sustainability credentials with customers and enhances confidence in our sustainably managed business. In this reporting period, the Group successfully completed an annual surveillance audit as mandated by MSPO Oil Palm Management Certification (Parts 3 and 4 of the Principles and Criteria) as well as under the MSPO SCCS.

Sourcing for Sustainable third parties FFB supply

The Fresh Fruit Bunches (FFB) sourcing for the Group's Oil Mill reflects a diverse supply chain, encompassing own estates, third-party estates, smallholders, and dealers. In the computation of the percentage of Group's Certified FFB Supplies, dealers' contributions are currently considered uncertified, given the absence of an obligation for Malaysian Sustainable Palm Oil (MSPO) certification. However, with the mandatory requirement effective from 1 January 2020, nearly all estates and smallholders are now MSPO certified.

	2023	2024
Source of FFB		
Own Estates	23%	27%
Third Party Estates	21%	18%
Small holders	13%	13%
Dealers	43%	42%
Total FFB Processed (MT)	485,376	486,505
With MSPO Certification (%)	52%	55%
Without MSPO Certification (%)	48%	45%

Cybersecurity & Data Protection

The Group acknowledge the paramount importance of cybersecurity and data protection in today's digital landscape. As of the current reporting period, we do not have a formalized cybersecurity and data protection policy in place. However, the Group want to reassure our stakeholders that there have been no reported complaints or instances concerning breaches of customer privacy during this period.

Recognizing the evolving nature of cyber threats and the increasing significance of data protection, we are actively working towards the development and implementation of a robust cybersecurity and data protection framework. Our commitment to the highest standards of security and privacy is unwavering, and we are dedicated to establishing comprehensive policies and practices that align with industry best practices.

As of 31 December 2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

	2023	2024
Number of substantiated complaints concerning breaches of customer privacy or losses of customer	Nil	Nil

SUSTAINABILITY STATEMENT (Cont'd)

MARKET PLACE (Cont'd)

Supply Chain Management

Proportion of spending on local suppliers

The Group's dedication to sustainability seamlessly integrates into our supply chain practices. While a formal policy may not be in place, our commitment remains steadfast in achieving 100% local procurement whenever possible, with exceptions only for items unavailable locally. Prioritizing local suppliers is not just a business strategy; it actively contributes to the economic growth of the communities in which we operate, indirectly attracting additional investment and fostering stable local economies. This strategic approach not only ensures a resilient supply chain but also aligns with our environmental goals, minimising transportation distances and reducing our carbon footprint. Every sourcing decision we make is a conscious step towards a more sustainable and community-centric future.

In 2024, out of RM445,147,000 (2023 - RM405,330,000) spent on procurement, 99.89 % (2023 - 99.70%) was spent on local suppliers.

	2023	2024
Proportion of spending on local suppliers	99.70%	99.89%

ENVIRONMENT

The Group strives to achieve a sustainable long term balance between meeting its business goals and preserving the environment. It recognises that the continued health of ecosystems is an integral part of sustaining its business. Hence, conservation and preservation of the environment remain a priority of the Group.

Water Management

The Group's water management involves measures taken to preserve and protect waterways, whilst optimising water usage.

To prevent POME entry into waterways, it is first polished in the Biogas Plant before it is discharged via land irrigation.

Measures and practices that have been implemented by the Group include:-

- i. optimising water usage in nurseries through drip-irrigation;
- ii. land irrigation and application with treated POME;
- iii. installing watergates at strategic locations along drains to keep an optimum water table level in the estate;
- iv. increasing water reservoirs and storage tanks for rainwater harvesting in the housing sites; and
- v. riparian zones or areas which are identified and maintained to avoid runoff from cultivated land into the natural waterways.

In 2024, the Group's palm oil mills recorded a water consumption (in unit of MT per MT of fresh fruit bunches processed) of 1.43 m³/MT of FFB processed, a decrease by 3% compared to the 1.47 m³/MT of FFB processed in 2023.

	Unit	2023	2024
Total volume of Water used	Megalitres	1,643	1,645
Milling Water Efficiency	m ³ / MT FFB	1.47	1.43

Target

We have set a target of 5% reduction in water consumption by 2030 from our 2023 baseline.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENT (Cont'd)

Energy Consumption

At our Estates

Fossil fuels are primarily used by mechanised equipment, agricultural machinery and vehicles for the operation of our estates.

In 2024, total diesel fuel consumption by our estates and housing quarters was approximately 1.17 million (2023 - 1.05 million) litres. We recognise the need to reduce our dependence on fossil fuels and are exploring ways to improve efficiency and transition to cleaner alternatives.

Presently, two (2) estates have installed solar panels to generate power for the houses located away from the main complex. The Group will continue to explore installing additional solar panels in other estates still dependant on diesel-powered generation as their main source of power supply.

At our Oil Mills

The main source of power for our palm oil mill operation is derived from renewable energy. The fuel used in the boilers is biomass fiber and shell from oil palm fruit bunches. We achieved an increase in renewable energy use at our oil mill, reaching 88% in 2024 (up from 87% in 2023). The Group remains committed to pursuing additional renewable energy projects in the future.

At our Power Plants

The biogas and biomass power plants at our facility generate electricity from empty fruit bunches (EFB) and palm oil mill effluent (POME), contributing 58,323 MWh (2023 - 62,222 MWh) to the power grid in 2024. We also utilise a significant portion of this self-generated renewable energy of 28,725 MWh (2023- 27,299 MWh) within our operations. While we supplement our needs from the grid, we strive to become more self-sufficient in energy production.

Total Energy Sold and Consumption

	Unit	2023	2024
Self-generated electricity Sold	MWh	62,222	58,323
Self-generated electricity consumed	MWh	27,299	28,725
Electricity consumed (from Grid)	MWh	3,546	2,715
Diesel	Million liters	1.46	1.55
*Conversion to MWh @ 9.8 kWh per liter.	MWh	14,302	15,188
Total energy Consumption	MWh	45,147	46,628

* Diesel consumption is reported in liters with a conversion to MWh for comparison, amounting to 15,188 MWh in 2024 (14,302 MWh in 2023).

Target

We have set a target of 5% reduction in energy consumption by 2030 from our 2023 baseline.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENT (Cont'd)

Greenhouse Gas (GHG) Emission

The Group recognizes the importance of mitigating Greenhouse Gas ("GHG") emissions, and has taken steps to reduce its carbon footprint. To mitigate GHG emissions, the Group constructed and operates two Biogas Power Plants as well as a Biomass Power Plant. These Power Plants generate green power for use in our operations and any surplus is exported to the electrical grid.

Methane emissions from the treatment of POME are a large contributor to operational GHG emissions. The two biogas plants commissioned by the Group, one in Sandakan and one in Teluk Intan, capture methane and mitigate GHG emissions while the Group's Biomass power plant produce less GHG emissions compare to emission from fossil energy. Together, they contribute to a total GHG reduction of approximately 150,300 MT (2023 - 127,800 MT) of CO₂ in 2024.

Additionally, our oil mill recycles the POME residual solids, namely belt press solid and decanter cake, into organic fertilisers which are then reapplied to our estates. This helps preserve the environment by decreasing the application of chemical fertilisers whilst also reducing the Group's manuring cost.

GHG Emissions Overview	Unit	2024
Scope 1 Emissions	metric tonnes	27,081
Scope 2 Emissions	metric tonnes	1,702
Scope 3 Emissions	metric tonnes	1,267

Waste Management

Biomass Recycling

In accordance with the Group's biomass recycling best practices, empty fruit bunches ("EFB") are extensively used in our estates. The benefits of applying EFB on plantation land are well documented, especially for moisture retention and for increasing organic matter in soil leading to better nutrient utilisation and uptake.

Zero Burning Policy

In alignment with our holistic sustainability approach, we rigorously enforce a Zero Burning Policy for all new plantings, re-plantings, and associated developments. This policy serves as a formidable tool against GHG emissions, air pollution, and forest fires, aligning seamlessly with our overarching mission to foster a greener, healthier planet. By integrating these initiatives into our waste management framework, we strive for a holistic and impactful approach to environmental conservation and sustainable business practices, contributing positively to the well-being of the environment and the communities in which we operate.

Waste Management Overview	Unit	2024
Total Waste Generated	metric tonnes	603,294
Total Waste Diverted from Disposal	metric tonnes	600,955
Total Waste Directed to Disposal	metric tonnes	2,339

The total waste generated includes 382,777 metric tonnes of Palm Oil Mill Effluent (POME), which is eventually captured and treated by our two biogas power plants for the generation of green power for use in our operations and any surplus is exported to the electrical grid.

SUSTAINABILITY STATEMENT (Cont'd)

ENVIRONMENT (Cont'd)

Land Remediation and Contamination

Integrated Pest Management

We have adopted environmentally friendly techniques and used them to innovate our Integrated Pest Management System. The Group favours an integrated pest management approach which includes the deployment of biological control instead of widespread pesticide use for pest control. The placement of pheromone traps to capture rhinoceros beetles is among the methods that have proven effective in reducing pest damage to our crops over the years. We also introduce barn owls in our estates to suppress rat populations.

Substitution of chemical fertilisers with nutrient-rich organic matter such as EFB, fibre and treated POME is also a common practice in our estates.

Since 2011, the Group has not purchased Paraquat herbicide due to concerns raised over its potential to harm workers. In adhering to government regulations, only chemicals approved by the Pesticides Board are used in the estate.

WORKPLACE

Labour Relations and Human Rights

Fair Employment Practices

The Group considers its employees to be one of its greatest assets and recognise them as major contributors to its success.

The Group advocates fair employment policies and practices. It is committed to equal employment opportunities without discrimination in regard to gender, age, religion, race, ethnicity and origin. We do not use forced labour nor do we approve of the practice of child labour. We do not tolerate any involvement in human trafficking.

The equality policy is embedded in all workplace procedures, starting from the recruitment process. A Sexual Harassment Policy is also in place to ensure female employees and workers are protected from sexual harassment and any form of violence in the workplace.

In addition, we have a formal grievance mechanism in place so that complaints of mistreatment and abuse can be reported. The mechanism covers complaints on labour practices and human rights and also comes with a remediation process. Guidelines on the complaint and grievance procedure have been established as part of the Group's Employment Policy.

As of 31 December 2024, there were zero substantiated complaints concerning human rights violations.

	2023	2024
Number of substantiated complaints concerning human rights violations	Nil	Nil

Target

We have set a target of zero substantiated complaints regarding human rights violations annually. This commitment underscores our unwavering dedication to upholding ethical labor practices and protecting the rights of all individuals within our workforce.

Employees Wages and Welfare

The Group is committed to providing fair wages and excellent welfare to its employees. In compliance with the Minimum Wages Order 2024 ("Order"), the Group has implemented an exercise to ensure that all employees are paid at least RM1,700 per month, effective on 1 February 2025.

We believe in recognising our people for their work performance, behaviour, creativity and involvement in the Group's activities. Our reward philosophy covers basic salary, benefits, short-term variable bonuses as well as promotion.

SUSTAINABILITY STATEMENT (Cont'd)

WORKPLACE (Cont'd)

Labour Relations and Human Rights (Cont'd)

Employees Wages and Welfare (Cont'd)

We are dedicated to having a comfortable environment for our workers and their dependents to work and live in. To this end, a comprehensive range of amenities is provided at the Group's operating units. This includes housing, water and electricity supply, healthcare, places of worship, childcare facilities and other recreational amenities. The Group continues to upgrade these amenities to ensure compliance with "Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446).

Our dedication to our employees extends beyond providing basic amenities. We also invest in their personal and professional development by providing training opportunities and personal growth programmes. We believe in cultivating a culture of continuous learning to help our employees achieve their full potential.

Occupational Safety and Health

The Group is committed to providing a safe and healthy working environment for all employees and contractors engaged at work. To maintain conditions, an Occupational Safety & Health (OSH) Policy is in place that governs the entirety of the Group. We also have Safety and Health Committees (consisting of management and employee representatives) based in all our estates and oil mills.

The Group's Safety and Health Officer (SHO) makes periodic workplace inspections to ensure safety protocols are implemented in compliance with legislative requirements. Workers are provided with safety equipment as befits their job responsibilities and they are given working procedures to follow. The codes of health and safety practices and procedures are strictly adhered to at all times by all parties concerned. Safety operating procedures and system checks for all processes and equipment are in place and product quality standards are stringently maintained in a responsible manner.

Health and safety trainings

In 2024, a total of 805 participants were given various trainings on health and safety standards.

	2023	2024
Number of employees trained on health and safety standards	834	805

Work-related injuries

The Fatal Accident Frequency rate remained at Nil for 2024 (2023 : Nil). However, the Lost Time Injury Frequency Rate (LTIFR) increased to 1.47 in 2024 from 0.42 in 2023.

	2023	2024
Number of work-related fatalities	0	0
Lost Time Incident Frequency Rate ("LTIFR")	0.42	1.47

LTIFR represents the number of accidents with lost days for every (1) million man hours worked.

Every accident is formally investigated to determine the root cause and to prevent the recurrence of such incidents.

Target

We have set a target of Zero fatality annually.

SUSTAINABILITY STATEMENT (Cont'd)

WORKPLACE (Cont'd)

Training and Education

Our human capital development programmes include in-house and external training, seminars and the provision of information/knowledge sharing platforms to encourage shared knowledge and communication.

The Group has carried out internal training throughout the year at each of its operating units. Training topics included personal protective equipment (PPE), chemical handling, hazard guidance, vehicle competency, safety work procedures and safe handling of tools & equipment at mechanical/vehicle workshops.

		2023	2024
Total hours of training by employee category			
Management	Hour	414	624
Executive	Hour	523	757
Non-executive	Hour	3,087	5,949
General Workers	Hour	12,165	15,313

Employee Retention and Engagement

The Group is aware of the challenges faced by the palm oil industry in recruiting and retaining employees, especially in light of the shortage of foreign labour and the difficult working conditions on plantations.

To mitigate the risk of high employee turnover and job dissatisfaction, the Group places a strong emphasis on comprehensive employee benefits, competitive remuneration, and opportunities for training and personal development. Additionally, the Group strives to create a positive and conducive working culture that values the contributions of all employees.

To address the shortage of foreign labour, the Group is exploring ways to increase efficiency and productivity, including the use of mechanisation where feasible. The Group is also working to attract and retain younger employees by offering attractive compensation packages and opportunities for career advancement.

Overall, the Group is committed to ensuring the well-being and satisfaction of its employees, recognising their vital role in the success of the business.

Total number of employee turnover by employee category	Unit	2023	2024
Management	Number	6	0
Executive	Number	4	5
Non-executive	Number	22	38
General Workers	Number	647	622
Percentage of employees that are contractors or temporary staff	Percentage	Nil	Nil

Diversity, Equity & Inclusion

The Group is committed to fostering diversity and inclusion within our organisation. We prioritise gender diversity on the board, striving to consistently include women in board positions and promoting diversity in experiences, qualifications, ethnicity, and age. Workforce diversity, spanning ethnicity, age, and gender, is managed by our dedicated leadership. Our commitment to diversity extends across our workforce, with the aim of providing a harassment-free environment to attract and retain women in leadership roles. Regular monitoring and policy reviews underscore our dedication to enhancing diversity and sustainability across our organisation.

SUSTAINABILITY STATEMENT (Cont'd)

WORKPLACE (Cont'd)

Diversity, Equity & Inclusion (Cont'd)

	Unit	2023	2024
Gender Group by Employee Category			
Management - Male	Percentage	1%	2%
Management - Female	Percentage	0%	0%
Executive - Male	Percentage	1%	1%
Executive - Female	Percentage	1%	1%
Non Executive - Male	Percentage	5%	8%
Non Executive - Female	Percentage	2%	3%
General Workers - Male	Percentage	66%	65%
General Workers - Female	Percentage	24%	20%
Age Group by Employee Category			
Management - Under 30	Percentage	0%	0%
Management - Between 30 - 50	Percentage	0%	1%
Management - Above 50	Percentage	1%	1%
Executive - Under 30	Percentage	0%	0%
Executive - Between 30 - 50	Percentage	2%	2%
Executive - Above 50	Percentage	0%	0%
Non-Executive - Under 30	Percentage	2%	3%
Non-Executive - Between 30 - 50	Percentage	4%	5%
Non-Executive - Above 50	Percentage	1%	2%
General Worker - Under 30	Percentage	37%	34%
General Worker - Between 30 - 50	Percentage	45%	45%
General Worker - Above 50	Percentage	8%	7%
Percentage of directors by gender and age group			
Male	Percentage	80%	80%
Female	Percentage	20%	20%
Under 30	Percentage	0%	0%
Between 30 - 50	Percentage	0%	0%
Above 50	Percentage	100%	100%

SUSTAINABILITY STATEMENT (Cont'd)

COMMUNITY

Community Care and CSR Initiatives

The Group's commitment to the community is demonstrated through various Corporate Social Responsibility (CSR) initiatives. We recognise the importance of promoting the well-being of the community, and therefore are dedicated to advancing education, religion, and poverty relief.

In October 2023, the Group converted the Cepatwawasan-Humana Education Resource Centre into a Community Learning Center (CLC) to better accommodate the evolving educational needs of students. By December 31, 2023, the CLC had 209 students. This number increased to 235 by December 31, 2024, reflecting the growing demand for CLC education among the children of plantation workers.

Moreover, the Group established a new learning centre in its estate in Beaufort, Sabah, to cater to plantation workers' children who couldn't attend Malaysian national schools. This center provides classes based on the Indonesian curriculum, preparing children for their future repatriation to their home country. In 2024, the number of students attending this learning centre was 24 (2023:27).

Furthermore, the Group has long maintained Creche-Ayah on its estates and mill, providing care for employees' children. In 2024, RM341,120 (2023 - RM386,000) was allocated for this purpose, highlighting the Group's ongoing commitment to supporting its employees' families.

The Group is also partnering with Persatuan Orang Asli Perak to provide basic education and care for the children of Orang Asli at the centre donated by the Group namely, Pusat Kecemerlangan Pendidikan Orang Asli Perak located between Simpang Pulai and Cameron Highlands.

The Group also contributed to the establishment of a Bistari IT Centre at the Pusat Kecemerlangan Pendidikan Orang Asli Perak. This IT College is intended to improve the living standard of Orang Asli by providing them skill training in computer science, business management and engineering in welding (Oil & Gas).

Building on its earlier donation of the Pusat Kecemerlangan Pendidikan Orang Asli Perak, the Group has now extended its support by funding the construction of a dining hall. This facility aims to provide a comfortable and functional space for communal meals, fostering a sense of unity and enhancing the overall well-being of the Orang Asli community. The Group believes that empowering the Orang Asli with better infrastructure not only supports their immediate needs but also paves the way for sustained development and entrepreneurial opportunities for future generations. The donation of an additional transport van in October 2024 will also serve to improve the quality of life for everyone at the centre.

Community Investment Performance Data	2023	2024
Total amount invested where the target beneficiaries are external	RM224,367	RM161,879
Total number of beneficiaries of the investment in communities	421	216

STATEMENT ON ASSURANCE

The Group would like to affirm that, as of the current reporting period, a comprehensive review of our Sustainability Statement has not been conducted by the internal auditor, nor has independent assurance been performed in accordance with recognised assurance standards. If you have any comments or questions regarding the contents of the Sustainability Statement, please contact us at admin@mhc.com.my.

This Statement is made in accordance with the resolution of the Board of Directors passed on 16 April 2025.

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY PERFORMANCE REPORT 2024

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform, and is included in this Sustainability Report as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements.

Indicator	Measurement Unit	2023	2024
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	12.00
Executive	Percentage	100.00	13.00
Non-executive/Technical Staff	Percentage	100.00	37.00
General Workers	Percentage	100.00	37.00
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	100.00
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	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	224,367.00	161,879.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	421	216
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	0.00
Management Between 30-50	Percentage	0.00	1.00
Management Above 50	Percentage	1.00	1.00
Executive Under 30	Percentage	0.00	0.00
Executive Between 30-50	Percentage	2.00	2.00
Executive Above 50	Percentage	0.00	0.00
Non-executive/Technical Staff Under 30	Percentage	2.00	3.00
Non-executive/Technical Staff Between 30-50	Percentage	4.00	5.00
Non-executive/Technical Staff Above 50	Percentage	1.00	2.00
General Workers Under 30	Percentage	37.00	34.00
General Workers Between 30-50	Percentage	45.00	45.00
General Workers Above 50	Percentage	8.00	7.00
Gender Group by Employee Category			
Management Male	Percentage	1.00	2.00
Management Female	Percentage	0.00	0.00
Executive Male	Percentage	1.00	1.00
Executive Female	Percentage	1.00	1.00
Non-executive/Technical Staff Male	Percentage	5.00	8.00
Non-executive/Technical Staff Female	Percentage	2.00	3.00
General Workers Male	Percentage	66.00	65.00
General Workers Female	Percentage	24.00	20.00
Bursa C3(b) Percentage of directors by gender and age group			
Male	Percentage	80.00	80.00
Female	Percentage	20.00	20.00
Under 30	Percentage	0.00	0.00
Between 30-50	Percentage	0.00	0.00
Above 50	Percentage	100.00	100.00
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	45,147.00	46,628.00
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.42	1.47
Bursa C5(c) Number of employees trained on health and safety standards	Number	834	805

SUSTAINABILITY STATEMENT (Cont'd)

SUSTAINABILITY PERFORMANCE REPORT 2024 (Cont'd)

This ESG Performance Data Table was generated from Bursa Malaysia's ESG Reporting Platform, and is included in this Sustainability Report as mandated by Bursa Malaysia's enhanced sustainability reporting requirements within the Main Market Listing Requirements. (Cont'd)

Indicator	Measurement Unit	2023	2024
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	414	624
Executive	Hours	523	757
Non-executive/Technical Staff	Hours	3,087	5,949
General Workers	Hours	12,165	15,313
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	0.00	0.00
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	6	0
Executive	Number	4	5
Non-executive/Technical Staff	Number	22	38
General Workers	Number	647	622
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	99.70	99.89
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
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	1,643.000000	1,645.000000
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	-	603,294.00
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	600,955.00
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	2,339.00
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	-	27,081.00
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	-	1,702.00
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	-	1,267.00

CORPORATE GOVERNANCE OVERVIEW STATEMENT

Introduction

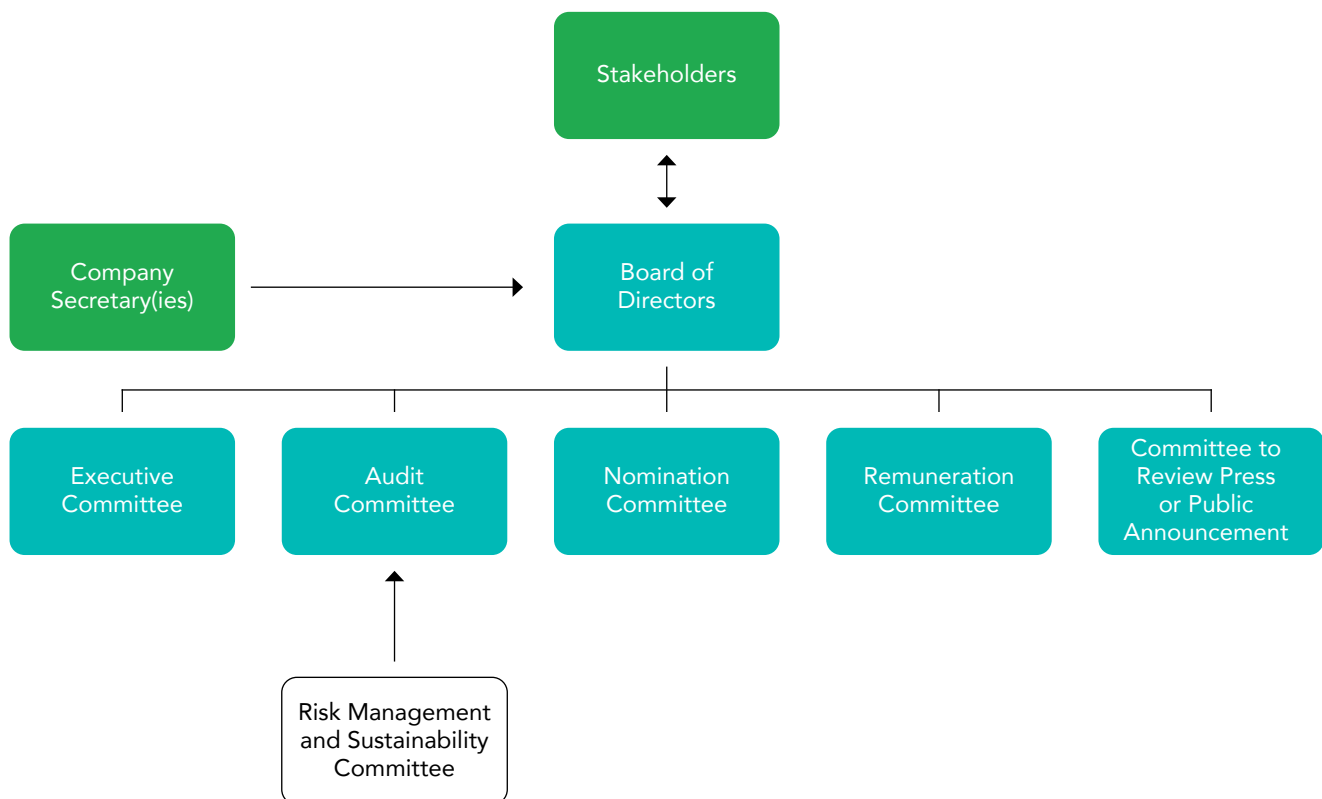
The Board of Directors (“the Board”) recognises the importance of adopting high standards of corporate governance throughout the Company and the Group as a fundamental part of discharging its responsibilities to protect and enhance long-term shareholders’ value and the Group’s financial performance, whilst considering the interests of other stakeholders.

This Corporate Governance Overview Statement (“Statement”) sets out how the Company has applied the Principles of the Code and observed the Recommendations supporting the Principles and is to be read together with the Corporate Governance Report 2024 (“CG Report”) which is available on the Company’s corporate website at www.mhc.com.my as well as the announcements on the website of Bursa Malaysia Securities Berhad (“Bursa Securities”) and in conjunction with the other statements in the Annual Report (i.e. Statement on Risk Management and Internal Control and Sustainability Statement).

The CG Report provides the details on how the Company has applied the following three (3) principles which are set out in the Malaysian Code on Corporate Governance (“MCCG”) during the financial year 2024 (“FY 2024”):

- Board leadership and effectiveness;
- Effective audit and risk management; and
- Integrity in corporate reporting and meaningful relationship with stakeholders.

The Group’s Governance Framework



CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness

Principal Responsibilities of the Board

The Board is led by the Executive Chairman and is supported by an experienced and dynamic Board members with a wide range of expertise, who play an important role in the stewardship of the direction and operations of the Group. Following the updated MCCG 2021, the Board has complied with Practice 1.4 of the MCCG 2021 whereby the Chairman of the Board is not a member of the Audit Committee ("AC"), Nomination Committee ("NC") or Remuneration Committee ("RC").

The Board assumes full responsibilities for the overall performance of the Company and its subsidiaries by setting the policies, short-term and long-term plans, establishing goals and monitoring the achievement of the goals through strategic action plans and careful stewardship of the Group's assets and resources. It focuses on financial performance and crucial business issues, like principal risks and their management, succession planning for senior management, investor relations programme and shareholders communication policy, systems for internal control and compliance with laws and regulations.

Board Charter

The Board has a Board Charter which sets out the clear functions reserved for the Board and those delegated to Management in the Board Charter (the "Charter") which serves as a reference point for Board's activities. The Charter provides guidance for Directors and Management on the responsibilities of the Board and its Committees, and requirements of Directors to ensure consistency with the Board's strategic intent as well as relevant standards of corporate governance. The terms of the Charter are made available on the Company's website at www.mhc.com.my

Along with good governance practices and in order to enhance transparency and accountability, the Board has in place the following policies and procedures, full details of which are made available on the Company's website at www.mhc.com.my:

- Board Charter (Revised on 26 February 2024)
- Code of Conduct and Ethics
- Shareholder's Rights relating to General Meetings
- Whistleblowing Policy and Procedure
- Anti-Bribery and Corruption Policy
- Sustainability Policy
- Remuneration Policy and Procedures
- Board of Directors' Fit and Proper Policy
- Related Party Transaction Policy (Revised on 26 February 2024)

Sustainability of Business

The Board recognises the value of Sustainability and understands its importance in generating and sustaining short and long-term value for the Group and its stakeholders. The Board approves and monitors the development of sustainability strategies, policies and performance of the Group. The Chief Operating Officer is primarily responsible for providing overall direction, leading strategic decision-making and driving execution for all of the Group's sustainability related matters. The sustainability governance structure is set out in the Sustainability Statement in the Annual Report.

Board Composition and Independence

The Board, led by the Executive Chairman, currently comprises five (5) members who bring with them a wide mix of knowledge, business acumen, industry expertise and financial experience which are invaluable assets required in their thorough examination and deliberations of the various key issues and matters involving the Group. A brief description of the background of each Director is presented under the Directors' Profiles section of this Annual Report.

The Board is appropriately balanced to reflect the interest of substantial shareholders. As such, the Board is satisfied that the current Board composition fairly represents and protects the interest of the minority shareholders in the Company. The Independent Directors play a key role in providing unbiased views and impartiality to the Board's deliberation and decision-making process. In addition, the Independent Directors ensure that matters and issues brought to the Board are given due consideration, fully discussed and examined, taking into account the interest of all stakeholders in the Group. The assessment on the independence of the Directors based on the provisions of the Listing Requirements covers a series of objective tests and the Board's Fit and Proper Policy are carried out before the appointment/re-appointment of the Independent Directors. Furthermore, the Board with assistance from the NC will undertake to carry out annual assessment of the effectiveness of the Independent Non-Executive Directors and consider whether the Independent Non-Executive Directors can continue to bring independent and objective judgement to the Board deliberations. Any Director who considers that he has or may have a conflict of interest or a material personal interest or a direct or indirect interest or relationship or potential conflict of interest including interest in any competing business that could reasonably be considered to influence in a material way the Director's decision in any matter concerning the Company, is required to immediately disclose to the Board.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness (Cont'd)

Board Composition and Independence (Cont'd)

As at FY 2024, the Board comprises five (5) members, of whom two (2) are Executive Directors, one (1) is a Non-Independent Non-Executive Director and two (2) are Independent Non-Executive Directors. The Company has thus satisfied Paragraph 15.02(1) of the MMLR of Bursa Securities, which requires that at least two or one-third (1/3) of the Board members, whichever is the higher, comprise Independent Non-Executive Directors and 1 woman Director.

The Company has taken note of Principle 5.3 of the MCCG 2021 that the tenure of an Independent Director should not exceed a cumulative term of nine (9) years. Upon completion of nine (9) years, an Independent Director may continue to serve on the Board subject to the director's re-designation as a Non-Independent Director.

However, the Company does not have a term limit policy for Independent Directors but the NC annually assesses the independence of the Directors based on the criteria stipulated in paragraph 1.01 of the Listing Requirements. Thus, the Board must justify and seek Shareholders' approval at an Annual General Meeting ("AGM") through a two-tier voting process in the event it retains the director as an Independent Director beyond nine (9) years.

The Board shall examine the composition and size of the Board from time to time to ensure its effectiveness. In this regard, the Board through its NC conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goal.

Foster Commitment

Each Director does not hold more than five (5) directorships in public listed companies to ensure that they have sufficient time to focus and discharge their duties and responsibilities. The Board is satisfied with the time and level of commitment given by the Non-Executive Directors towards fulfilling their roles and responsibilities as Directors of the Company during the financial year ended 31 December 2024.

Board Meetings

The Board meets four (4) times a year on a scheduled basis with additional meetings held when specific urgent or important matters are required to be considered and decided between the scheduled meetings. A total of four (4) Board Meetings were held during the financial year. All the Directors have complied with the minimum attendance at Board Meetings as stipulated by Bursa Securities during the financial year as follows:

No.	Name of Directors	Meeting Attendance
1	Dato' Seri Mah King Seng	4/4
2	Tan Sri Dr. Mah King Thian	4/4
3	Puan Wan Salmah Binti Wan Abdullah	4/4
4	Mr. Heng Beng Fatt	4/4
5	Dato' TPr. Suki Mee	4/4
6	Ms. Mah Li-Na (Alternate Director to Dato' Seri Mah King Seng)	4/4
7	Dr. Jordina Mah Siu Yi (Alternate Director to Tan Sri Dr. Mah King Thian) (Resigned on 21 November 2024)	3/4
8	Mr. Mah Siu Wen (Alternate Director to Tan Sri Dr. Mah King Thian) (Appointed on 21 November 2024)	0/0 *

* There was no meeting held after his appointment on 21 November 2024 to the end of FY 2024.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness (Cont'd)

Gender Diversity Policy

The Company does not have a policy on gender diversity but the Board endeavours to have at least one (1) woman Director participating on the Board at all times. The Board also endeavours to have diversity in its workforce in terms of experience, qualification, ethnicity and age. The Board recognise the value of female member of the Board. Currently, the Board has one female Director, Puan Wan Salmah Binti Wan Abdullah, representing a total of 20% female participation on the Board. Notwithstanding the Board complies with the MMLR to have at least one (1) female Director, it remains committed to a minimum 30% female representation on the Board. Hence, the Board will consider the appointment of an additional female Director as and when there is a vacancy as well as when suitable and qualified candidates are identified.

Re-appointment and Re-election of Directors

In accordance with the Company's Constitution, all Directors who were appointed by the Board are subject to re-election at the first opportunity after their appointment and at least one-third (1/3) of the remaining Directors are subject to re-election by rotation at each AGM. The Constitution also provide that all Directors shall retire at least once in three (3) years and in accordance with the MMLR of Bursa Securities.

Where any Director is required to retire from office, the NC reviews the composition of the Board and decides whether to recommend such Director for re-election taking into account the Director's skills, experience and strength in qualities necessary for the discharging of their responsibilities in an effective manner, their attendance at meetings, participation, contribution and also their time commitment via evaluation form and in accordance with the Fit and Proper Policy.

The following Directors will be retiring at the forthcoming AGM to be held on 23 May 2025 and being eligible, offered themselves for re-election:

1. Tan Sri Dr. Mah King Thian (retiring by rotation); and
2. Puan Wan Salmah Binti Wan Abdullah (retiring by rotation).

At the recommendation of the NC and as approved by the Board, they will be seeking re-election as Directors at the forthcoming AGM.

Continuous Training of Directors

Directors are expected to devote sufficient time to update their knowledge and enhance their skills through appropriate continuing education programmes, so as to enable them to sustain their active participation in the Board's deliberations. Hence, the Board recognises and has undertaken an assessment of the training needs of each Director to continue developing their skills and knowledge. All Directors have complied with the Continuous Training Programme prescribed by Bursa Securities. However, every Director is encouraged to evaluate their own training needs and undergo continuous training to equip himself with enhanced knowledge and effectively contribute his duties to the Board.

During the financial year, the Directors have attended several conferences, seminars and training programmes as follows:

- Mandatory Accreditation Programme Part II: Leading for Impact (LIP)
- Study tour to Bangalore and Pune in India to explore Innovative Solutions for our Renewable Energy Businesses
- Attending special briefing on the latest land planning and building procedures for Perak
- Task Force on Climate-Related Financial Disclosures Workshop
- Fire and Electrical Safety Awareness Training

The Company Secretary keep the Directors informed of the relevant external training programmes. The Company Secretary circulated and highlighted from time to time the relevant guidelines on statutory and regulatory requirements to the Directors. The External Auditors also highlighted changes to the Malaysian Financial Reporting Standards and legislation that affect the Company's financial statements during the financial year.

The Board will continuously evaluate and determine the training needs of its members to assist them in the discharge of their duties as Directors.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness (Cont'd)

Qualified and Competent Company Secretary

The Board believes that the current Company Secretary is capable of carrying out her duties to ensure effective functioning of the Board. The Company Secretary ensure that all Board and Board Committee meetings are properly convened and that records of the deliberations, proceedings and resolutions passed are properly recorded and statutory registers are properly maintained at the registered office of the Company. She constantly keeps herself abreast of the evolving capital market environment, regulatory changes and developments in corporate governance by attending the relevant training programmes/conferences.

Access to Information and Advice

The Board has access to information within the Group and the advice and services of the Company Secretary. The Directors may obtain independent professional advice to enhance their duties whenever necessary at the Company's expense, subject to approval by the Chairman or the Board and depending on the quantum of the fees involved.

The Board members are provided with all meeting materials including updates on operational, financial and corporate issues as well as minutes of meetings of the various Board Committees at least five (5) days prior to the meetings to enable Directors to obtain further explanations/clarifications, if necessary, in order to ensure the effectiveness of the proceeding of the meetings.

Board Committees

The Board is assisted by the following Sub-Committees in the discharge of its duties and responsibilities:

Audit Committee ("AC")
 Executive Committee ("EC")
 Nomination Committee ("NC")
 Remuneration Committee ("RC")
 Committee for the review of press releases or public announcements

AC

The AC was established on 27 September 2000 to support the Board of Directors in overseeing the processes for production of financial data and reviewing the financial reports and the internal controls of the Company. Details of the composition and summary of work of the AC are set out in the AC Report of this Annual Report.

EC

The EC was set up on 24 May 2001 to act on behalf of the Board on matters concerning administration, operations, capital expenditure, debt approvals and investments. It meets at regular intervals to review the operations, budget and investment strategy. It has three (3) members comprising the Executive Chairman, the Managing Director and a Senior Executive:

- 1) Datin Seri Ooi Ah Thin (Senior Executive) - Chairperson
- 2) Dato' Seri Mah King Seng (Executive Chairman)
- 3) Tan Sri Dr. Mah King Thian (Managing Director)

NC

The role of the NC is to assist the Board in ensuring that the Board comprises individuals with the requisite skills, knowledge, professional expertise and character.

The NC comprises three members i.e. two Independent Non-Executive Directors and one Non-Independent Non-Executive Director. As at 31 December 2024, the members are as follows:

- 1) Dato' TPr. Suki Mee (Chairman, Independent Non-Executive Director)
- 2) Puan Wan Salmah Binti Wan Abdullah (Member, Non-Independent Non-Executive Director)
- 3) Mr. Heng Beng Fatt (Member, Independent Non-Executive Director)

The NC meets as and when necessary. One (1) meeting was held during the financial year ended 31 December 2024.

The nomination and election process of board members and its Terms of Reference can be found on the Company's website at www.mhc.com.my

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness (Cont'd)

NC (Cont'd)

The activities of the NC during the financial year are as follows:

- Reviewed the mix of skills, independence, experience and other qualities of the Board.
- Discussed the succession planning of the Independent Non-Executive Directors.
- Reviewed and recommended to the Board the appointment of Mr. Mah Siu Wen as Alternate Director to Tan Sri Dr. Mah King Thian.
- Reviewing the terms of office and performance of the AC, NC and RC.
- Reviewed and recommended to the Board to put for the proposal for the re-election of Directors at the forthcoming AGM of the Company.
- Assessed the independence of the Independent Directors.
- Reviewed the annual assessment of the effectiveness of the Board, Board committees and individual Directors annually using a set of customised self-assessment questionnaires to be completed by each Director; with the following criteria:-

Audit Committee

- i) Committee and Governance Structure
- ii) Skills and Competencies
- iii) Meeting Administration and Meeting Conduct
- iv) Board Communication

Board of Directors

- i) Board Mix and Composition
- ii) Quality of Information and Decision Making
- iii) Board's Relationship with the Management
- iv) Board Activities
- v) Board Chairman's role and responsibilities
- vi) ESG issues

At the NC meeting held on 21 November 2024, the NC had conducted and carried out an annual assessment of the Board and its individual members, the AC and its members, and the RC and its members, including assessing in the area of board diversity, composition and governance, decision-making and Boardroom activities, skills and contribution of each director. The NC was satisfied with the current board size and the effectiveness of the Board/Board Committees and thus, no recommendation on the change of composition of the Board is made.

The NC upon its assessment carried out was satisfied:

- (a) There was no negative feedback from the Directors on the questions raised in the self-assessment sheets which had been distributed in advance to them for completion.
- (b) The Board has the right size, balance and composition to operate in an effective manner.
- (c) The Board was well-balanced with the appropriate number of INEDs with a broad range of skills and experience.
- (d) None of the Directors held more than 5 Directorships in Listed Companies and they have complied with Para 15.06 of the Bursa Securities Main Market Listing Requirements.
- (e) All the Board members are competent, knowledgeable and have a depth of understanding of the business and operations of the Group.
- (f) The Chairman of the Board had demonstrated good leadership skills in directing the Board discussion towards the emergence of a consensus view and also encouraged open communication which allowed the Board members to raise important matters without inhibition.
- (g) The Board received sufficient information to understand the ESG context of the Group and would look into the matter in depth.

All assessments and evaluations carried out by the NC in discharging its functions have been properly documented.

RC

The RC comprises the following three (3) members as at 31 December 2024:

- 1) Tan Sri Dr. Mah King Thian (Chairman, Managing Director)
- 2) Mr. Heng Beng Fatt (Member, Independent Non-Executive Director)
- 3) Dato' TPr. Suki Mee (Member, Independent Non-Executive Director)

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness (Cont'd)

RC (Cont'd)

The RC meets as and when necessary. One (1) meeting was held during the financial year ended 31 December 2024.

The RC provides remuneration packages which are sufficient and necessary to attract, retain and motivate Executive Directors and Senior Management to run the Company. The remuneration of Non-Executive Directors is linked to their experience and level of responsibilities undertaken by them.

The Board has a Remuneration Policy and Procedure which facilitates the RC to review, consider and recommend to the Board for decision on the remuneration packages of the Executive Directors and Senior Management.

The Remuneration Policy and Procedure and its Terms of Reference can be found on the Company's website at www.mhc.com.my

Committee for the Review of Press Releases or Public Announcements

The Committee for the review of press releases or public announcements, comprising the Executive Chairman, Dato' Seri Mah King Seng, and the Managing Director, Tan Sri Dr. Mah King Thian, is responsible for making timely dissemination of information to the shareholders and investing public and ensuring that the information released is factual, clear, accurate and not false or misleading.

Remuneration of Directors and Key Senior Management Personnel

The Company's framework on Directors' remuneration has the underlying objectives of attracting and retaining Directors of high calibre needed to run the Group successfully. In the case of the Executive Directors, the various components of the remuneration are structured so as to link rewards to corporate and individual performance. In the case of Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director concerned.

The Company has identified the Chief Operating Officer, Group General Manager of the Company's subsidiary namely Cepatwawasan Group Berhad, Group Accountant and Senior Operations Manager who are the most senior management personnel outside the Board as its key senior management personnel.

The objective of the Group's remuneration policies is to provide fair and competitive remuneration to its Board and senior management personnel in order for the Company to benefit by attracting and retaining a high quality team.

The Company pays its Non-Executive Directors allowances based on attendance of meetings and level of responsibilities.

The Company provides Directors' and Officers' Liability Insurance and may provide an indemnity to the fullest extent permitted by the Companies Act, 2016, and the cost of such Liability Insurance is set out in the Directors' Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle A : Board Leadership and Effectiveness (Cont'd)

Remuneration of Directors and Key Senior Management Personnel (Cont'd)

The details of the remuneration of Directors comprising remuneration received/receivable from the Group and Company during the financial year are as follows:

	Salary RM'000	Fees RM'000	Bonus RM'000	Allowance RM'000	Benefits- in-kind RM'000	EPF RM'000	Total RM'000
Group							
Executive Directors							
Dato' Seri Mah King Seng	1,126	-	749	70	-	225	2,170
Tan Sri Dr. Mah King Thian	1,126	30	749	70	13	225	2,213
Total	2,252	30	1,498	140	13	450	4,383
Non-Executive Directors							
Puan Wan Salmah Binti Wan Abdullah	-	-	-	52	-	-	52
Mr. Heng Beng Fatt	-	-	-	53	-	-	53
Dato' TPr. Suki Mee	-	-	-	53	-	-	53
Total	-	-	-	158	-	-	158
Alternate Directors							
Ms. Mah Li-Na ¹	115	-	82	-	-	24	221
Mr. Mah Siu Wen ^{*2}	40	-	10	-	-	5	55
Dr. Jordina Mah Siu Yi [#]	-	-	-	-	-	-	-
Total	155	-	92	-	-	29	276
Company							
Executive Directors							
Dato' Seri Mah King Seng	-	-	-	-	-	-	-
Tan Sri Dr. Mah King Thian	240	-	220	-	-	55	515
Total	240	-	220	-	-	55	515
Non-Executive Directors							
Puan Wan Salmah Binti Wan Abdullah	-	-	-	52	-	-	52
Mr. Heng Beng Fatt	-	-	-	53	-	-	53
Dato' TPr. Suki Mee	-	-	-	53	-	-	53
Total	-	-	-	158	-	-	158

resigned on 21 November 2024

* appointed on 21 November 2024

1. She is an Alternate Director to Dato' Seri Mah King Seng and an employee of the Group.

2. He is an Alternate Director to Tan Sri Dr. Mah King Thian and an employee of the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle B : Effective Audit and Risk management

Risk Management and Internal Control Framework

The Board has a Group Risk Management Committee ("RMC") that comprises the Managing Director and senior management to review the risk management framework and assess the various types of risks which might have an impact on the profitable operation of the Group's business. This includes operational, market, legal and environmental risks. The key features of the risk management framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

In accordance with the MCCG and the MMLR of Bursa Securities, the Board has an internal audit function which reports directly to the AC. The function is currently outsourced to an independent professional firm. The AC had also undertaken an annual assessment of the quality of the internal auditor based on an assessment questionnaire, and no material issue and major deficiency had been noted which pose a high risk to the overall system of internal control under review.

Details on scope of work performed during the financial year under review are provided in the AC Report set out in this Annual Report.

Assessment of Suitability and Independence of External Auditors (EA)

The AC had deliberated the outcome of the Evaluation of the EA including the assessment of the Engagement Teams' qualification, credentials and experience, particularly in the financial service sector, the firms' competitive advantage with global network resources, their audit work approach, and their ability to provide value added and service as well as to perform the work within MHC's timeline. Messrs PKF PLT had also confirmed their independence throughout the conduct of the audit engagement with the Company in accordance with the independence criteria set out by the International Federation of Accountants and the Malaysian Institute of Accountants.

A statement by the Directors of their responsibilities in preparing the financial statements is set out in this Annual Report.

Relationship with the EA

The Board has a formal and transparent arrangement with its EA to meet their professional requirements. The EA have continued to highlight to the AC and Board of Directors matters that require the Board's attention. The AC will have a private session with the EA without the presence of any executive of the Group at least twice (2) a year. In addition, the EA are invited to attend the Company's AGM.

The role of the AC in relation to the EA is set out in the Report of AC of this Annual Report.

Principle C : Integrity in Corporate Reporting and Meaningful relationship with Stakeholders

Investor Relations and Communication

The Board recognises the importance of timely dissemination of information to its shareholders to keep them well informed of all major developments of the Group. Disclosures in the Annual Report, announcements and releases of the quarterly financial results provide the shareholders and the investing public with a periodic overview of the Group's performance and operations.

The Company uses the AGM as a forum for dialogue and interaction with all its shareholders. Shareholders are encouraged to attend and participate in the AGM. They will be given the opportunity to seek clarification on any matters pertaining to the Company's affairs and performance, as the Directors and the representatives of the EA will be present to answer any questions that they may have.

Shareholders may also contact the Company Secretary at any time for information.

The Company's website at www.mhc.com.my contains vital information concerning the Group which is updated on a regular basis and shareholders are able to put questions to the Company through the website.

Poll Voting

In line with the MMLR, all resolutions set out in the Notice of AGM will be voted by poll and a scrutineer will be appointed to validate the vote cast. Poll voting more accurately and fairly reflects shareholders' views as every vote is recognised thus enforcing greater shareholder's rights.

CORPORATE GOVERNANCE OVERVIEW STATEMENT (Cont'd)

Principle C : Integrity in Corporate Reporting and Meaningful relationship with Stakeholders (Cont'd)

Compliance with the Code

The Group has complied with the Principles of Corporate Governance as contained in the MCCG except for the following exception that, in the opinion of the Directors, adequately suit the circumstances:

- ❖ Practice 4.4
Performance evaluations of the board and senior management include a review of the performance of the board and senior management in addressing the company's material sustainability risks and opportunities.
- ❖ Practice 5.2
At least half of the board comprises independent directors.
- ❖ Practice 5.9
The board comprises at least 30% women directors.
- ❖ Practice 5.10
The board discloses in its annual report the company's policy on gender diversity for the board and senior management.
- ❖ Practice 8.2
The board discloses on a named basis the top five senior management's remuneration component including salary, bonus, benefits-in-kind and other emoluments in bands of RM50,000.
- ❖ Practice 13.2
All directors attend General Meetings. The Chair of the Audit, Nominating, Risk Management and other committees provide meaningful response to questions addressed to them.
- ❖ Practice 13.3
Listed companies should leverage technology to facilitate—
 - voting including voting in absentia; and
 - remote shareholders' participation at general meetings.

The explanation for departure is further disclosed in the Corporate Governance Report.

The Statement and Corporate Governance Report were approved by the Board of Directors of MHC on 26 February 2025.

STATEMENT OF DIRECTORS' RESPONSIBILITY

for Preparing the Audited Financial Statements

The Directors are required by the Companies Act, 2016 to prepare financial statements for each financial year which 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 have:

- selected appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- stated whether applicable accounting standards have been followed and made a statement to that effect in the financial statements, subject to any material departures being disclosed and explained in the financial statements; and
- prepared the financial statements on a going-concern basis.

The Directors are responsible for ensuring that proper accounting records are kept so as to enable disclosure of the accounts, financial position and other financial reports of the Group and of the Company are prepared in accordance with the applicable approved accounting standards in Malaysia and comply with the requirement of the Companies Act, 2016.

They are responsible for taking reasonable steps to safeguard the assets of the Group and of the Company for the prevention and detection of fraud and other irregularities. The Board of Directors is satisfied that the Group has applied the appropriate accounting policies and standards consistently in the preparation of the financial statements for the financial year ended 31 December 2024.

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 for the financial year ended 31 December 2024 which is made in compliance with Paragraph 15.26(b) of the Bursa Malaysia Securities Berhad’s (Bursa Malaysia) Main Market Listing Requirements and is guided by “Statement on Risk Management and Internal Control: Guidelines for Directors and Listed Issuers” endorsed by Bursa Malaysia.

BOARD’S RESPONSIBILITY

The Board acknowledges its responsibility for establishing an efficient and effective sound risk management framework and internal control system. The Board ensures the Group’s key areas of risk are managed within an acceptable risks profile. There is an on-going review process for identifying, evaluating, responding to and managing significant risk faced by the Group to ensure the adequacy and integrity of the system.

In view of the limitations that are inherent in any system of internal control, this system is designed to manage key risks, rather than eliminate the risk of failure to achieve corporate objectives. Accordingly, the system can only provide reasonable but not absolute assurance against material misstatement, operational failures, fraud or loss.

RISK POLICY

The Group recognises its primary responsibility is to ensure the long term viability of the Group. The Group recognises that the risk is an integral and unavoidable component of its business and is characterised by threats and opportunities. The Group fosters a risk-aware corporate culture in all decision making. Our policy, therefore, is to achieve a proper balance between risk incurred and potential returns to shareholders and stakeholders.

RISK MANAGEMENT FRAMEWORK AND CONTROL SELF-ASSESSMENT

The Board has put in place a risk management framework and ongoing process to assess the various types of risks, which might have an impact on the profitable operation of the Group’s business. These include operational risk, market risk, legal risk and environmental risk. After the review and taking into consideration the nature of the Group’s business, the Directors are of the view that the Group is not materially exposed to legal and environmental risks and therefore have concluded to focus on the operational risks relevant to the business. Although there is exposure to market risk as a result of price fluctuations in the commodity market, the Directors consider these as movements in market forces inherent in the industry in which the Group operates.

The Board has established a formal Group Risk Management Committee that comprises the Managing Director and senior management. The Group Risk Management Committee is entrusted with the responsibilities of identifying and evaluating various critical risks that are considered likely to affect the profitable operation of the business units in the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

RISK MANAGEMENT FRAMEWORK AND CONTROL SELF-ASSESSMENT (CONT'D)

The key risk management processes for the main risk areas of the Group are as follows:

Risk Area	Risk Management Process
Business/Operation Risks	<ul style="list-style-type: none"> - Relevant discussions have been held with the operational managers on the major risks affecting the business operations of the Group. As a result, a database of all major risks and controls, and subsequent actions taken was compiled to produce a divisional risk profile of the business units evaluated under the risk management plan. - Business/Operation Heads are provided with reports to enable them to review, discuss and monitor the risk profiles and implementation of action plans. - Clearly defined policies and procedures are in place and are undergoing constant improvements to ensure that they continue to support the Group's business activities as the Group continues to grow. - Strong emphasis is placed on ensuring that the Group adheres to health, safety and environmental regulations as required by the various authorities. - The Group implemented attractive remuneration schemes to attract and retain a skilled workforce to meet existing and future needs. - The Group is upgrading the living quarters of guest workers complete with amenities including electricity and water, medical care, crèche, recreational and sports facilities in phases to attract and retain skilled workforce. - To cope with the adverse climatic conditions affecting oil palms, the plantation division strictly follows the requirements of the planting manual, employs good agricultural practices, and adopts water conservation and irrigation measures to sustain high production yields. - The Group is continuously devising ways to mechanise and increase efficiency and productivity to mitigate the risk of labour shortages.

Risk Area	Risk Management Process
Financial Risks	<ul style="list-style-type: none"> - The key financial risks of the Group include credit risk and liquidity risk. - Credit risks arise from the inability to recover debts in a timely manner which may adversely affect the Group's profitability, cash flows and funding. The Group minimises such exposures by assessing the creditworthiness of potential customers, closely monitoring collections and overdue debts, and effectively utilising credit to keep leverage at a comfortable level. - The Group trades only with recognised and creditworthy customers. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivables balances are monitored on an going basis and the Group's exposure to bad debts is very minimal. The Group usually trades only with recognised and creditworthy customers in which there is no requirement for collateral. Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of maturities of financial assets and liabilities. The Group actively manages their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all refinancing, repayment and funding needs are met. As part of its overall prudent liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

INTERNAL AUDIT FUNCTION

The Board recognises that effective monitoring on a continuous basis is a vital component of a sound internal control system. In this respect, the Board through the Audit Committee regularly receives and reviews reports on internal control from its internal audit function.

The internal audit function is outsourced to a professional services firm which reports directly to the Audit Committee. The Internal Audit Function adopts a risk-based approach with focus on effective risk management practices. The scope of work covered by the internal audit function is determined by the Audit Committee after careful consideration and discussion of the audit plan with the Board. Observations from internal audits were presented to the Audit Committee together with management's response and proposed action plans for its review. The action plans were then followed up during subsequent internal audits with implementation status reported to the Audit Committee. The costs incurred for the Internal Audit function for the financial year ended 31 December 2024 totalled RM28,000.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL (Cont'd)

OTHER KEY ELEMENTS OF INTERNAL CONTROL

Other key elements of the Group's internal control are as follows:

- The Board of Directors reviews the operational and financial performance of the Group every quarter and management meetings are conducted regularly at head office and operating division level. The Executive Committee ("EXCO") is aware of the significant issues identified in those meetings, and when necessary the EXCO shall be involved in resolving those issues. The Group has been restructured in such a way that duties are properly segregated to ensure safe custody of the Group's assets and to provide clear and transparent reporting lines.
- Timely preparation of quarterly operational and financial reports to the Board and monthly financial reports to Senior Management for review.
- Existence of an organisational structure with clear delegation of responsibilities.
- The Company has implemented a system of controls as set out in the Operations Manual. The Board will review from time to time and update the financial authority limits set out therein as and when necessary.
- A detailed budgeting process takes place annually, where each business unit prepares its budget for the following financial year and the budget is then reviewed by the Managing Director, after which the budget is submitted to the Board for formal approval.
- Regular visits to the Operating Centres by the Managing Director and senior management whenever appropriate.
- Proposals for major capital expenditure and investment by the Group are reviewed and approved by the Board of Directors. All other purchases and payments are approved according to formalised limits of authority.
- The Remuneration Committee evaluates and reviews the remuneration packages of the executive directors and senior management.
- The Audit Committee reviews the internal audit plan for the year, and reviews and holds discussions on the actions taken on internal control issues identified in the reports prepared by the Internal Auditor.
- Regular management meetings.

ADEQUACY AND EFFECTIVENESS OF THE GROUP'S RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review and up to the date of approval of this statement for inclusion in the Annual Report, and is of the view that the risk management and internal control system is satisfactory and there were no material internal control failures nor have any of the reported weaknesses resulted in material losses or contingencies during the financial year under review.

For the period under review, the Managing Director and the Group Accountant have provided assurance to the Board that to the best of their knowledge, the Group's risk management and internal control system are operating adequately and effectively in all material aspects.

REVIEW OF THE STATEMENT BY EXTERNAL AUDITORS

In accordance with paragraph 15.23 of the Bursa Malaysia Securities Berhad Main Market Listing Requirements, the external auditors have reviewed this Statement for inclusion in the Annual Report of the Group for the year ended 31 December 2024 and reported to the Board that nothing has come to their attention that caused them to believe that the Statement which is intended to be included in the annual report is not prepared, in all material respects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate.

This Statement on Risk Management and Internal Control is made in accordance with the resolution of the Board dated 26 February 2025.

AUDIT COMMITTEE REPORT

The Board of Directors ("Board") of MHC Plantations Bhd. is pleased to present the report of the Audit Committee ("AC") for the financial year ended 31 December 2024 ("FY 2024") in compliance with Paragraph 15.15 of the Main Market Listing Requirement ("MMLR") of Bursa Malaysia Securities Berhad ("Bursa Securities").

Members of the AC

As of FY 2024, the AC comprises the following three (3) members, all of whom are Non-Executive Directors, with the majority being Independent Directors. This composition complies with Paragraph 15.09(1) of the MMLR of Bursa Securities and is in line with Practice 9.4 under the Malaysian Code on Corporate Governance 2021 ("MCCG"):

Mr. Heng Beng Fatt	- Chairman, Independent Non-Executive Director
Dato' TPr. Suki Mee	- Member, Independent Non-Executive Director
Puan Wan Salmah Binti Wan Abdullah	- Member, Non-Independent Non-Executive Director

The Chairman of the AC, Mr. Heng Beng Fatt is a member of the Malaysian Institute of Accountants which complies with Paragraph 15.09(1)(c)(i) of the MMLR of Bursa Securities. He is not the Chairman of the Board, hence this is in line with Practice 9.1 under the MCCG. No Alternate Director is appointed as a member of the AC.

The detailed profiles of all the members of the AC are shown in the Directors' Profiles.

Number of Meetings and Details of Attendance

The AC met four (4) times during FY 2024 to conduct and discharge its functions in accordance with its Terms of Reference. The Group Accountant and representatives of the internal and external auditors were invited to attend the AC meetings conducted during the financial year. The attendance record of each member is as follows:

Audit Committee Members	Number of Meetings Attended
Mr. Heng Beng Fatt	4 of 4
Puan Wan Salmah Binti Wan Abdullah	4 of 4
Dato' TPr. Suki Mee	4 of 4

The AC and its members have discharged their functions, duties and responsibilities in accordance with its Board Charter and Terms of Reference ("TOR") which are available on the Company's website at www.mhc.com.my, to support the Board in ensuring the Group complies with appropriate Corporate Governance Standards.

Summary of Work For the Financial Year

The works of the AC during FY 2024 are as summarised below:

- Reviewed the unaudited quarterly Group results prior to recommending them to the Board for approval for the announcement to Bursa Securities;
- Reviewed prior to the commencement of audit, the External Auditors' scope of engagement, their audit plan and approach and their request for any increase in audit fees;
- Reviewed and discussed with the External Auditors the updates or new developments on accounting standards issued by the Malaysian Accounting Standards Board and the Company's compliance with the applicable standards;
- Reviewed with the External Auditors the results of their audit, their audit report and management letters relating to the audit, their internal control recommendations in respect of control weaknesses noted in the course of their audit and the management's responses thereto. The AC also appraised the adequacy of actions and measures subsequently taken by the management to address the issues and recommended, where relevant, further improvement measures;
- Reviewed the draft audited financial statements prior to recommending the same to the Board for approval;
- Met with the External Auditors without the presence of management including the Executive Chairman on 26 February 2024 and 21 November 2024;
- Reviewed the Statement on Risk Management and Internal Control before recommending to the Board for approval for inclusion in the Annual Report;
- Reviewed and evaluated the performance of the External Auditors, including their capabilities, objectivity and independence on an annual basis and made recommendations to the Board on their re-appointment;
- Considered the proposals received for the internal audit function and recommended the re-appointment of the internal auditors;
- Reviewed the Internal Auditor's reports, their recommendations and the management responses. Improvement actions in the area of internal controls, systems and efficiency enhancements suggested by the internal auditor were discussed together with management;

AUDIT COMMITTEE REPORT (Cont'd)

Summary of Work For the Financial Year (Cont'd)

The works of the AC during FY 2024 are as summarised below: (Cont'd)

- (k) Carried out an annual review of the performance of the Internal Auditor, including assessment of their suitability and independence in performing their obligation;
- (l) Followed up on the implementation actions taken by management in respect of the Internal Auditor's recommendations;
- (m) Reviewed Terms of Reference of the AC and Related Party Transaction Policy updated to be in line with the latest Bursa Securities Listing Requirements and recommended the same to the Board for approval;
- (n) Reviewed the related party transactions that had arisen prior to recommending them to the Board for approval;
- (o) Reviewed and monitored any conflict of interest (COI) or potential COI situation within MHC Group and recommended measures to be taken to resolve, eliminate or mitigate such conflicts for the Board's approval and approval. There was no COI or potential COI arose during the FYE 31 December 2024;
- (p) Ensured that the Group's Whistle Blowing/Anti-Bribery and Corruption Case as are actively implemented with appropriate actions taken whenever reports are received. There were no cases reported in the financial year ended 31 December 2024; and
- (q) Reviewed the Group's Risk Management and Sustainability matters for Year 2024 and ensured mitigation of key risk factors are carried out in accordance with the policies and procedures of the risk management framework.

Internal Audit Function

The Group's internal audit function is carried by an independent external firm of professional Internal Auditors, namely KPMG Management & Risk Consulting Sdn Bhd. The Internal Audit Function adopts a risk-based approach with focus on effective risk management practices. The role of the internal audit function, which reports directly to the AC, is to support the AC by providing it with independent and objective reports on the adequacy and effectiveness of the system of internal control and the extent of compliance with the procedures and by recommending ways to rectify shortfall and improve the existing control environment in relation to the Group's operations. It submits its findings and recommendations to the AC and senior management of the Group.

During the financial year under review, the Internal Audit conducted a series of audit assignments on operating segments of the Group. Internal audit activities carried out for the financial year include, inter alia, the following:

- Fresh Fruit Bunch ("FFB") harvesting and collection;
- Checkroll and compliance on labour law and regulations; and
- Job contracting and general purchases.

The audit report incorporating the internal auditors' findings and recommendations with regard to the system operations and control weaknesses noted in the course of their audit and the management's responses thereto were subsequently submitted to the AC. The action plans were then followed up during subsequent internal audits with implementation status reported to the AC for their attention.

The cost incurred for the internal audit function of the Group for the financial year ended 31 December 2024 was RM28,000.

Performance of the AC

The performance of the AC was assessed annually through self-evaluation and the Nomination Committee reviewed the results of such assessments. During the financial year ended 31 December 2024, the Board is satisfied that the AC has discharged its statutory duties and responsibilities in accordance with the TOR of the AC.

ADDITIONAL COMPLIANCE INFORMATION

Pursuant to the Listing Requirements of Bursa Malaysia Securities Berhad for the year ended 31 December 2024

- Utilisation of Proceeds

The Company did not raise any funds through any corporate proposal during the financial year.

- Auditors' Remuneration

The audit fee and non-audit fee paid and payable to the External Auditors by the Group and of the Company for the financial year ended 31 December 2024 are as follows:

	Group RM	Company RM
Audit fee	324,400	60,000
Non-Audit fee	35,500	6,000
	359,900	66,000

- Material Contracts awarded to Directors and Substantial Shareholders

There were no material contracts entered into by the Company and its subsidiaries involving directors and major shareholders' interests still subsisting at the end of the financial year except for those disclosed under related party transactions on page 115 to 116 of this Annual Report.

- Contracts Relating to Loans

There were no contracts relating to loans entered into by the Company and its subsidiaries involving directors' and major shareholders' interests during the financial year ended 31 December 2024.

- Recurrent Related Party Transactions

The Company incurs related party transactions in the ordinary course of business with a private company connected to certain directors. The total amount involved falls below the threshold requiring announcements and/or shareholders' mandate.

DIRECTORS' REPORT

The Directors hereby submit their report and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2024.

Principal activities

The principal activities of the Company are oil palm cultivation, investment holding and the operation of a hotel.

The principal activities of the subsidiaries are set out in Note 18 to the financial statements.

Results	Group RM	Company RM
Profit for the financial year attributable to:		
Owners of the Company	28,712,353	13,365,723
Non-controlling interests	<u>12,370,419</u>	<u>-</u>
	<u>41,082,772</u>	<u>13,365,723</u>

Reserves and provisions

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

Dividends

Since the end of the previous financial year, the dividends declared by the Company were as follows:

- (i) A single-tier special dividend of 3.0 sen per ordinary share totalling RM5,896,319 in respect of the financial year ended 31 December 2023 on 196,543,970 ordinary shares which was paid on 7 May 2024; and
- (ii) A single-tier interim dividend of 3.0 sen per ordinary share totalling RM5,896,319 in respect of the financial year ended 31 December 2024 on 196,543,970 ordinary shares which was paid on 7 May 2024.

On 28 March 2025, the Board approved the following dividends:

- (iii) A single-tier special dividend of 6.0 sen per ordinary share totalling RM11,792,638 in respect for the financial year ended 31 December 2024 and payable on 7 May 2025; and
- (iv) A single-tier interim dividend of 3.0 sen per ordinary share totalling RM5,896,319 in respect for the financial year ending 31 December 2025 and payable on 7 May 2025.

The financial statements for the current financial year do not reflect these proposed dividends. Such dividends will be accounted for in shareholders' equity as an appropriation of retained profits in the next financial year ending 31 December 2025.

DIRECTORS' REPORT (Cont'd)

Directors

The Directors who have held office during the financial year and up to the date of this report are:

Dato' Seri Mah King Seng*
 Tan Sri Dr. Mah King Thian*
 Wan Salmah Binti Wan Abdullah
 Heng Beng Fatt**
 Dato' TPr. Suki Mee
 Mah Li-Na (Alternate Director to Dato' Seri Mah King Seng)**
 Mah Siu Wen (Alternate Director to Tan Sri Dr. Mah King Thian)** (Appointed on 21 November 2024)
 Dr. Jordina Mah Siu Yi (Alternate Director to Tan Sri Dr. Mah King Thian) (Resigned on 21 November 2024)

* These directors are also directors of the subsidiaries of the company.

** These directors are also directors of certain subsidiaries of the company.

Pursuant to Section 253 of the Companies Act, 2016 in Malaysia, the Directors of subsidiaries during the financial year and up to the date of this report, who are not also the Directors of the Company, are as follows:

Datin Seri Ooi Ah Thin
 Datuk Chua Kim Yin, JP
 Datuk Palpanaban a/l Devarajoo (D.P. Naban)
 Derrick Martin De Souza
 Jack Tian Hock Tan
 Lee Chong Hoe
 Ng Choo Beng
 Soong Swee Koon
 Lee Nyuk Choon @ Jamilah Ariffin
 Andree Alexander Funk
 Musanif Bin Hj Md Nen

Directors' interests in shares

The holdings and deemed holdings in the ordinary shares of the Company and its related corporations (other than wholly-owned subsidiaries) of those who were Directors at the end of the financial year, as recorded in the Register of Directors' Shareholding kept under Section 59 of the Companies Act, 2016 in Malaysia are as follows:

Name of Director	Number of ordinary shares			At 31.12.2024
	At 1.1.2024	Bought	Sold	
The Company				
Direct interest:				
Dato' Seri Mah King Seng	338,948	-	-	338,948
Tan Sri Dr. Mah King Thian	93,248	-	-	93,248
Mah Li-Na	1,000	-	-	1,000
Deemed interest:				
Dato' Seri Mah King Seng	90,189,024	-	-	90,189,024
Tan Sri Dr. Mah King Thian	90,188,024	-	-	90,188,024

By virtue of their interests in the Company, Dato' Seri Mah King Seng and Tan Sri Dr. Mah King Thian are deemed to have interests in shares in its related corporations during the financial year to the extent of the Company's interest in accordance with Section 8 of the Companies Act, 2016.

None of the other Directors holding office at the end of the financial year had any interest in the ordinary shares of the Company and its related corporations during the financial year.

DIRECTORS' REPORT (Cont'd)

Directors' benefits

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as disclosed in the financial statements or the fixed salary of a full-time employee of the Company or related corporations) by reason of a contract made by the Company or a related corporation 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 33 to the financial statements.

There were no arrangements during and at the end of the financial year, which had the object of enabling the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Directors' remuneration

The remuneration paid to or receivable by the Directors of the Group and Company during the financial year is amounted to RM6,988,703 and RM673,200 respectively.

Indemnity and insurance for Directors, officers and auditors

During the financial year, the Company has in force a Directors' and officers' liability insurance under which the Directors are indemnified up to a limit of RM2,500,000 in respect of all costs, charges, expenses or liabilities which they may incur in or about the execution of their duties to the Group or as a result of duties performed by the Directors on behalf of the Group. Such indemnity remain in force as at the end of the financial year. The total insurance premium paid for directors and officers of the Group is RM5,670.

There was no indemnity given to or liability insurance effected for the auditors of the Group and of the Company during the financial year.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 18 to the financial statements.

Issues of shares and debentures

The Company did not issue any new shares or debentures during the financial year.

Options granted over unissued shares

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

Other statutory information

Before the financial statements of the Group and of the Company were made out, the Directors took reasonable steps to ascertain that:

- (i) all known bad debts had been written off and adequate allowance had been made for doubtful debts; and
- (ii) all current assets have been stated at the lower of cost and net realisable value.

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

- (i) which would render it necessary to write off any bad debts, or the amount of the allowance for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; or
- (ii) which would render the value attributed to the 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; or

DIRECTORS' REPORT (Cont'd)

- (iv) not otherwise dealt with in this report or the financial statements, which would render any amount stated in the financial statements of the Group and of the Company misleading.

Other statutory information (Cont'd)

As at the date of this report, there does not exist:

- (i) any charge on the assets of the Group and of the Company that 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 and of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Group and of the Company has become enforceable, or is likely to become enforceable within the period of twelve (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 31 December 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of the financial year and the date of this report.

Auditors

The auditors, PKF PLT, have indicated their willingness to continue in office.

The auditors' remuneration of the Group and of the Company are amounted to RM354,637 and RM60,000 respectively for the financial year ended 31 December 2024.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TAN SRI DR. MAH KING THIAN

Director

DATO' SERI MAH KING SENG

Director

Dated 16 April 2025

STATEMENT BY DIRECTORS

Pursuant to Section 251(2) of The Companies Act, 2016

In the opinion of the Directors, the accompanying financial statements set out on pages 68 to 128 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 2016 in Malaysia so as to give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2024 and of their financial performances and cash flows for the financial year ended on that date.

Signed on behalf of the Board
in accordance with a resolution of the Directors,

TAN SRI DR. MAH KING THIAN
Director

DATO' SERI MAH KING SENG
Director

Dated 16 April 2025

STATUTORY DECLARATION

Pursuant to Section 251(1)(b) of The Companies Act, 2016

I, CHAN KIM MENG, being the Officer primarily responsible for the financial management of MHC PLANTATIONS BHD., do solemnly and sincerely declare that to the best of my knowledge and belief, the accompanying financial statements set out on pages 68 to 128 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 in Malaysia.

Subscribed and solemnly declared by)
the abovenamed CHAN KIM MENG)
at Ipoh in the state of Perak Darul)
Ridzuan on 16 April 2025)

CHAN KIM MENG
CA No. 20736

Before me,

NURUN NATRAH BINTI BAKRI (A327)
Pesuruhjaya Sumpah
Commissioner For Oaths

INDEPENDENT AUDITORS' REPORT

To The Members of MHC Plantations Bhd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of MHC PLANTATIONS BHD., which comprise the statements of financial position as at 31 December 2024 of the Group and of the Company, and the statements of profit or loss and other 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 policies, as set out on pages 68 to 128.

In our opinion, the accompanying financial statements give a true and fair view of the financial positions of the Group and of the Company as at 31 December 2024, and of their financial performances and their cash flows for the financial year then ended in accordance with 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 Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members of MHC Plantations Bhd.

Key Audit Matters (Cont'd)

We have determined the matters described below to be the key audit matters to be communicated in our report.

Area of focus	How our audit addressed the key audit matter
<p>Impairment testing of property, plant and equipment</p> <p>As highlighted in Note 16 to the financial statements, the carrying value of property, plant and equipment of the Group was RM474,351,298 as at 31 December 2024.</p> <p>The market capitalisation of the Group amounted to RM196,543,970 as of 31 December 2024 is lower than the net tangible assets of the Group of RM633,757,727, which gives indication that the carrying amounts of property, plant and equipment of the subsidiaries of the Group may potentially be higher than their recoverable amounts and therefore, a formal estimate of their recoverable amounts may be required for impairment testing.</p> <p>In carrying out the impairment testing of the property, plant and equipment, the Group considered whether the market capitalisation to book value shortfall can be reasonably related to specific subsidiaries or cash generating units within the Group. The Group has identified a few subsidiaries exhibiting indicators of impairment and has accordingly performed impairment testing on the property, plant and equipment of these subsidiaries.</p> <p>The Group has engaged independent valuers to determine the recoverable amount of property, plant and equipment of two (2) of the subsidiaries involved in quarry operations that are exhibiting impairment indicators. These independent valuers uses industry/market accepted valuation methodology and approaches to determine the fair value of the underlying asset. Due to the measurement of fair value being inherently judgemental and the carrying value of these assets being material to the Group, we have considered this to be a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining the valuation report prepared by the independent valuer engaged by the Group; • reviewing this report for appropriateness of the methodology used and the reasonableness of the assumptions used; and • assessing the competency, capabilities and objectivity of this independent valuer engaged by the Group.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members of MHC Plantations Bhd.

Key Audit Matters (Cont'd)

Area of focus	How our audit addressed the key audit matter
<p>Impairment testing of goodwill</p> <p>As highlighted in Note 21 to the financial statements, the carrying value of goodwill of the Group was RM43,867,118 as at 31 December 2024.</p> <p>In accordance with paragraph 10 of MFRS 136 Impairment of Assets, goodwill is required to be tested for impairment annually by comparing its carrying amount with its recoverable amount, irrespective of whether there is any indication that it may be impaired.</p> <p>The Group estimated the recoverable amounts of the cash generating units ("CGUs") to which goodwill is allocated based on either fair value less costs of disposal ("FVLCD") or value in use ("VIU"). For FVLCD, the Group adopted recent market transaction prices of similar plantation land to determine recoverable values of certain lands and engaged independent professional valuers into determine the recoverable amount of certain other significant property, plant and equipment relating to the CGUs associated with the Goodwill. Due to the measurement of fair value being inherently judgemental and the carrying value of these assets being material to the Group, we have considered this to be a key audit matter.</p> <p>Estimating the VIU involves estimating the future cash inflows and outflows that will be generated by the CGUs and discounting them at an appropriate rate. Significant judgements are required in determining the assumptions to be used to estimate the VIU of the CGUs as these assumptions are affected by expected future demand and economic conditions, which include estimates of future sales volumes, prices, operating costs, terminal value and the discount rate to use.</p>	<p>Our audit procedures included, among others:</p> <p><u>FVLCD</u></p> <ul style="list-style-type: none"> • obtaining the valuation reports prepared by the independent valuers engaged by the Group; • reviewing these reports for appropriateness of the methodology used and the reasonableness of the assumptions used; and • assessing the competency, capabilities and objectivity of these independent valuers engaged by the Group. <p><u>VIU</u></p> <ul style="list-style-type: none"> • assessing whether the assumptions on which the cash flow projections are based are consistent with past actual outcomes, in particular the assumptions about estimated future sales volumes, prices, operating costs, terminal value and possible variations in the timing of those future cash flows; • assessing the discount rate used to determine the present value of the cash flows; • testing the mathematical accuracy of the impairment assessment; and • performing stress test and sensitivity analysis around the key inputs that are expected to be most sensitive to the recoverable amount.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members of MHC Plantations Bhd.

Key Audit Matters (Cont'd)

Area of focus	How our audit addressed the key audit matter
<p>Deferred tax assets</p> <p>Deferred tax asset of the Group with a carrying amount of RM3,079,242 as at 31 December 2024 is associated with the biogas power plant operation of Mistral Engineering Sdn. Bhd. ("MESB"). Management has used significant judgement and estimates in determining the sufficiency of future taxable profits to utilise the deferred tax asset. Therefore, we had determined the realisability of the deferred tax asset to be a key audit matter.</p> <p>As the generation of electricity and resulting profitability of the biogas power plant of MESB is dependent on sufficiency of liquid waste from processing of crude palm oil by the palm oil mill, management considered various factors to forecast future level of crude palm oil processing to support the biogas power plant. These factors include sufficiency of oil palm crops, market demand of crude palm oil and anticipated future prices of the commodities. Based on historical results of normalised level of crude palm oil processed, current market trends and susceptibility of the industry to global developments, management has forecasted sufficient future taxable profits to utilise the deferred tax asset.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • obtaining management forecast on future taxable profits and held discussions with management on their judgements and assumptions in arriving at the forecast; • examining the inputs used in the forecast such as price and quantity of electricity sale and evaluating its reasonableness based on the historical normalised level of crude palm oil processing, trend of electricity tariff rates, impact of latest developments affecting the palm oil industry and its ability to cope and others; • performing sensitivity analysis on possible variations to the values of inputs used by management in their forecast and challenging where necessary on certain judgements used in arriving at these values; and • considering if management had disregarded any contradictory evidence in forecasting the future taxable profits.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members of MHC Plantations Bhd.

Information Other than the Financial Statements and Auditors' Report Thereon

The Directors of the Company are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do 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 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, 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.

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with 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 or 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:

- (i) 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.
- (ii) 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 the Company's internal control.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (iv) 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 or 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 or the Company to cease to continue as a going concern.
- (v) 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 of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (vi) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITORS' REPORT (Cont'd)

To The Members of MHC Plantations Bhd.

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 action taken to eliminate threats or safeguards applied.

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 financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of the Companies Act, 2016 in Malaysia, we report that the subsidiary of which we have not acted as auditors, is disclosed in Note 18 to the financial statements.

Other Matter

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.

PKF PLT
202206000012 (LLP0030836-LCA) & AF0911
CHARTERED ACCOUNTANTS

CHAU MAN KIT
02525/03/2026 J
CHARTERED ACCOUNTANT

Kota Kinabalu

Dated 16 April 2025

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For The Financial Year Ended 31 December 2024

	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Revenue	5	503,715,717	477,436,174	9,839,480	7,574,674
Cost of sales		(446,963,828)	(425,367,214)	(5,488,208)	(5,111,011)
Gross profit		56,751,889	52,068,960	4,351,272	2,463,663
Other operating income	6	26,591,491	14,056,836	652,951	351,179
Administrative expenses		(14,623,893)	(14,102,553)	(2,353,919)	(2,051,915)
Other expenses	7	(5,296,126)	(1,790,519)	(81,486)	(41,728)
(Allowance)/Reversal for expected credit losses	8	(214,422)	21,006	-	-
Profit from operations	11	63,208,939	50,253,730	2,568,818	721,199
Finance costs	12	(2,663,194)	(2,135,335)	(44,630)	(45,470)
Income from investments	13	5,307	4,142	11,962,989	12,980,036
Profit before taxation		60,551,052	48,122,537	14,487,177	13,655,765
Income tax expense	14	(19,468,280)	(14,437,771)	(1,121,454)	(235,390)
Profit for the financial year		41,082,772	33,684,766	13,365,723	13,420,375
Other comprehensive (loss)/income, net of tax					
Item that will not be reclassified subsequently to profit or loss:					
Net fair value (loss)/gain on financial assets at fair value through other comprehensive income ("FVOCI")	19	(18,028)	(29,725)	(6,943)	(21,458)
Exchange differences on translation of a foreign operation		(66,447)	50,757	-	-
Other comprehensive (loss)/income for the financial year, net of tax		(84,475)	21,032	(6,943)	(21,458)
Total comprehensive income for the financial year		40,998,297	33,705,798	13,358,780	13,398,917
Profit attributable to:					
Owners of the Company		28,712,353	22,029,428	13,365,723	13,420,375
Non-controlling interests		12,370,419	11,655,338	-	-
		41,082,772	33,684,766	13,365,723	13,420,375
Total comprehensive income attributable to:					
Owners of the Company		28,647,945	22,013,708	13,358,780	13,398,917
Non-controlling interests		12,350,352	11,692,090	-	-
		40,998,297	33,705,798	13,358,780	13,398,917
Earnings per share attributable to owners of the Company (sen per share)					
Basic and diluted	15	14.61	11.21		
Net dividend per share		6.00	6.00		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF FINANCIAL POSITION

As At 31 December 2024

ASSETS	Note	Group		Company	
		2024 RM	2023 RM	2024 RM	2023 RM
Non-current assets					
Property, plant and equipment	16	474,351,298	472,835,635	10,316,102	10,545,118
Investment properties	17	45,263,826	45,263,826	1,250,000	1,250,000
Investments in subsidiaries	18	-	-	213,812,069	213,812,069
Investments in securities	19	233,606	251,634	92,616	99,559
Deferred tax assets	20	3,079,242	4,320,657	-	-
Intangible assets	21	43,867,118	43,867,118	-	-
		566,795,090	566,538,870	225,470,787	225,706,746
Current assets					
Biological assets	22	5,810,635	3,266,284	454,360	211,720
Inventories	23	24,657,375	22,033,387	161,695	117,767
Trade and other receivables	24	23,061,060	25,926,077	912,958	618,582
Tax recoverable		1,206,431	881,456	-	49,717
Short-term investments	25	46,282,277	41,442,517	2,172,433	186,097
Cash and bank balances	26	116,027,333	77,556,509	1,786,041	1,220,141
		217,045,111	171,106,230	5,487,487	2,404,024
TOTAL ASSETS		783,840,201	737,645,100	230,958,274	228,110,770
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	27	196,543,970	196,543,970	196,543,970	196,543,970
Reserve	28	141,177,852	124,322,545	30,781,374	29,215,232
		337,721,822	320,866,515	227,325,344	225,759,202
Non-controlling interests		296,035,905	292,159,237	-	-
Total equity		633,757,727	613,025,752	227,325,344	225,759,202
Non-current liabilities					
Loans and borrowings	29	10,159,000	17,309,000	-	-
Deferred tax liabilities	20	48,785,118	49,068,235	937,282	600,370
Lease liabilities	30	6,807,049	9,716,401	-	-
		65,751,167	76,093,636	937,282	600,370
Current liabilities					
Trade and other payables	31	37,675,282	33,793,592	1,628,990	851,198
Loans and borrowings	29	36,850,000	8,700,000	900,000	900,000
Lease liabilities	30	4,112,778	2,124,197	-	-
Taxation		5,693,247	3,907,923	166,658	-
		84,331,307	48,525,712	2,695,648	1,751,198
Total liabilities		150,082,474	124,619,348	3,632,930	2,351,568
TOTAL EQUITY AND LIABILITIES		783,840,201	737,645,100	230,958,274	228,110,770

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY

For The Financial Year Ended 31 December 2024

Group	Note	Attributable to owners of the Company										Total equity RM
		Share capital RM	Capital reserve RM	Other reserve RM	Revaluation reserve RM	Fair value adjustment reserve RM	Foreign currency translation reserve RM	Capital reserve RM	Retained profits RM	Sub-total RM	Non-controlling interests RM	
At 1 January 2024		196,543,970	5,736,883	(32,670,124)	789,026	(91,211)	(283,668)	8,169	150,833,470	320,866,515	292,159,237	613,025,752
Profit for the financial year		-	-	-	-	-	-	-	28,712,353	28,712,353	12,370,419	41,082,772
Other comprehensive income/(loss)		-	-	-	-	(18,028)	(46,380)	-	-	(64,408)	(20,067)	(84,475)
Total comprehensive income for the financial year		-	-	-	-	(18,028)	(46,380)	-	28,712,353	28,647,945	12,350,352	40,998,297
Transactions with owners of the Company		-	-	-	-	-	-	-	-	-	-	-
- Dividend on ordinary shares	32	-	-	-	-	-	-	-	(11,792,638)	(11,792,638)	-	(11,792,638)
- Dividend on ordinary shares to non-controlling interests		-	-	-	-	-	-	-	-	-	(8,473,684)	(8,473,684)
Total transactions with owners of the Company		-	-	-	-	-	-	-	(11,792,638)	(11,792,638)	(8,473,684)	(20,266,322)
At 31 December 2024		196,543,970	5,736,883	(32,670,124)	789,026	(109,239)	(330,048)	8,169	167,753,185	337,721,822	296,035,905	633,757,727

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For The Financial Year Ended 31 December 2024

Group	Note	Attributable to owners of the Company										Non-controlling interests	Total equity	
		Share capital	Capital reserve	Other reserve	Revaluation reserve	Fair value adjustment reserve	Foreign currency translation reserve	Capital reserve	Retained profits	Sub-total	Non-controlling interests			
		RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM	RM
At 1 January 2023		196,543,970	5,736,883	(32,670,124)	789,026	(61,486)	(297,673)	8,169	138,192,685	308,241,450	293,632,301	601,873,751		
Profit for the financial year		-	-	-	-	-	-	-	22,029,428	22,029,428	11,655,338	33,684,766		
Other comprehensive income/ (loss)		-	-	-	(29,725)	14,005	-	-	-	(15,720)	36,752	21,032		
Total comprehensive income for the financial year		-	-	-	(29,725)	14,005	-	-	22,029,428	22,013,708	11,692,090	33,705,798		
Effect of acquisition of non-controlling interests		-	-	-	-	-	-	-	2,403,995	2,403,995	(4,290,850)	(1,886,855)		
Capital reduction in subsidiary		-	-	-	-	-	-	-	-	-	(273,128)	(273,128)		
Transactions with owners of the Company		-	-	-	-	-	-	-	(11,792,638)	(11,792,638)	-	(11,792,638)		
- Dividend on ordinary shares	32	-	-	-	-	-	-	-	-	-	-	-		
- Dividend on ordinary shares to non-controlling interests		-	-	-	-	-	-	-	-	-	(8,601,176)	(8,601,176)		
Total transactions with owners of the Company		-	-	-	-	-	-	-	(11,792,638)	(11,792,638)	(8,601,176)	(20,393,814)		
At 31 December 2023		196,543,970	5,736,883	(32,670,124)	789,026	(91,211)	(283,668)	8,169	150,833,470	320,866,515	292,159,237	613,025,752		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements

STATEMENTS OF CHANGES IN EQUITY (Cont'd)

For The Financial Year Ended 31 December 2024

Company	Note	← Attributable to owners of the Company →			Total equity RM
		Share capital RM	Fair value adjustment reserve RM	Retained profits RM	
At 1 January 2023		196,543,970	(164,059)	27,773,012	224,152,923
Profit for the financial year		-	-	13,420,375	13,420,375
Other comprehensive loss		-	(21,458)	-	(21,458)
Total comprehensive income for the financial year		-	(21,458)	13,420,375	13,398,917
Transaction with owners of the Company					
- Dividend on ordinary shares	32	-	-	(11,792,638)	(11,792,638)
At 31 December 2023		196,543,970	(185,517)	29,400,749	225,759,202
Profit for the financial year		-	-	13,365,723	13,365,723
Other comprehensive loss		-	(6,943)	-	(6,943)
Total comprehensive income for the financial year		-	(6,943)	13,365,723	13,358,780
Transaction with owners of the Company					
- Dividend on ordinary shares	32	-	-	(11,792,638)	(11,792,638)
At 31 December 2024		196,543,970	(192,460)	30,973,834	227,325,344

The accompanying accounting policies and explanatory 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 taxation	60,551,052	48,122,537	14,487,177	13,655,765
Adjustments for:				
Depreciation of property, plant and equipment	32,321,949	30,839,543	771,757	755,925
Dividend income	(5,307)	(4,142)	(11,962,989)	(12,980,036)
Fair value (gain)/loss on biological assets	(2,544,351)	89,568	(242,640)	32,003
Gain on disposal of property, plant and equipment	(31,941)	(191,132)	-	-
Interest expense	2,663,194	2,135,335	44,630	45,470
Interest income	(2,587,067)	(2,352,022)	(52,632)	(24,512)
Loss on disposal of property, plant and equipment	-	170,005	-	-
Property, plant and equipment written off	3,903,014	73,573	81,486	9,725
Allowance/(Reversal) for expected credit losses	214,422	(21,006)	-	-
Reversal of provision for abandonment of quarry	(270,000)	-	-	-
Operating profit before working capital changes	94,214,965	78,862,259	3,126,789	1,494,340
Change in inventories	(2,623,988)	4,779,896	(43,928)	(77,733)
Change in receivables	2,650,595	(2,382,278)	(294,376)	236,554
Change in payables	4,151,690	(189,653)	777,792	6,905
Cash from operations	98,393,262	81,070,224	3,566,277	1,660,066
Income tax paid	(17,049,633)	(16,004,368)	(568,167)	(462,211)
Income tax refunded	-	137,339	-	-
Interest paid	(2,663,194)	(2,135,335)	(44,630)	(45,470)
Interest received	2,587,067	2,352,022	52,632	24,512
Net cash from operating activities	81,267,502	65,419,882	3,006,112	1,176,897
(forward)				

STATEMENTS OF CASH FLOWS (Cont'd)

For The Financial Year Ended 31 December 2024

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash flows from investing activities				
Acquisition of property, plant and equipment*	(35,548,133)	(22,907,293)	(624,227)	(307,830)
Acquisition of non-controlling interests	-	(1,886,855)	-	-
Dividend received	5,307	4,142	11,962,989	12,980,036
Increase in investment in a subsidiary	-	-	-	(1,902,165)
Net change in short-term investment	(4,839,760)	1,373,276	(1,986,336)	(6,010)
Withdrawal/(Placement) of deposits with licensed banks	522,907	791,721	(16,295)	(6,000)
Proceeds from disposal of property, plant and equipment	290,448	1,013,016	-	-
Net cash (used in)/from investing activities	(39,569,231)	(21,611,993)	9,336,131	10,758,031
Cash flows from financing activities				
Change in monetary interest on capital reduction in subsidiaries	-	(273,128)	-	-
Dividend paid to equity holders of the Company	(11,792,638)	(11,792,638)	(11,792,638)	(11,792,638)
Dividend paid to non-controlling interests	(8,473,684)	(8,601,176)	-	-
Drawdown of loan and borrowings	58,500,000	-	-	-
Repayment of lease liabilities	(3,371,771)	(1,791,334)	-	-
Repayment of loans and borrowings	(37,500,000)	(10,500,000)	-	-
Net cash used in financing activities	(2,638,093)	(32,958,276)	(11,792,638)	(11,792,638)
Net increase in cash and cash equivalents	39,060,178	10,849,613	549,605	142,290
Effect of exchange rate fluctuations	(66,447)	50,757	-	-
Cash and cash equivalents at beginning of financial year	73,727,718	62,827,348	798,304	656,014
Cash and cash equivalents at end of financial year (Note 26)	112,721,449	73,727,718	1,347,909	798,304

Non-cash transactions

* Acquisition of property, plant and equipment

During the financial year, the Group and the Company acquired property, plant and with an aggregate cost of RM37,999,133 and RM624,227 (2023: RM32,646,293 and RM307,830 of which RM2,451,000 and RMNil (2023: RM9,739,000 and RMNil) were acquired by means of lease liabilities. Cash payments of RM35,548,133 and RM624,227 (2023: RM22,907,293 and RM307,830) were made to acquire property, plant and equipment.

STATEMENTS OF CASH FLOWS (Cont'd)

For The Financial Year Ended 31 December 2024

Reconciliation of liabilities arising from financing activities:

Group 2024	1 January RM	Cash flows RM	Non-cash changes** RM	31 December RM
Loans and borrowings	26,009,000	21,000,000	-	47,009,000
Lease liabilities	11,840,598	(3,371,771)	2,451,000	10,919,827
	37,849,598	(17,628,229)	2,451,000	57,928,827
2023				
Loans and borrowings	36,509,000	(10,500,000)	-	26,009,000
Lease liabilities	3,892,932	(1,791,334)	9,739,000	11,840,598
	40,401,932	(12,291,334)	9,739,000	37,849,598
Company 2024				
Loans and borrowings	900,000	-	-	900,000
2023				
Loans and borrowings	900,000	-	-	900,000

** Included in non-cash changes of lease liabilities of the Group are non-cash acquisition amounted to RM2,451,000 (2023: RM9,739,000).

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

1. General information

The Company is a public limited liability company that is incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The principal activities of the Company are oil palm cultivation, investment holding and the operation of a hotel. The principal activities of the subsidiaries are set out in Note 18 to the financial statements.

The registered office and principal place of business of the Company are located at Kompleks Pejabat Behrang 2020, Jalan Persekutuan 1, 35900 Tanjung Malim, Perak Darul Ridzuan.

These financial statements were authorised for issue by the Directors in accordance with a resolution of the Board of Directors dated 16 April 2025.

2. Basis of preparation

(a) Statement of compliance

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") issued by Malaysian Accounting Standards Board ("MASB"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 2016 in Malaysia.

(b) Basis of measurement

The material accounting policies adopted by the Group and the Company are consistent with those adopted in previous financial year unless otherwise stated.

The financial statements of the Group and of the Company have been prepared under the historical cost convention, unless otherwise indicated in the summary of significant accounting policies.

(c) Functional and presentation currency

The financial statements are prepared in Ringgit Malaysia (RM) which is the Company's functional currency. Each entity in the Group determines its own company's functional currency and items included in the financial statements of each entity are measured using that functional currency.

(d) Adoption of new and revised MFRS

During the financial year, the Group and the Company have adopted the following amendments to standards issued by the MASB that are mandatory for current financial year:

- Amendments to MFRS 16 Leases: Lease Liability in a Sale and Leaseback
- Amendments to MFRS 101 Presentation of Financial Statements: Non-current Liabilities with Covenants
- Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements

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

(e) Standards issued but not yet effective

Certain new accounting standards and interpretations have been issued but not yet effective for 31 December 2024 reporting periods and have not been early adopted by the Group and the Company. These standards are not expected to have a material impact on the financial statements of the Group and the Company in the current or future reporting periods.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

3. Significant accounting judgements and estimates

The preparation of the Group's and the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgements made in applying accounting policies

In the process of applying the Group's and the Company's accounting policies, management has made the following judgement, apart from those involving estimations, which could have a significant effect on the amounts recognised in the consolidated financial statements.

(i) Operating segments

The segments disclosed in Note 38 to the financial statements have been determined by distinguishing the business activities from which the Group earns revenues and incurs expenses. The economic characteristics of the operating segments have been reviewed and operating segments have been grouped based on the reporting to the chief operating decision maker.

(ii) Control over Cepatawasan Group Berhad ("CGB")

As disclosed in Note 18, the Directors consider that the Group has control of CGB even though it has less than 50% of the voting rights. The Group is the majority shareholder of CGB with a 39.53% equity interest. All other shareholders individually own less than 3% of the equity shares of CGB. Historically, the other shareholders did not form a group to exercise their votes collectively. The directors assessed that the Group has had control over CGB since July 2006. Therefore, in accordance with the requirements of MFRS 10, CGB has been accounted for as a subsidiary company of the Company since 31 July 2006. During the year under review, the Group reassessed and concluded that it controls CGB, despite having less than a majority of the voting rights, based on the guidance under MFRS 10.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(i) Depreciation of property, plant and equipment

The estimates for the residual values, useful lives and related depreciation charges for the property, plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Group and the Company anticipate that the residual values of their property, plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount. The management estimates the useful lives of the property, plant and equipment to be within five (5) to ninety-nine (99) years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) Income taxes

There are certain transactions and computations for which the ultimate tax determination may be different from the initial estimate. The Group and the Company recognise tax liabilities based on its understanding of the prevailing tax laws and estimates of whether such taxes will be due in the ordinary course of business. Where the final outcome of these matters is different from the amounts that were initially recognised, such difference will impact the income tax and deferred tax provisions in the period in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

3. Significant accounting judgements and estimates (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(iii) Impairment of property, plant and equipment

The Group and the Company review their carrying amounts of property, plant and equipment at each reporting date to assess whether there is any indication of impairment. If any such indication exists, the Group and the Company make an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs of disposal ("FVLCD") and its value in use ("VIU").

The Group and the Company estimate the recoverable amounts of the cash-generating unit ("CGU") based on FVLCD and VIU. Estimating the VIU involves estimating the future cash inflows and outflows that will be generated by the CGUs and discounting them at an appropriate rate. In estimating the recoverable amounts of FVLCD, the Directors relied on independent professional valuer and recent market transaction prices of similar properties.

(iv) Impairment of goodwill

Goodwill is tested for impairment annually and at other times when such indicators exist. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its FVLCD and its VIU. This requires an estimation of the recoverable amounts of the CGUs to which goodwill is allocated.

Estimating a VIU amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details of the carrying value, key assumptions applied in the impairment assessment of goodwill and sensitivity analysis to changes in the assumptions are disclosed in Note 21 to the financial statements.

(v) Biological assets

The Group and the Company carry their biological assets at fair value with changes in fair value being recognised in profit or loss. The determination of the fair value of the biological assets requires the use of estimates on the projected harvest quantities and market price of fresh fruit bunches ("FFB") as at the reporting date. The carrying amount and key assumptions used to determine the fair value of the biological assets are further disclosed in Note 22 to the financial statements.

(vi) Carrying value of investments in subsidiaries

Investments in subsidiaries are reviewed for impairment annually in accordance with its accounting policy as disclosed in Note 4(n)(ii) to the financial statements, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Significant judgment is required in the estimation of the present value of future cash flows generated by the subsidiaries, which involves uncertainties and are significantly affected by assumptions and judgments made regarding estimates of future cash flows and discount rates. Changes in assumptions could significantly affect the carrying value of investments in subsidiaries.

(vii) Deferred tax assets and liabilities

Deferred tax implications arising from the changes in corporate income tax rates are measured with reference to the estimated realisation and settlement of temporary differences in the future periods in which the tax rates are expected to apply, based on the tax rates enacted or substantively enacted at the reporting date. While management's estimates on the realisation and settlement of temporary differences are based on the available information at the reporting date, changes in business strategy, future operating performance and other factors could potentially impact on the actual timing and amount of temporary differences realised and settled. Any difference between the actual amount and the estimated amount would be recognised in the statement of profit or loss and other comprehensive income in the period in which actual realisation and settlement occurs.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax credits and unutilised tax losses to the extent that it is probable that taxable profit will be available against which these items can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised deferred tax assets are disclosed in Note 20 to the financial statements.

Assumptions about generation of future taxable profits would depend on the achievability of projected profits and this requires judgement of the management. These assumptions and judgement are subject to risks and uncertainty, hence there is possibility that changes in circumstances will alter expectations, which may impact on the amount of deferred tax assets recognised.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

3. Significant accounting judgements and estimates (Cont'd)

(b) Key sources of estimation uncertainty (Cont'd)

(viii) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

(ix) Leases

The measurement of the right-of-use asset and lease liability for leases where the Group is lessee requires the use of judgements and assumptions, such as lease term and incremental borrowing rate. In determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended. The incremental borrowing rate is the interest rate that the Group would have to pay to borrow over a similar term, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Therefore, the incremental borrowing rate requires estimation, particularly when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the incremental borrowing rate using observable inputs when available and is required to make certain entity-specific estimates.

4. Material accounting policies

Certain immaterial accounting policies have been voluntarily disclosed to ensure completeness in the financial statements of the Group.

(a) Basis of consolidation

The consolidated financial statements 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 for like transactions and events in similar circumstances.

(i) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The Company considers it has *de facto* power over an investee when, despite not having the majority of voting rights, it has the current ability to direct the activities of the investee that significantly affect the investee's return.

Investments in subsidiaries are measured in the Company's statement of financial position at cost less any impairment losses, unless the investment is classified as held for sale or distribution. The cost of investments includes transaction costs.

(ii) Business combinations

For each business combination, the Group elects whether it measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets at the acquisition date.

(iii) Loss of control

Upon the loss of control of a subsidiary, the Group derecognises the assets and liabilities of the former subsidiary, any non-controlling interests and the other components of equity related to the former subsidiary from the consolidated statement of financial position. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the former subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity accounted investee or as a financial asset depending on the level of influence retained.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(a) Basis of consolidation (Cont'd)

(iv) Non-controlling interests

Non-controlling interests at the end of the reporting period, being the equity in a subsidiary not attributable directly or indirectly to the equity holders of the Company, are presented in the consolidated statement of financial position and statement of changes in equity within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group is presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of the profit and loss and the comprehensive income for the financial year between non-controlling interests and the owners of the Company.

Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so caused the non-controlling interests to have a deficit balance.

(v) Transactions with non-controlling interests

Transactions with non-controlling interests are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners.

On acquisition of non-controlling interests, the difference between the consideration and the Group' share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interests is recognised directly in equity.

(b) Foreign currencies

(i) Functional and presentation currencies

The Group's consolidated financial statements are presented in Ringgit Malaysia (RM), which is also the Company's functional currency. Each entity in the Group determines its own company's functional currency and items included in the financial statements of each entity are measured using that functional currency.

(ii) Foreign currency transactions

The principal closing rates used in translating the foreign currency amounts are as follows:

	2024 RM	2023 RM
Australian Dollar ("AUD")	2.89	3.09
Singapore Dollar ("SGD")	3.32	3.49
United States Dollar ("USD")	4.44	4.66

(iii) Foreign operations

The assets and liabilities of foreign operations are translated into RM at the rate of exchange ruling at the reporting date and income and expenses are translated at exchange rates at the dates of the transactions. The exchange differences arising on the translation are taken the dates of the transactions. The exchange differences arising on the translation are taken directly to other comprehensive income. On disposal of a foreign operation, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular foreign operation is recognised in the profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(c) Revenue recognition

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 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 a point in time or over time.

(i) Sales of plantation produce

The Group's and the Company's revenue from plantation and mill segments derived mainly from agricultural produce such as FFB, crude palm oil ("CPO"), palm kernel ("PK") and oil from empty fruit bunches.

Revenue from sales of agricultural produce is recognised net of discount and taxes at the point in time when control of the goods has been transferred to the customer.

There is no element of financing present as the Group's and the Company's sale of goods are either on cash terms (immediate payments or advance payment not exceeding 30 days); or on credit terms of up to 30 days.

(ii) Sales of earth and stones

Sales of earth and stones are recognised upon delivery of products and customers' acceptance.

(iii) Supply of electricity

Revenue from supply of electricity is recognised over time as the consumer simultaneously receives and consumes the electricity provided by the Group.

(iv) Revenue from hotel operations

Hotel operation income is recognised upon performance of services.

(v) Dividend income

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

(vi) Other revenue

Revenue from other sources are recognised as follows:

- (a) interest income is recognised on a time proportion basis that reflects the effective yield on the assets; and
- (b) rental income is recognised on a time proportion basis.

(d) Employee benefits

(i) Short term benefits

Wages and salaries are usually accrued and paid on a monthly basis and are recognised as an expense, unless they relate to cost of producing inventories or other assets.

Paid absences (annual leave, maternity leave, paternity leave, sick leave, etc.) are accrued in each period if they are accumulating paid absences that can be carried forward, or in the case of non-accumulating paid absences, recognised as and when the absences occur.

Bonus payments are recognised when, and only when, the Group and the Company have a present legal or constructive obligation to make such payment as a result of past events and a reliable estimate of the obligation can be made.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(d) Employee benefits (Cont'd)

(ii) Post-employment benefits (defined contribution plans)

The Group and the Company make statutory contributions to the approved provident funds and the contributions made are charged to profit or loss in the period to which they relate. When the contributions have been paid, the Group and the Company have no further payment obligations.

(e) Tax assets and liabilities

A current tax liability/(asset) is measured at the amount the entity expects to pay/(recover) using tax rates and laws that have been enacted or substantially enacted by the reporting date.

Deferred taxes are measured using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period. The measurement of deferred taxes reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets or liabilities.

(f) Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares ("EPS"). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for own shares held. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

(g) Property, plant and equipment

All items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Bearer plants comprise pre-cropping expenditure incurred from land clearing to the point of maturity. Such expenditure is capitalised and is amortised at maturity of the crop over the useful lives of the crop.

Direct expenditure incurred on quarry development is capitalised under quarry development expenditure. A portion of the indirect overheads which include general and administrative expenses and interest expense incurred on quarry development is similarly capitalised under quarry development expenditure until such time when the quarry commences operation.

Quarry development expenditure is amortised based on the proportion of stone volume extracted over the estimated volume of extractable stone from the quarry reserve.

Capital work-in-progress is not depreciated as these assets are not available for use. Depreciation will commence on these assets when they are ready for their intended use.

Property, plant and equipment are depreciated on a straight-line basis to write off the cost of the property, plant and equipment over the term of their estimated useful lives. The principal annual rates of depreciation used are as follows:

Long term leasehold land	63 – 99 years
Short term leasehold land	23 – 60 years
Bearer plants – oil palm	22 years
Oil mill and other buildings	10 – 50 years
Plantation infrastructure	63 – 99 years
Heavy equipment, plant and machinery, and motor vehicles	10 – 25 years
Furniture and fittings, office equipment, laboratory equipment, electrical installation, road and drainage	10 – 20 years

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(h) Investment properties

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value which reflects market condition as at the reporting date. Fair value is arrived at by reference to market evidence of transaction prices for similar properties and is performed by registered independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the properties being valued.

(i) Intangible assets

Goodwill

Goodwill arising from a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(j) Biological assets

Biological assets comprise the produce growing on bearer plants. Biological assets are measured at fair value less costs to sell. Any gains or losses arising from changes in the fair value less costs to sell are recognised in profit or loss. Fair value is determined based on the present value of expected net cash flows from biological assets. The expected net cash flows are estimated using the expected output method and the estimated market price of the biological assets.

Biological assets are classified as current assets as it relates to produce on the bearer plants that are expected to be harvested at a date not more than twelve (12) months.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and conditions are accounted for as follows:

(a) Palm oil products and quarry inventories

Costs of direct materials, direct labour, other direct charges and appropriate proportions of factory overheads. These costs are assigned on weighted average cost method.

(b) Consumable stores

Purchase costs and expenses in bringing them into store on a weighted average cost method.

(c) Oil Palm seedlings

Purchase costs and upkeep expenses on a weighted average cost method.

(l) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(i) Financial assets

Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under MFRS 15.

The Group and the Company only have financial assets measured at amortised cost (debt instruments), financial assets designated at fair value through OCI (equity instruments) and financial assets at fair value through profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(l) Financial instruments (Cont'd)

(i) Financial assets (Cont'd)

Financial assets at amortised cost (debt instruments)

The Group's and the Company's financial assets at amortised cost include trade and other receivables and cash and bank balances.

Financial assets designated at fair value through OCI (equity instruments)

The Company's financial assets at fair value through OCI (equity instruments) include investment in securities.

Financial assets at fair value through profit or loss

The Group's financial assets at fair value through profit or loss include short-term investments.

(ii) Financial assets liabilities

The Group and the Company have financial liabilities measured at amortised cost.

Financial liabilities measured at amortised cost

The Group's and the Company's financial liabilities measured at amortised cost include trade and other payables and loans and borrowings.

(m) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, at banks, deposits with licensed banks with maturity not exceeding three (3) months and short-term, highly liquid investments which are readily convertible to cash with short periods to maturity and are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any.

(n) Impairment

(i) Impairment of financial assets

The Group and the Company recognise an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group and the Company expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group and the Company apply a simplified approach in calculating ECLs. Therefore, the Group and the Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and the Company have established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments considered to have low credit risk, the Group and the Company apply the low credit risk simplification. At every reporting date, the Group and the Company evaluate whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group and the Company reassess the internal credit rating of the debt instrument.

In addition, the Group and the Company consider that there has been a significant increase in credit risk when contractual payments are more than one (1) year past due. It is the Group's and the Company's policy to measure ECLs on such instruments on a 12-month basis. However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(n) Impairment (Cont'd)

(i) Impairment of financial assets (Cont'd)

The Group and the Company consider a financial asset in default when contractual payments are one (1) year past due. However, in certain cases, the Group and the Company may also consider a financial asset to be in default when internal or external information indicates that the Group and the Company are unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group and the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(ii) 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.

(o) Equity instruments

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Dividends on ordinary shares are recognised as an appropriation of retained profits upon declaration, and are only taken up as liabilities upon the necessary approval being obtained.

(p) Treasury shares

When shares of the Group, that have not been cancelled, recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of treasury shares. When treasury shares are reissued by resale, the difference between the sales consideration and the carrying amount is recognised in equity.

(q) Borrowing costs

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.

All other borrowings costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs incurred in connection with the borrowing of funds.

(r) Leases

Group as a lessee

Right-of-use assets

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. These assets are depreciated on a straight-line basis over the shorter of the lease term or the estimated useful lives of the assets, as follows:

Long-term leasehold land	30 – 80 years
--------------------------	---------------

Lease liabilities

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

4. Material accounting policies (Cont'd)

(s) Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenue and incur expenses, including revenue and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the chief operating decision maker ("CODM"), which in this case is the Group Managing Director, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

(t) Fair value measurement

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- (ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- (iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

5. Revenue

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Revenue from contracts with customers				
Type of goods or services				
Sale of:				
- crude palm oil	372,735,519	354,698,983	-	-
- earth and stones	54,781	30,064	-	-
- empty fruit bunches oil	22,234,339	22,564,977	-	-
- fresh fruit bunches	21,455,492	25,580,553	8,959,869	6,673,319
- palm kernel	62,992,333	49,220,396	-	-
Revenue from hotel operations	879,611	901,355	879,611	901,355
Supply of electricity	23,363,642	24,439,846	-	-
	503,715,717	477,436,174	9,839,480	7,574,674
Timing of revenue recognition:				
At a point in time	480,352,075	452,996,328	9,839,480	7,574,674
Over time	23,363,642	24,439,846	-	-
	503,715,717	477,436,174	9,839,480	7,574,674

There are no unfulfilled performance obligations, whether satisfied or partially satisfied to be recognised over the subsequent periods.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

6. Other operating income

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value gain on biological assets (Note 22)	2,544,351	210,888	242,640	-
Gain on disposal of property, plant and equipment	31,941	191,132	-	-
Insurances commission	392,186	268,814	130,290	100,831
Interest income from:				
- short-term investments and fixed deposits	2,587,067	2,352,022	52,632	15,956
- advances to subsidiary companies	-	-	-	8,556
Miscellaneous income	252,762	680,629	30,307	14,963
Realised (loss)/gain on foreign exchange	(43,731)	105,632	-	-
Rental income	321,615	208,935	197,082	210,873
Reversal of provision for abandonment of quarry	270,000	-	-	-
Sale of:				
- bunch ash	-	2,969	-	-
- empty fruit bunches	9,448	-	-	-
- fertiliser	208	-	-	-
- fibre	159,498	5,765	-	-
- palm kernel shell	2,350,469	2,022,770	-	-
- scrapped iron	444,966	140,563	-	-
- sludge oil	15,928,945	7,859,769	-	-
- waste oil	2,243	2,548	-	-
- others	38,169	4,400	-	-
Stone royalty income	1,301,354	-	-	-
	26,591,491	14,056,836	652,951	351,179

7. Other expenses

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Fair value loss on biological assets (Note 22)	-	300,456	-	32,003
Forwarding charges	1,393,112	1,246,485	-	-
Loss on disposal of property, plant and equipment	-	170,005	-	-
Property, plant and equipment written off (Note 16)	3,903,014	73,573	81,486	9,725
	5,296,126	1,790,519	81,486	41,728

8. (Allowance)/Reversal of allowance for expected credit losses

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Allowance for expected credit losses (Note 24)	(214,422)	-	-	-
Reversal for expected credit losses (Note 24)	-	21,006	-	-
	(214,422)	21,006	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

9. Employee benefits expense

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Salaries and wages	48,689,586	46,467,013	2,496,481	2,244,440
Contributions to defined contribution plan	2,557,673	2,516,560	176,108	174,831
Contributions to employees insurance system	25,692	24,027	1,523	1,328
Contributions to employees insurance contributions	396,764	397,488	24,467	23,758
	51,669,715	49,405,088	2,698,579	2,444,357
Capitalised in bearer plants (Note 16)	696,581	49,484	57,322	26,518
Capitalised in inventories (Nurseries) (Note 23)	331,314	152,644	33,029	21,652
Recognised in profit or loss	50,641,820	49,202,960	2,608,228	2,396,187
	51,669,715	49,405,088	2,698,579	2,444,357

Included in employee benefits expense of the Group and of the Company are Executive Directors' remuneration amounting to RM6,278,805 (2023: RM5,554,738) and RM515,200 (2023: RM394,240) respectively as further disclosed in Note 10 to the financial statements.

10. Directors' remuneration

The details of remuneration received and receivable by Directors of the Group and of the Company during the financial year are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Executive Directors' remuneration (Note 9)				
Executive Directors' emoluments	3,408,223	3,538,240	240,000	240,000
- Bonus	2,247,192	1,576,512	220,000	112,000
- Allowance	160,000	30,237	-	-
- Contributions to defined contribution plan	450,065	396,424	55,200	42,240
- Benefit-in-kind	13,325	13,325	-	-
	6,278,805	5,554,738	515,200	394,240
Alternate Director				
- Salaries and other emoluments	154,930	67,860	-	-
- Bonus	92,500	41,470	-	-
- Contributions to defined contribution plan	28,516	13,160	-	-
	275,946	122,490	-	-
Non-executive Directors' remuneration				
- Fees	158,000	163,423	-	-
- Allowance	275,952	285,211	158,000	166,500
	433,952	448,634	158,000	166,500
Total Directors' remuneration	6,988,703	6,125,862	673,200	560,740

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

10. Directors' remuneration (Cont'd)

Included in the Directors' remuneration of the Group and the Company above are remuneration received and receivable by Directors of the Company during the financial year which amounted to RM4,817,607 (2023: RM4,201,144) and RM673,200 (2023: RM560,740) respectively.

11. Profit from operations

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Other than those disclosed in Notes 6, 7, 8, 9 and 10 profit from operations is arrived at after charging:				
Auditors' remuneration				
- Statutory audit				
- Current year	354,637	392,800	60,000	55,000
- Under/(Over) provision in prior year	11,620	(800)	5,000	-
- Other services	35,500	35,500	6,000	6,000
- Over provision in prior year	(2,000)	-	-	-
Depreciation of property, plant and equipment (Note 16)	32,321,949	30,839,543	771,757	755,925
Rental expenses*	285,293	285,407	213,470	158,525

* Expenses relating to short-term lease accounted for applying the recognition exception of MFRS 16 Leases. There are no material expense relating to low value assets.

12. Finance costs

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Interest expenses:				
- Lease liabilities	1,398,600	378,378	-	-
- Revolving credits	201,000	198,363	44,630	45,470
- Term loans	1,063,594	1,558,594	-	-
	2,663,194	2,135,335	44,630	45,470

13. Income from investments

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Gross dividend income from:				
- subsidiary companies	-	-	11,957,724	12,975,894
- quoted investments in Malaysia	5,307	4,142	5,265	4,142
	5,307	4,142	11,962,989	12,980,036

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

14. Income tax expense

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Current taxation	17,952,358	14,831,715	702,029	238,866
Deferred tax (Note 20)	834,122	(1,286,079)	385,007	6,651
	18,786,480	13,545,636	1,087,036	245,517
Under/(Over) provision in prior years:				
- Current taxation	557,624	846,828	82,513	(15,625)
- Deferred tax (Note 20)	124,176	45,307	(48,095)	5,498
	681,800	892,135	34,418	(10,127)
	19,468,280	14,437,771	1,121,454	235,390

A reconciliation of income tax expense applicable to profit before taxation at the statutory income tax rate to income 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 taxation	60,551,052	48,122,537	14,487,177	13,655,765
Taxation at Malaysian statutory tax rate of 24% (2023: 24%)	14,532,253	11,549,409	3,476,922	3,277,384
Non-deductible expenses	1,020,903	1,214,716	89,952	84,784
Non-taxable income	(276,508)	(302,724)	(2,879,838)	(3,116,651)
Effect of unrecognised temporary differences	3,509,832	1,084,235	400,000	-
	18,786,480	13,545,636	1,087,036	245,517
Under/(Over) provision in prior years:				
- Current taxation	557,624	846,828	82,513	(15,625)
- Deferred tax	124,176	45,307	(48,095)	5,498
	681,800	892,135	34,418	(10,127)
	19,468,280	14,437,771	1,121,454	235,390

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

15. Earnings per share

(a) Basic

Basic earnings per share is calculated by dividing profit for the financial year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	2024 RM	Group 2023 RM
Profit net of tax attributable to owners of the Company	<u>28,712,353</u>	<u>22,029,428</u>
Weighted average number of ordinary shares in issue	<u>196,543,970</u>	<u>196,543,970</u>
Basic earnings per share (sen)	<u>14.61</u>	<u>11.21</u>

(b) Diluted

There is no dilution in the earnings per share of the current and previous financial year end as there are no dilutive potential ordinary shares outstanding at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

16. Property, plant and equipment (Cont'd)

* Buildings comprise:

Group	Leasehold property RM	Oil mill and other buildings RM	Plantation infrastructure development expenditure RM	Quarry RM	Total RM
Cost					
At 1 January 2023	592,166	114,306,695	60,093,257	14,632,021	189,624,139
Additions	-	960,542	171,083	-	1,131,625
Disposal	-	(147,748)	-	-	(147,748)
Reclassification	-	388,305	-	-	388,305
At 31 December 2023	592,166	115,507,794	60,264,340	14,632,021	190,996,321
Additions	-	1,495,358	527,273	-	2,022,631
Write off	-	(114,500)	-	-	(114,500)
Reclassification	-	2,089,451	7,692	-	2,097,143
At 31 December 2024	592,166	118,978,103	60,799,305	14,632,021	195,001,595
Accumulated depreciation					
At 1 January 2023	-	56,645,512	7,035,688	2,525,487	66,206,687
Charge for the financial year	-	3,715,289	1,301,286	-	5,016,575
Write off	-	(15,386)	-	-	(15,386)
At 31 December 2023	-	60,345,415	8,336,974	2,525,487	71,207,876
Charge for the financial year	15,602	3,530,181	1,344,058	372,008	5,261,849
Disposal	-	(33,014)	-	-	(33,014)
At 31 December 2024	15,602	63,842,582	9,681,032	2,897,495	76,436,711
Net book value					
At 31 December 2024	576,564	55,135,521	51,118,273	11,734,526	118,564,884
At 31 December 2023	592,166	55,162,379	51,927,366	12,106,534	119,788,445

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

16. Property, plant and equipment (Cont'd)

Company 2024	Freehold land RM	Long term leasehold land RM	Bearer plant RM	Buildings RM	Plant and machinery, and motor vehicles RM	Furniture and fittings RM	Office equipment RM	Electrical installation RM	Capital work-in-progress RM	Total RM
Cost										
At 1 January 2024	3,006,617	388,220	4,828,169	7,979,771	1,031,085	1,716,814	721,037	242,642	39,589	19,953,944
Additions	-	-	122,700	8,067	174,589	28,325	29,945	-	260,601	624,227
Written off	-	-	-	(114,500)	-	-	-	-	-	(114,500)
Reclassification	-	-	-	2,530	-	-	-	-	(2,530)	-
At 31 December 2024	3,006,617	388,220	4,950,869	7,875,868	1,205,674	1,745,139	750,982	242,642	297,660	20,463,671
Accumulated depreciation										
At 1 January 2024	-	-	1,327,208	5,329,738	633,908	1,357,349	602,536	158,087	-	9,408,826
Charge for the financial year (Note 11)	-	-	209,458	371,018	47,148	109,512	28,988	5,633	-	771,757
Written off	-	-	-	(33,014)	-	-	-	-	-	(33,014)
At 31 December 2024	-	-	1,536,666	5,667,742	681,056	1,466,861	631,524	163,720	-	10,147,569
Net book value										
At 31 December 2024	3,006,617	388,220	3,414,203	2,208,126	524,618	278,278	119,458	78,922	297,660	10,316,102

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

16. Property, plant and equipment (Cont'd)

Company 2023	Freehold land RM	Long term leasehold land RM	Bearer plant RM	Buildings RM	Plant and machinery and motor vehicles RM	Furniture and fittings RM	Office equipment RM	Electrical installation RM	Capital work-in-progress RM	Total RM
Cost										
At 1 January 2023	3,006,617	388,220	4,745,719	7,969,051	1,026,085	1,699,679	702,213	191,877	9,448	19,738,909
Additions	-	-	173,145	8,980	5,000	17,135	11,746	50,765	41,059	307,830
Written off	-	-	(92,795)	-	-	-	-	-	-	(92,795)
Reclassification	-	-	2,100	1,740	-	-	7,078	-	(10,918)	-
At 31 December 2023	3,006,617	388,220	4,828,169	7,979,771	1,031,085	1,716,814	721,037	242,642	39,589	19,953,944
Accumulated depreciation										
At 1 January 2023	-	-	1,213,569	4,957,129	588,374	1,253,096	570,087	153,716	-	8,735,971
Charge for the financial year (Note 11)	-	-	196,709	372,609	45,534	104,253	32,449	4,371	-	755,925
Written off	-	-	(83,070)	-	-	-	-	-	-	(83,070)
At 31 December 2023	-	-	1,327,208	5,329,738	633,908	1,357,349	602,536	158,087	-	9,408,826
Net book value										
At 31 December 2023	3,006,617	388,220	3,500,961	2,650,033	397,177	359,465	118,501	84,555	39,589	10,545,118

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

16. Property, plant and equipment (Cont'd)

The property, plant and equipment of the Group and the Company held as right-of-use assets are as follows:

Group	Cost RM	Accumulated depreciation RM	Net book value RM
2024			
Long term leasehold land	148,058,772	(35,387,858)	112,670,914
Short term leasehold land	7,328,101	(3,090,289)	4,237,812
Plant and machinery, and motor vehicles	9,745,593	(2,520,794)	7,224,799
	<u>165,132,466</u>	<u>(40,998,941)</u>	<u>124,133,525</u>
2023			
Long term leasehold land	147,922,125	(33,615,976)	114,306,149
Short term leasehold land	7,328,101	(2,956,767)	4,371,334
Plant and machinery, and motor vehicles	7,336,853	(1,775,241)	5,561,612
	<u>162,587,079</u>	<u>(38,347,984)</u>	<u>124,239,095</u>
Company			
2024			
Long term leasehold land	<u>388,220</u>	-	<u>388,220</u>
2023			
Long term leasehold land	<u>388,220</u>	-	<u>388,220</u>

Leased assets of the Group and the Company pledged as security for the related finance lease liabilities as disclosed in Note 30 to the financial statements.

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Right-of-use assets				
- Plant and machinery	6,413,513	4,397,181	-	-
- Motor vehicles	811,286	1,164,431	-	-
	<u>7,224,799</u>	<u>5,561,612</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

16. Property, plant and equipment (Cont'd)

In addition, the net carrying value of the property, plant and equipment of the Group pledged to licensed banks to secure the loans and borrowings granted to the Group as disclosed in Note 29 to the financial statements are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Freehold land	3,006,617	3,006,617	3,006,617	3,006,617
Bearer plant	50,977,864	51,886,752	3,414,203	3,500,961
Buildings	16,663,671	19,165,648	1,669,961	1,821,513
Plantation infrastructure development expenditure	47,475,597	42,924,987	-	-
Plant and machinery	83,306,547	64,454,852	129,403	122,760
Furniture and fittings	1,730,002	808,981	99,334	86,192
Office equipment	60,715	76,953	60,715	54,778
Electrical installation	78,922	84,554	78,922	84,554
Capital work-in-progress	20,410,269	6,523,692	297,660	-
Right-of-use assets				
- Leasehold land	35,383,758	34,867,889	-	-
- Motor vehicles	1,110,010	1,657,064	-	-
	<u>260,203,972</u>	<u>225,457,989</u>	<u>8,756,815</u>	<u>8,677,375</u>

Additions in bearer plants during the financial year included the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Employee benefits expense (Note 9)	<u>696,581</u>	<u>49,484</u>	<u>57,322</u>	<u>26,518</u>

17. Investment properties

Fair value	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January and 31 December	<u>45,263,826</u>	<u>45,263,826</u>	<u>1,250,000</u>	<u>1,250,000</u>

The category of the fair value of investment properties are further disclosed in Note 36 to the financial statements.

Investment properties are stated at fair value, which has been determined based on valuations performed during the financial year by independent professional valuers using sales comparison method that makes reference to the sales prices of comparable properties in close proximity which are adjusted for differences in key attributes such as property size and location. The most significant input into this valuation approach is price per square foot of comparable properties.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

17. Investment properties (Cont'd)

Valuation techniques	Significant unobservable inputs	Range of adjustment factor	
		2024 %	2023 %
Market comparable approach	Difference in size and bulk discount	5 – 10	5 – 10

The followings are recognised in profit or loss in respect of investment properties:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Rental income	102,630	102,630	76,230	76,230
Direct operating expenses	(4,534)	(4,296)	(3,499)	(3,499)

For all investment properties that are measured at fair value, the current use of the properties is considered the highest and best use.

18. Investments in subsidiaries

At cost	Company	
	2024 RM	2023 RM
Unquoted shares, at cost		
At 1 January and 31 December	112,304,855	112,304,855
Quoted shares, at cost.		
At 1 January	101,507,214	99,605,049
Increase in investment in a subsidiary	-	1,902,165
At 31 December	101,507,214	101,507,214
	213,812,069	213,812,069

Details of the subsidiaries are as follows:

Name of subsidiary companies	Country of incorporation	Proportion of ownership interest held by the Group*		Proportion of ownership interest held by non-controlling interests*		Principal activities
		2024 %	2023 %	2024 %	2023 %	
Held by the Company						
Champion Point Sdn. Bhd.	Malaysia	100	100	-	-	Cultivation of oil palm and sale of fresh fruit bunches
Yew Lee Holdings Sdn. Berhad	Malaysia	100	100	-	-	Cultivation of oil palm and sale of fresh fruit bunches
Majuperak Plantation Sdn. Bhd.	Malaysia	100	100	-	-	Cultivation of oil palm and sale of fresh fruit bunches
Anson Oil Industries Sdn. Bhd.	Malaysia	100	100	-	-	Cultivation of oil palm, milling, sale of oil palm products and power generation

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

18. Investments in subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiary companies	Country of incorporation	Proportion of ownership interest held by the Group*		Proportion of ownership interest held by non-controlling interests*		Principal activities
		2024 %	2023 %	2024 %	2023 %	
Held by the Company (Cont'd)						
Ayu Gemilang Sdn. Bhd.	Malaysia	100	100	-	-	Investment holding
Telok Anson Hotel Sdn. Berhad	Malaysia	100	100	-	-	Investment holding
Mah Hock Company Sendirian Berhad	Malaysia	100	100	-	-	Property investment, housing development and cultivation of oil palm
Cepatwawasan Group Berhad ("CGB")	Malaysia	39.53	39.53	60.47	60.47	Investment holding and provision of management services to its subsidiary companies
Held through Yew Lee Holdings Sdn. Berhad						
Sharikat Muzwin Bersaudara Sdn. Bhd.	Malaysia	99	99	1	1	Cultivation of oil palm and sale of fresh fruit bunches
Hutan Melintang Plantations Sdn. Berhad	Malaysia	100	100	-	-	Cultivation of oil palm and sale of fresh fruit bunches
Held through Majuperak Plantation Sdn. Bhd.						
Majuperak Sawit Sdn. Bhd.	Malaysia	100	100	-	-	Dormant
Held through CGB						
Cepatwawasan Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Syarikat Melabau Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Wong Tet-Jung Plantations Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Razijaya Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm and operation of a quarry
Sri Likas Mewah Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Kovusak Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Libarran Island Resort Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Investment holding
Bakara Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Sungguh Mulia Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Prima Semasa Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Ayu Sempurna Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

18. Investments in subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiary companies	Country of incorporation	Proportion of ownership interest held by the Group*		Proportion of ownership interest held by non-controlling interests*		Principal activities
		2024 %	2023 %	2024 %	2023 %	
Held through CGB (Cont'd)						
Cash Nexus (M) Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Investment holding
Magnum Kapital Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Dormant
Hikayat Anggun Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Dormant
Aspenglade Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Dormant
Ekuiti Etika Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Dormant
Prolific Yield Sdn. Bhd.**	Malaysia	19.37	19.37	30.84	30.84	Milling and sales of oil palm products
Held through Cepatwawasan Sdn. Bhd.						
Prolific Yield Sdn. Bhd.**	Malaysia	20.16	20.16	29.63	29.63	Milling and sales of oil palm products
Jutategak Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Liga Semarak Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Tentu Cergas Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Tentu Bernas Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Held through Syarikat Melabau Sdn. Bhd.						
Suara Baru Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm and operation of a quarry
Gelang Usaha Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Swifturn Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Letting of oil palm fresh fruit bunches collection center
Held through Sri Likas Mewah Sdn. Bhd.						
Ultisearch Trading Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Cultivation of oil palm
Held through Libarran Island Resort Sdn. Bhd.						
Minelink Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Investment property holding
Held through Ayu Sempurna Sdn. Bhd.						
Ladang Cepat-KPD Sdn. Bhd.	Malaysia	23.72	23.72	36.28	36.28	Cultivation of oil palm and sale of fresh fruit bunches

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

18. Investments in subsidiaries (Cont'd)

Details of the subsidiaries are as follows: (Cont'd)

Name of subsidiary companies	Country of incorporation	Proportion of ownership interest held by the Group*		Proportion of ownership interest held by non-controlling interests*		Principal activities
		2024 %	2023 %	2024 %	2023 %	
Held through Ayu Gemilang Sdn. Bhd.						
Ladang Cepat-KPD Sdn. Bhd.	Malaysia	20.00	20.00	20.00	20.00	Cultivation of oil palm and sale of fresh fruit bunches
Held through Cash Nexus (M) Sdn. Bhd.						
Power Precinct Sdn. Bhd.	Malaysia	39.53	39.53	60.47	60.47	Investment holding
Cash Horse (M) Sdn. Bhd.**	Malaysia	39.48	27.67	0.08	18.14	Power generation and sale of biomass by-products
Timah Resources Limited # ^	Australia	27.59	27.59	72.41	72.41	Investment holding
Mistral Engineering Sdn. Bhd.**	Malaysia	20.16	20.16	-	-	Power generation
Held through Timah Resources Limited						
Mistral Engineering Sdn. Bhd.**	Malaysia	13.52	13.52	66.32	66.32	Power generation
Held through Power Precinct Sdn. Bhd.						
Cash Horse (M) Sdn. Bhd.**	Malaysia	0.05	11.86	60.39	42.33	Power generation and sale of biomass by-products

Audited by a firm other than PKF PLT, Malaysia

* Equals to the proportion of voting rights held

** Prolific Yield Sdn. Bhd. is held through both Cepatwawasan Group Berhad. and Cepatwawasan Sdn. Bhd. Cash Horse (M) Sdn. Bhd. is held through both Cash Nexus (M) Sdn. Bhd. and Power Precinct Sdn. Bhd. Mistral Engineering Sdn. Bhd. is held through both Cash Nexus (M) Sdn. Bhd. and Timah Resources Limited

^ Listed on the or ASX Limited

Subscription of additional shares

On 18 December 2024, the Company's subsidiary, Cepatwawasan Group Berhad. subscribed for an additional 58,500,000 ordinary shares in Cash Nexus (M) Sdn. Bhd. at an issue price of RM1 per share, for cash consideration. Subsequently, Cash Nexus (M) Sdn. Bhd. utilised these proceeds to subscribe for an equivalent number of ordinary shares in Cash Horse (M) Sdn. Bhd. at the same issue price. Following this subscription, the equity interest of Cash Nexus (M) Sdn. Bhd. in Cash Horse (M) Sdn. Bhd. increased from 70% to 99.87%, while the equity interest of Power Precinct Sdn. Bhd. correspondingly decreased from 30% to 0.13%. As Cash Nexus (M) Sdn. Bhd. remains a wholly owned subsidiary, the Company's indirect equity interest in Cash Horse (M) Sdn. Bhd. increased accordingly.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

18. Investments in subsidiaries (Cont'd)

Increase in stake of a subsidiary

2023

During the prior financial year, the Group acquired an additional 0.90% equity interest in Cepatwawasan Group Berhad as follows:

	RM
Consideration paid for the 0.90% increase in stake	1,902,165
Other charges	(15,310)
Carrying value of the additional interest in Cepatwawasan	<u>(4,290,850)</u>
Difference recognised in retained profits	<u>(2,403,995)</u>

Non-controlling interests in subsidiary

Summarised financial information of CGB which has non-controlling interests that are material to the Group are set out below. The summarised financial information presented below is the amount before inter-company elimination.

	2024 RM	2023 RM
Summarised consolidated statements of profit or loss and other comprehensive income		
Revenue	304,668,780	304,677,014
Profit for the financial year	21,717,341	<u>20,709,330</u>
Profit attributable to:		
Owners of the Company	21,609,720	20,393,978
Non-controlling interests	107,621	<u>315,352</u>
	21,717,341	<u>20,709,330</u>
Other comprehensive (loss)/income attributable to:		
Owners of the Company	(46,380)	35,428
Non-controlling interests	(20,067)	<u>15,329</u>
	(66,447)	<u>50,757</u>
Total comprehensive income	21,650,894	<u>20,760,087</u>
Total comprehensive income attributable to:		
Owners of the Company	21,563,340	20,429,406
Non-controlling interests	87,554	<u>330,681</u>
	21,650,894	<u>20,760,087</u>
Dividends paid to non-controlling interests	8,473,684	<u>8,601,176</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

18. Investments in subsidiaries (Cont'd)

Non-controlling interests in subsidiary (Cont'd)

Summarised financial information of CGB which has non-controlling interests that are material to the Group are set out below. The summarised financial information presented below is the amount before inter-company elimination. (Cont'd)

	2024 RM	2023 RM
Summarised consolidated statement of financial position		
Non-current assets	374,164,911	371,980,002
Current assets	153,878,180	127,691,301
Non-current liabilities	(42,087,000)	(52,546,217)
Current liabilities	(68,641,516)	(37,102,737)
Net assets	<u>417,314,575</u>	<u>410,022,349</u>
Equity attributable to owners of the Company	413,537,782	404,334,436
Non-controlling interests	<u>3,776,793</u>	<u>5,687,914</u>
Summarised cash flows information		
Net cash from operating activities	54,852,775	38,582,619
Net cash used in investing activities	(26,816,387)	(2,347,475)
Net cash from/(used in) financing activities	3,308,000	(26,793,000)
Net increase in cash and cash equivalents	31,344,388	9,442,144
Net foreign exchange difference	(66,447)	50,000
Cash and cash equivalents at beginning of the financial year	66,180,847	56,688,703
Cash and cash equivalents at end of the financial year	<u>97,458,788</u>	<u>66,180,847</u>

19. Investments in securities

	2024 Carrying amount RM	2024 Market value of quoted investments RM	2023 Carrying amount RM	2023 Market value of quoted investments RM
Group				
Non-current				
Financial assets				
- Equity instruments (quoted in Malaysia)	100,333	100,333	111,560	111,560
- Equity instruments (unquoted), at fair value	133,273	-	140,074	-
At 31 December	<u>233,606</u>		<u>251,634</u>	
Company				
Non-current				
Financial assets				
- Equity instruments (quoted in Malaysia)	92,615	92,615	99,558	99,558
- Equity instruments (unquoted), at fair value	1	-	1	-
At 31 December	<u>92,616</u>		<u>99,559</u>	

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

20. Deferred tax assets/(liabilities)

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	(44,747,578)	(45,988,350)	(600,370)	(588,221)
Recognised in profit or loss (Note 14)	(958,298)	1,240,772	(336,912)	(12,149)
At 31 December	(45,705,876)	(44,747,578)	(937,282)	(600,370)

The components of deferred tax assets and liabilities during the financial year recognised in profit and loss prior and after offsetting are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets				
Provision	693,762	1,231,617	-	-
Unutilised tax losses	1,512,701	1,295,622	-	-
Unabsorbed agriculture and capital allowances	21,856,895	17,061,603	260,296	614,644
Unabsorbed investment tax allowances	5,687,680	14,504,703	-	-
	29,751,038	34,093,545	260,296	614,644
Deferred tax liabilities				
Property, plant and equipment	(73,330,945)	(74,939,094)	(1,008,086)	(1,083,755)
Biological assets	(1,394,552)	(812,891)	(109,046)	(50,813)
Revaluation of leasehold land and buildings	(592,789)	(644,418)	(15,529)	(15,529)
Fair value changes to investment properties	(138,628)	(2,444,720)	(64,917)	(64,917)
	(75,456,914)	(78,841,123)	(1,197,578)	(1,215,014)
	(45,705,876)	(44,747,578)	(937,282)	(600,370)

Presented after appropriate offsetting as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Deferred tax assets	3,079,242	4,320,657	-	-
Deferred tax liabilities	(48,785,118)	(49,068,235)	(937,282)	(600,370)
	(45,705,876)	(44,747,578)	(937,282)	(600,370)

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

20. Deferred tax assets/(liabilities) (Cont'd)

No deferred tax asset has been recognised for the following items:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Unabsorbed capital allowances	104,370,622	90,493,113	1,666,667	-
Unutilised tax losses	25,708,664	24,961,876	-	-
	130,079,286	115,454,989	1,666,667	-
Tax rate	24%	24%	24%	24%
Deferred tax assets not recognised	31,219,029	27,709,197	400,000	-

Year of expiry of unutilised tax losses is analysed as follows:

	Group	
	2024 RM	2023 RM
Expiry by 2028	30,796,353	30,049,355
Expiry by 2030	-	33,000
Expiry by 2033	1,215,232	277,946
	32,011,585	30,360,301
Tax rate	24%	24%
	7,682,780	7,286,472

The unabsorbed capital allowances disclosed above are available indefinitely for offsetting against future taxable profits of the Group and of the Company whereas the unutilised losses is available to be carried forward up to the maximum of ten (10) years, subject to no substantial change in shareholdings of these subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group and the Company can utilise the benefits.

21. Intangible assets

Goodwill	Group	
	2024 RM	2023 RM
At 1 January/31 December	43,867,118	43,867,118

Impairment testing of goodwill

Goodwill which arose from business combinations has been allocated to CGUs identified according to the individual subsidiaries and the Sub Group, all of which are principally involved in plantation activities for impairment testing.

The recoverable amount of the above CGUs has been determined based on either FVLCD where the management relied on independent professional valuers using comparison method valuation or VIU calculations using cash flow projections approved by management covering a five-year period.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

21. Intangible assets (Cont'd)

The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill:

	Group	
	2024 RM	2023 RM
CPO per metric tonne ("MT") (RM)	4,187 – 4,727	3,700 – 4,164
PK per MT (RM)	2,610 – 3,039	2,100 – 2,364
Discount rates	10%	10%

- (i) CPO and PK prices are based on the current market outlook of product prices relating to the CGU.
- (ii) Discount rates used for cash flows discounting purpose is the Group's weighted average cost of capital.

For CGUs determined based on FVLCD, the recoverable values were determined by the professional valuers on plantation land using market comparison approach that reflects recent transacted prices of similar properties. These prices are adjusted for factors of size and location by a range of 5% - 20% to arrive at a range of valuation of RM31,950 to RM69,696 per acre for plantation land.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the plantation segment, management believes that any reasonable possible change in any of the above key assumptions applied is unlikely to materially cause the recoverable amounts to be lower than the carrying values of the CGU.

22. Biological assets

At fair value	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January	3,266,284	3,355,852	211,720	243,723
Fair value gain (Note 6)	2,544,351	210,888	242,640	-
Fair value loss (Note 7)	-	(300,456)	-	(32,003)
At 31 December	5,810,635	3,266,284	454,360	211,720

The biological assets of the Group and the Company comprise fresh fruit bunches ("FFB") prior to harvest. To arrive at the fair value of FFB, the management has considered the oil content of the unripe FFB and derived at the assumption that the net cash flows to be generated from FFB prior to more than six (6) weeks to harvest is negligible, therefore quantity of unripe FFB on bearer plants of up to six (6) weeks prior to harvest was used for valuation purpose. The value of the unripe FFB was estimated to be approximately 17% for FFB that are five (5) to six (6) weeks prior to harvest, 50% for FFB that are three (3) to four (4) weeks prior to harvest and 83% for FFB that are one (1) to two (2) weeks prior to harvest. The quantity of unharvested FFB of the Group and the Company as at 31 December 2024 included in the fair valuation of FFB were 14,669 and 1,167 metric tonne (2023: 14,169 and 922 metric tonne) respectively. The net present value of cash flows is then determined with reference to the market value of crude palm oil at the date of harvest, adjusted for freight and other costs to sell at the point of harvest.

The valuation model adopted by the Group is a discounted cash flow model which includes all cash inflows, cash outflows and imputed contributory asset charges where no actual cash flows associated with the use of assets essential to the agricultural activity are accounted for. The net present value of cash flows is then determined with reference to the market value of crude palm oil at the date of harvest, adjusted for freight, extraction rates, production, transportation, contributory asset charges and other costs 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.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

22. Biological assets (Cont'd)

The relationship of the unobservable inputs to changes in fair value, with all other variables held constant is as follows:

Unobservable inputs	Fair value gain/(loss)			
	2024		2023	
	Increase by 10% RM	Decrease by 10% RM	Increase by 10% RM	Decrease by 10% RM
Group				
FFB price	734,120	(734,120)	474,196	(474,196)
Production volume	533,360	(533,360)	283,264	(283,264)
Harvest and transportation costs	(204,155)	(204,155)	(193,682)	(193,682)
Company				
FFB price	61,500	(61,500)	32,341	(32,341)
Production volume	45,436	(45,436)	21,172	(21,172)
Harvest and transportation costs	(16,064)	16,064	(11,169)	11,169

23. Inventories

Cost	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Crude palm oil	7,026,266	4,011,928	-	-
Empty fruit bunches	26,073	35,221	-	-
Empty fruit bunches oil	469,884	488,976	-	-
Fibre	12,943	34,818	-	-
Nursery, seedlings, stores, and materials	10,842,687	10,586,052	161,695	117,767
Palm kernel	1,055,988	1,225,930	-	-
Quarry inventories	6,657,649	7,084,577	-	-
	<u>26,091,490</u>	<u>23,467,502</u>	<u>161,695</u>	<u>117,767</u>
Less: Allowance for slow moving and obsolete inventories	(1,434,115)	(1,434,115)	-	-
	<u>24,657,375</u>	<u>22,033,387</u>	<u>161,695</u>	<u>117,767</u>

Movement in the allowance for slow moving and obsolete inventories account is as follows:

	Group	
	2024 RM	2023 RM
At 1 January/31 December	<u>1,434,115</u>	<u>1,434,115</u>

During the financial year, the amount of inventories recognised as an expense in cost of sales of the Group and the Company were RM27,879,313 and RM392,604 (2023: RM37,039,719 and RM505,782).

Additions in nurseries during the financial year included the following:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Employee benefits expense (Note 9)	<u>331,314</u>	<u>152,644</u>	<u>33,029</u>	<u>21,652</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

24. Trade and other receivables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade receivables				
Third parties	16,452,244	12,485,871	50,445	50,327
Amounts due from subsidiaries	-	-	431,884	236,476
	16,452,244	12,485,871	482,329	286,803
Less: Allowance for expected credit losses	(92,473)	(220,260)	-	-
Trade receivables, net	16,359,771	12,265,611	482,329	286,803
Other receivables				
- Amounts due from subsidiaries	-	-	328,588	132,178
- Sundry receivables	4,631,472	5,368,131	26,765	122,401
GST receivables	151,506	164,697	-	-
Prepayments and deposits	2,819,833	8,886,165	75,276	77,200
	7,602,811	14,418,993	430,629	331,779
Less: Allowance for expected credit losses	(901,522)	(758,527)	-	-
Other receivables, net	6,701,289	13,660,466	430,629	331,779
Total trade and other receivables	23,061,060	25,926,077	912,958	618,582

Trade receivables, including those amounts due from subsidiaries are non-interest bearing and are generally on 7 to 30 days (2023: 7 to 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The non-trade amounts due from subsidiaries are unsecured, non-interest bearing, and repayable on demand.

During the financial year, the following losses were recognised in profit or loss in relation to impaired financial assets:

Group	Trade receivables RM	Other receivables RM	Total RM
At 1 January 2023	224,326	775,467	999,793
Reversal during the financial year (Note 8)	(4,066)	(16,940)	(21,006)
At 31 December 2023	220,260	758,527	978,787
Charge during the financial year (Note 8)	54,961	159,461	214,422
Written off	(182,748)	(16,466)	(199,214)
At 31 December 2024	92,473	901,522	993,995

There was no material expected credit loss for the Company's trade receivables as of the financial year end.

Information about the Group's and the Company's exposure to credit risks and expected credit losses for trade receivables is included in Note 35 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

25. Short-term investments

Fair value through profit or loss	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term investments	46,282,277	41,442,517	2,172,433	186,097

Short-term funds are investments in income trust funds in Malaysia. The trust funds invest in highly liquid assets which are readily convertible to known amounts of cash with insignificant changes in value.

26. Cash and cash equivalents

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Cash and bank balances	88,194,981	43,790,638	1,347,909	798,304
Deposits with licensed banks	27,832,352	33,765,871	438,132	421,837
Cash and bank balances	116,027,333	77,556,509	1,786,041	1,220,141
Less: Deposits pledged as securities for banking facilities and deposits with maturity of more than three (3) months (Note 29)	(3,305,884)	(3,828,791)	(438,132)	(421,837)
Cash and cash equivalents	112,721,449	73,727,718	1,347,909	798,304

The deposits with licensed banks of the Group and the Company include an amount of RM438,132 (2023: RM421,837), which are registered in the names of two of the Company's Directors and held in trust for the Company, are pledged as securities for bankers' guarantee facilities granted to the Group.

Deposits of the Group and of the Company are made for varying periods of between one (1) month to twelve (12) months (2023: one (1) month to twelve (12) months) and one (1) month (2023: one (1) month) respectively, depending on the cash requirements of the Group, and earn interest at the respective fixed deposit rates. The weighted average effective interest rate as at year end for deposits of the Group and of the Company was 2.59% (2023: 2.54%) and 2.69% (2023: 2.56%) per annum respectively.

27. Share capital

Issued and fully paid:	No. of ordinary shares		Group/Company	
	2024 RM	2023 RM	2024 RM	2023 RM
At 1 January 2023/31 December 2023/ 31 December 2024	196,543,970	196,543,970	196,543,970	196,543,970

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 regard to the Company's residual assets.

28. Reserve

Group	2024 RM	2023 RM
Distributable		
Capital reserve	8,169	8,169
Retained profits	167,753,185	150,833,470
	167,761,354	150,841,639

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

28. Reserve (Cont'd)

Group	2024 RM	2023 RM
Non-distributable		
Capital reserve	5,736,883	5,736,883
Other reserve	(32,670,124)	(32,670,124)
Revaluation reserve	789,026	789,026
Fair value adjustment reserve	(109,239)	(91,211)
Foreign currency translation reserve	(330,048)	(283,668)
	<u>(26,583,502)</u>	<u>(26,519,094)</u>
	<u>141,177,852</u>	<u>124,322,545</u>
Company		
Distributable		
Retained profits	30,973,834	29,400,749
Non-distributable		
Fair value adjustment reserve	(192,460)	(185,517)
	<u>30,781,374</u>	<u>29,215,232</u>

Capital reserve

The distributable capital reserve comprises mainly gains arising from disposal of property, plant and equipment and investments whereas the non-distributable capital reserve represents amount capitalised for bonus issue from post-acquisition reserve of a subsidiary company.

Retained profits

The Group's and the Company's policy is to treat all gains and losses that pass through the statements of profit or loss and other comprehensive income (i.e. non-owner transactions or events) as revenue reserves. Other than retained profits, all other revenue reserves are regarded as non-distributable in the form of cash dividends to shareholders. Accumulated losses are the opposite of retained profits and when an entity is in an accumulated loss position, it is prohibited from distributing cash dividends to shareholders.

Other reserve

Other reserve represents the difference between the adjusted carrying amount of the non-controlling interests and the fair value of the consideration paid.

Revaluation reserve

Revaluation reserve represents net surplus arising from the revaluation of certain subsidiary companies' freehold land, buildings and biological assets in 1976, 1982 and 1988 respectively. On transition to MFRS, the Group opted for the cost model as its accounting policy for measurement of property, plant and equipment, and treated the carrying values of the previously revalued properties at the date of transition as deemed cost.

On subsequent sale or retirement of these revalued properties, the attributable surplus remaining in the revaluation reserve will be transferred to distributable reserve.

Fair value adjustment reserve

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of equity instrument until they are disposed of or impaired.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

28. Reserve (Cont'd)

Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiary companies whose functional currencies are different from that of the Group's presentation currency.

29. Loans and borrowings

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Non-current				
Secured:				
Term loans	10,159,000	17,309,000	-	-
Current				
Secured:				
Revolving credits	29,600,000	1,100,000	800,000	800,000
Term loans	7,150,000	7,500,000	-	-
Unsecured:				
Revolving credits	100,000	100,000	100,000	100,000
	36,850,000	8,700,000	900,000	900,000
Total loans and borrowings				
Secured:				
Revolving credits	29,600,000	1,100,000	800,000	800,000
Term loans	17,309,000	24,809,000	-	-
Unsecured:				
Revolving credits	100,000	100,000	100,000	100,000
	47,009,000	26,009,000	900,000	900,000
Maturity structure of loans and borrowings				
Within one year	36,850,000	8,700,000	900,000	900,000
Between one to two years	3,258,000	6,396,529	-	-
Between two to five years	6,901,000	10,000,018	-	-
More than five years	-	912,453	-	-
	47,009,000	26,009,000	900,000	900,000

The interest rate structures are as follows:

	Effective interest rate per annum	
	2024	2023
Revolving credits	ICOF + 1.20%, COF + 1.10% to 1.50%	ICOF + 1.20%, COF + 1.10% to 1.50%
Term loans	ICOF + 1.10%, COF + 1.50%	ICOF + 1.10%, COF + 1.50%

ICOF – Islamic Cost of Funds

COF – Cost of Funds

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

29. Loans and borrowings (Cont'd)

(i) Revolving credits

The revolving credits are secured by way of:

- (a) Legal charges over freehold agricultural land of the Company and certain leasehold plantations together with the plant and machinery and palm oil mill of certain subsidiaries, sub-divided land together with the power plant erected thereon of a subsidiary as disclosed in Note 16 to the financial statements;
- (b) Debentures incorporating fixed and floating charges over all the assets of these subsidiaries presently owned and subsequently acquired;
- (c) Corporate guarantees given by the subsidiaries Company; and
- (d) Short-term deposits with licensed bank.

(ii) Term loans

The loans are secured by way of:

- (a) Legal charges over sub-divided land together with the power plant erected thereon of certain subsidiaries as disclosed in Note 16 to the financial statements;
- (b) Legal charges over certain leasehold plantations as disclosed in Note 16 to the financial statements;
- (c) Debentures incorporating fixed and floating charges over all the assets of certain subsidiaries presently owned and subsequently acquired;
- (d) Short-term deposits with licensed bank; and
- (e) Corporate guarantees given by the subsidiaries Company.

30. Lease liabilities

	Group	
	2024 RM'000	2023 RM'000
Current	4,112,778	2,124,197
Non-current	6,807,049	9,716,401
	10,919,827	11,840,598
Maturity structure of lease liabilities:		
Within one year	4,112,778	2,124,197
Between one to two years	2,586,626	1,977,814
Between two to five years	3,419,200	6,236,412
More than five years	801,223	1,502,175
	10,919,827	11,840,598

The Group has lease contracts of land used in its operations as disclosed in Note 16 to the financial statements. Leases of land has lease terms of average five (5) to thirty (30) years. The average discount rate implicit in the leases is 7.39% (2023: 7.39%) per annum.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised in the statement of financial position:

Right-of-use asset	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. of leases with extension options	No. of leases with variable payment	No. of leases with termination option
Leasehold land	10	3 – 19 years	7 years	5	-	-

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

30. Lease liabilities (Cont'd)

The leases of the Group and the Company are secured by a charge over the leased assets which consist of plant and machinery and motor vehicles as disclosed in Note 16 to the financial statements. These leases of the Group bear effective interest rate ranging from 4.44% to 8.15% (2023: 4.36% to 8.15%) per annum respectively.

There were no leases with residual value guarantee or leases which have yet to commence of which the Group and the Company have committed.

31. Trade and other payables

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Trade payables				
Third parties	<u>16,032,966</u>	<u>18,025,813</u>	-	-
Other payables				
Accruals and deposits	<u>10,432,819</u>	<u>9,842,841</u>	<u>948,025</u>	<u>474,786</u>
CPO sales tax and MPOB cess	<u>1,492,843</u>	<u>1,655,603</u>	-	-
Other payables				
- Amounts due to subsidiaries	-	-	<u>19,211</u>	-
- Third parties	<u>9,716,654</u>	<u>4,241,800</u>	<u>661,754</u>	<u>376,412</u>
- Retention sum payable to contractor	-	<u>27,535</u>	-	-
	<u>21,642,316</u>	<u>15,767,779</u>	<u>1,628,990</u>	<u>851,198</u>
Total trade and other payables	<u>37,675,282</u>	<u>33,793,592</u>	<u>1,628,990</u>	<u>851,198</u>

Trade payables are non-interest bearing and the normal credit terms granted to the Group and the Company are 30 to 90 days (2023: 30 to 90 days).

The amounts due to subsidiaries are unsecured, non-interest bearing, and repayable on demand.

32. Dividend

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Recognised during the financial year				
Dividend on ordinary shares:				
Interim single-tier dividend of 3.00 sen (2023: 3.00 sen) per share	<u>5,896,319</u>	<u>5,896,319</u>	<u>5,896,319</u>	<u>5,896,319</u>
Special dividend of 3.00 sen (2023: 3.00 sen) per share	<u>5,896,319</u>	<u>5,896,319</u>	<u>5,896,319</u>	<u>5,896,319</u>
	<u>11,792,638</u>	<u>11,792,638</u>	<u>11,792,638</u>	<u>11,792,638</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

33. Significant related party transactions

(a) Identities of related parties

Parties are considered to be related to the Group and the Company if the Group and the Company have the ability, directly or indirectly, to control the party or exercise significant influence over the party 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 could be individuals or other entities.

(b) Related parties' transactions

The aggregate value of transactions of the related parties of the Group and the Company were as follows:

Name of related parties	Type of transaction	Transaction value	
		2024 RM	2023 RM
Group and Company			
With company which have common Directors with the Company and in which certain Directors of the Company have financial interests:			
Behrang 2020 Sdn. Bhd.	Rental of premises	(48,000)	(48,000)
With substantial shareholder:			
Datin Seri Ooi Ah Thin	Rental of premises	(42,000)	(42,000)
Company			
With subsidiary companies:			
Anson Oil Industries Sdn. Bhd	Sales of fresh fruit bunches	8,959,869	5,366,732
	Rental income of equipment	27,636	61,313
	Rental expenses of equipment	(30,820)	(16,275)
Champion Point Sdn. Bhd.	Rental income of equipment	11,495	11,063
Majuperak Plantation Sdn. Bhd.	Interest on advances received	-	8,556
	Rental income of equipment	800	825
Yew Lee Holdings Sdn. Berhad	Rental expenses of equipment	(65,655)	(51,050)
	Rental income of equipment	7,200	3,975
Hutan Melintang Plantations Sdn. Bhd.	Rental expenses of equipment	(10,375)	-
	Rental income of equipment	375	2,813
Sharikat Muzwin Bersaudara Sdn. Berhad	Rental income of equipment	20,735	3,300

(c) Compensation of key management personnel

The remuneration of the key management personnel other than the Directors of the Group and of the Company are as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Short-term employee benefits	2,786,693	2,359,873	303,188	225,647
Contributions to defined contribution plan	310,554	258,220	37,348	27,812
	3,097,247	2,618,093	340,536	253,459

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

33. Significant related party transactions (Cont'd)

(c) Compensation of key management personnel (Cont'd)

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group and of the Company either directly or indirectly, including any Director of the Group and of the Company.

The terms and conditions and prices of the above transactions are mutually agreed between the parties.

34. Capital commitment

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Approved and contracted for:				
- Property, plant and equipment	<u>20,042,500</u>	<u>20,330,937</u>	<u>315,000</u>	<u>315,000</u>

35. Financial instruments

(a) Categories of financial instruments

Financial assets	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
<u>Measured at amortised cost</u>				
Trade and other receivables	20,089,721	16,875,215	837,682	541,382
Cash and bank balances	116,027,333	77,556,509	1,786,041	1,220,141
<u>Measured at FVOCI</u>				
Investments in securities	233,606	251,634	92,616	99,559
<u>Measured at fair value through profit or loss</u>				
Short-term investments	46,282,277	41,442,517	2,172,433	186,097
	<u>182,632,937</u>	<u>136,125,875</u>	<u>4,888,772</u>	<u>2,047,179</u>
Finance liabilities				
<u>Measured at amortised cost</u>				
Trade and other payables	36,182,439	32,137,989	1,628,990	851,198
Loans and borrowings	47,009,000	26,009,000	900,000	900,000
Lease liabilities	10,919,827	11,840,598	-	-
	<u>94,111,266</u>	<u>69,987,587</u>	<u>2,528,990</u>	<u>1,751,198</u>

A reconciliation of trade and other receivables in financial assets to the amounts reflected in the statements of financial position is as follows:

Trade and other receivables	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
As reflected in the statements of financial position (Note 24)	23,061,060	25,926,077	912,958	618,582
Less: Prepayments and Non-refundable deposits	(2,819,833)	(8,886,165)	(75,276)	(77,200)
GST receivables	(151,506)	(164,697)	-	-
	<u>20,089,721</u>	<u>16,875,215</u>	<u>837,682</u>	<u>541,382</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

35. Financial instruments (Cont'd)

(a) Categories of financial instruments (Cont'd)

A reconciliation of trade and other payables in financial liabilities to the amounts reflected in the statements of financial position is as follows: (Cont'd)

Trade and other payables	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
As reflected in the statements of financial position (Note 31)	37,675,282	33,793,592	1,628,990	851,198
Less: CPO sales tax and MPOB cess	(1,492,843)	(1,655,603)	-	-
	36,182,439	32,137,989	1,628,990	851,198

(b) Financial risk management

The Group and the Company are exposed to financial risks arising from their operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, and foreign currency risk.

The Board of Directors reviews and agrees on policies and procedures for the management of these risks, which are executed by Executive Committee. The audit committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(i) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty defaults on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including short-term investments and cash and bank balances), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's and the Company's objective are to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties.

It is the Group's and the Company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's and the Company's exposure to bad debts is not significant.

As at the reporting date, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

Trade receivables

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

At each reporting date, the Group and the Company assess whether any of the trade receivables are credit impaired.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

35. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables

The gross carrying amounts of credit impaired trade receivables are written off (either partially or full) when there is no realistic prospect of recovery. This is generally the case when the Group and the Company determine that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay amounts subject to the write-off. Nevertheless, trade receivables and contract asset that are written off could still be subject to enforcement activities.

As at the end of the reporting period, the maximum exposure to credit risk arising from trade receivables is represented by the carrying amounts in the statements of financial position. The Group and the Company do not hold collateral as security.

The ageing analysis of the Group's and the Company's trade receivables as at the reporting date is as follows:

Group	Gross amount RM	Expected credit losses RM	Carrying value RM
2024			
Not past due	16,233,644	-	16,233,644
Past due:			
- less than 30 days	70,409	-	70,409
- between 31 to 60 days	18,725	-	18,725
- between 61 to 90 days	35,757	-	35,757
- more than 90 days	93,709	(92,473)	1,236
	218,600	(92,473)	126,127
	16,452,244	(92,473)	16,359,771
2023			
Not past due	11,843,471	-	11,843,471
Past due:			
- less than 30 days	415,384	-	415,384
- between 31 to 60 days	-	-	-
- between 61 to 90 days	4,024	-	4,024
- more than 90 days	222,992	(220,260)	2,732
	642,400	(220,260)	422,140
	12,485,871	(220,260)	12,265,611
Company			
2024			
Not past due	482,329	-	482,329
2023			
Not past due	286,803	-	286,803

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

35. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(i) Credit risk (Cont'd)

Trade receivables (Cont'd)

Impairment for trade receivables is measured at an amount equal to lifetime expected credit loss. The expected credit losses on trade receivables includes both individual impairment for those that show objective evidence of impairment (stage 3 loss) and collective impairment (stage 2 loss). Collective impairment has been provided using the provisional matrix based on historical loss experience of the respective entities in the Group with reference to past due status of the debtor, as follows:

	Expected credit loss rates	
	2024	2023
Not past due	0%	0%
Past due:		
- less than 30 days	0%	0%
- between 31 to 60 days	0%	0%
- between 61 to 90 days	0%	0%
- more than 90 days	99%	100%

The expected credit loss rates are based on the historical loss rates experienced by each entity in the Group as adjusted for forward looking element as necessary.

There was no material expected credit loss for the Company's trade receivables as of the financial year end.

As at the reporting date, the Group and the Company have significant concentration of credit risk in the form of outstanding balance due from 6 and 1 (2023: 8 and 2) major customers representing 63% and 90% (2023: 58% and 98%) of the total trade receivables respectively.

Other receivables

For other receivables, a lifetime expected credit loss is assessed for those counterparties that show significant increase in credit risk as at the end of the reporting period, and impairment made based on objective evidence of impairment.

Inter-company advances

The Company provides advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the advances on an individual basis and considers advances to subsidiaries to have low credit risks.

The Company determines the probability of default for these advances individually using internal information available.

As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statement of financial position. Advances provided are not secured by any collateral or supported by any other credit enhancements.

Cash and cash equivalents

The cash and cash equivalents are held with banks and financial institutions. As at the end of the reporting period, the maximum exposure to credit risk is represented by their carrying amounts in the statements of financial position.

These banks and financial institutions have low credit risks. Consequently, the Group and the Company are of the view that loss allowance is not material and hence, it is not provided for.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

35. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from financial institutions and balances its portfolio with some short term funding so as to achieve overall cost effectiveness.

The following table sets out the maturity profile of the Group's and the Company's financial liabilities as at the end of the reporting period based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on the rates at the end of the reporting period):

Group	Carrying amount RM	Contractual undiscounted cashflows RM	Within One (1) year RM	One (1) to Five (5) years RM	Over Five (5) years RM
2024					
Financial liabilities					
Trade and other payables	37,675,282	37,675,282	37,675,282	-	-
Loans and borrowings	47,009,000	47,859,177	36,906,807	10,952,370	-
Lease liabilities	10,919,827	13,415,118	3,227,225	8,800,217	1,387,676
	<u>95,604,109</u>	<u>98,949,577</u>	<u>77,809,314</u>	<u>19,752,587</u>	<u>1,387,676</u>
2023					
Financial liabilities					
Trade and other payables	33,793,592	33,793,592	33,793,592	-	-
Loans and borrowings	26,009,000	31,823,172	8,700,000	17,873,172	5,250,000
Lease liabilities	11,840,598	14,600,402	2,830,756	8,396,394	3,373,252
	<u>71,643,190</u>	<u>80,217,166</u>	<u>45,324,348</u>	<u>26,269,566</u>	<u>8,623,252</u>

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

35. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(ii) Liquidity risk (Cont'd)

Company	Carrying amount RM	Contractual undiscounted cashflows RM	Within One (1) year RM	One (1) to Five (5) years RM	Over Five (5) years RM
2024					
Financial liabilities					
Trade and other payables	1,628,990	1,628,990	1,628,990	-	-
Loans and borrowings	900,000	900,000	900,000	-	-
	2,528,990	2,528,990	2,528,990	-	-
2023					
Financial liabilities					
Trade and other payables	851,198	851,198	851,198	-	-
Loans and borrowings	900,000	900,000	900,000	-	-
	1,751,198	1,751,198	1,751,198	-	-

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises mainly from their loans and borrowings. Most of the Group's and the Company's loans and borrowings are charged a fixed interest rate plus the financial institutions' cost of fund per annum. The fixed interest rate is reviewed annually. Whilst, the cost of fund used by the financial institutions vary according to the rates set by the respective financial institutions. Meanwhile, interest rates charged on finance leases are fixed at the inception of the finance lease arrangements. The investments in financial assets are mainly short term in nature and have been mostly placed in fixed deposits and short-term investments.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

The following table details the sensitivity analysis to a reasonably possible change in the interest rates as at the end of the reporting period, with all other variables held constant:

Effects on profit after taxation	Group (Decrease)/Increase		Company (Decrease)/Increase	
	2024 RM	2023 RM	2024 RM	2023 RM
Increase of 60bp (2023: 60bp)	(3,314)	(22,224)	5,802	(1,028)
Decrease of 60bp (2023: 60bp)	3,314	22,224	(5,802)	1,028

(iv) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in foreign exchange rate.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

35. Financial instruments (Cont'd)

(b) Financial risk management (Cont'd)

(iv) Foreign currency risk (Cont'd)

The Group holds cash and bank balances denominated in foreign currencies for working capital purposes. As at the reporting date, such foreign currency balances (mainly in AUD, USD and SGD) amounted to RM2,294,334 (2023: RM2,801,872).

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the AUD, USD and SGD exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:

Effects on profit after taxation	Group (Decrease)/Increase in profit before tax	
	2024 RM	2023 RM
AUD/RM		
- strengthened 5% (2023: 5%)	(33,608)	(52,924)
- weakened 5% (2023: 5%)	33,608	52,924
USD/RM		
- strengthened 5% (2023: 5%)	31,983	(32,100)
- weakened 5% (2023: 5%)	(31,983)	32,100
SGD/RM		
- strengthened 5% (2023: 5%)	20,933	(21,447)
- weakened 5% (2023: 5%)	(20,933)	21,447

36. Fair value information

The financial assets and financial liabilities maturing within the next twelve (12) months approximated their fair values due to the relatively short-term maturity of the financial instruments.

The carrying amount of the variable rate term loans approximated their fair value as the loans will be re-priced to market interest rate on or near reporting date.

The fair value of quoted shares is determined directly by quoted bid prices in an active market at reporting date.

The fair value of unquoted shares is determined by reference to a selling price agreement and adjusted net tangible asset.

The fair value of investments in short-term instruments are based on daily price quotes by the funds.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

36. Fair value information (Cont'd)

As at the reporting date, the Group and the Company held the following at fair value in the statement of financial position:

Group	Note	Carrying amount RM	Level 1 RM	Level 2 RM	Level 3 RM
2024					
Assets measured at fair value					
Investment properties	17				
- Freehold					
- Land		43,340,000	-	-	43,340,000
- Semi-Detached factory		673,826	-	-	673,826
- Shophouse		1,250,000	-	-	1,250,000
Investments in securities	19				
- Equity instruments (quoted in Malaysia)		100,333	100,333	-	-
- Equity instruments (unquoted in Malaysia)		133,273	-	-	133,273
Biological assets	22	5,810,635	-	-	5,810,635
Short-term investments	25	46,282,277	46,282,277	-	-
		97,590,344	46,382,610	-	51,207,734
2023					
Assets measured at fair value					
Investment properties	17				
- Freehold					
- Land		43,340,000	-	-	43,340,000
- Semi-Detached factory		673,826	-	-	673,826
- Shophouse		1,250,000	-	-	1,250,000
Investments in securities	19				
- Equity instruments (quoted in Malaysia)		111,560	111,560	-	-
- Equity instruments (unquoted in Malaysia)		140,074	-	-	140,074
Biological assets	22	3,266,284	-	-	3,266,284
Short-term investments	25	41,442,517	41,442,517	-	-
		90,224,261	41,554,077	-	48,670,184

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

36. Fair value information (Cont'd)

As at the reporting date, the Group and the Company held the following at fair value in the statement of financial position: (Cont'd)

Company	Note	Carrying amount RM	Level 1 RM	Level 2 RM	Level 3 RM
2024					
Assets measured at fair value					
Investment properties	17				
- Freehold shophouse		1,250,000	-	-	1,250,000
Investments in securities	19				
- Equity instruments(quoted in Malaysia)		92,615	92,615	-	-
- Equity instruments(unquoted in Malaysia)		1	-	-	1
Biological assets	22	454,360	-	-	454,360
Short-term investments	25	2,172,433	2,172,433	-	-
		3,969,409	2,265,048	-	1,704,361
2023					
Assets measured at fair value					
Investment properties	17				
- Freehold shophouse		1,250,000	-	-	1,250,000
Investments in securities	19				
- Equity instruments (quoted in Malaysia)		99,558	99,558	-	-
- Equity instruments (unquoted in Malaysia)		1	-	-	1
Biological assets	22	211,720	-	-	211,720
Short-term investments	25	186,097	186,097	-	-
		1,747,376	285,655	-	1,461,721

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

37. Capital management

The primary objective of the Group's and of the Company's capital management is to ensure that they maintain a strong credit rating and healthy capital ratios in order to support their businesses and maximise shareholders' value.

The Group and the Company manage their capital structure, and make adjustment to it, in the light of changes in economic conditions. To maintain or adjust the capital structure, the Group and the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares. The Group's strategies were unchanged from the previous financial year.

The Group and the Company monitor capital using gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus payables less cash and bank balances and short-term investments.

The gearing ratio of the Group and the Company as at the end of the reporting period was as follows:

	Group		Company	
	2024 RM	2023 RM	2024 RM	2023 RM
Loans and borrowings	47,009,000	26,009,000	900,000	900,000
Lease liabilities	10,919,827	11,840,598	-	-
Trade and other payables	37,675,282	33,793,592	1,628,990	851,198
Less: Cash and bank balances	(116,027,333)	(77,556,509)	(1,786,041)	(1,220,141)
Short-term investments	(46,282,277)	(41,442,517)	(2,172,433)	(186,097)
Net debt	(66,706,041)	(47,355,836)	(1,429,484)	344,960
Total equity	633,757,727	613,025,752	227,325,344	225,759,202
Gearing ratio	-	-	-	1%

The Group maintains a gearing ratio that complies with the applicable debt covenant as at the reporting date. The Group is not subject to any other externally imposed capital requirements.

38. Segment information

(i) Operating segment

For management purposes, the Group is organised into business units based on its products and services, and has three (3) reportable operating segments as follows:

Plantation	Cultivation of oil palm
Mill	Milling and sale of oil palm products
Power plant	Power generation and sale of biomass by-products
All other segments	Extraction and sale of earth stone, operation of a hotel and others

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which, in certain respects as explained in the table below, is measured differently from operating profit or loss in the consolidated statement of profit or loss and other comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

38. Segment information (Cont'd)

(i) Operating segment (Cont'd)

2024	Plantation RM	Oil mill RM	Power plant RM	All other segments RM	Total reported segments RM	Adjustments and eliminations RM	Note	Per consolidated financial statements RM
Revenue								
External customers	21,455,490	435,727,852	45,597,981	934,394	503,715,717	-		503,715,717
Inter-segment	106,942,584	-	-	668,524	107,611,108	(107,611,108)	(a)	-
Total revenue	128,398,074	435,727,852	45,597,981	1,602,918	611,326,825	(107,611,108)		503,715,717
Results								
Interest income	5,127,878	3,191,338	341,249	5,421,445	14,081,910	(11,494,843)		2,587,067
Finance costs	400,885	1,351,279	5,142,067	7,346,285	14,240,516	(11,577,322)		2,663,194
Depreciation of property, plant and equipment	8,989,583	7,472,576	11,192,919	611,765	28,266,843	4,055,106		32,321,949
Segment profit	52,999,642	12,051,696	8,864,531	3,040,841	76,956,710	(16,405,658)	(b)	60,551,052

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

38. Segment information (Cont'd)

(i) Operating segment (Cont'd)

2023	Plantation RM	Oil mill RM	Power plant RM	All other segments RM	Total reported segments RM	Adjustments and eliminations RM	Note	Per consolidated financial statements RM
Revenue								
External customers	25,580,554	403,919,379	47,004,823	931,418	477,436,174	-		477,436,174
Inter-segment	69,825,049	-	-	334,402	70,159,451	(70,159,451)	(a)	-
Total revenue	95,405,603	403,919,379	47,004,823	1,265,820	547,595,625	(70,159,451)		477,436,174
Results								
Interest income	4,054,935	3,350,264	164,980	4,548,602	12,118,781	(9,766,759)		2,352,022
Finance costs	277,035	763,776	4,769,144	6,181,991	11,991,946	(9,856,611)		2,135,335
Depreciation of property, plant and equipment	8,717,276	6,695,263	10,992,450	603,295	27,008,284	3,831,259		30,839,543
Segment profit	29,444,727	19,044,974	12,329,804	(3,647,780)	57,171,725	(9,049,188)	(b)	48,122,537

NOTES TO THE FINANCIAL STATEMENTS

For The Financial Year Ended 31 December 2024

38. Segment information (Cont'd)

(i) Operating segment (Cont'd)

- (a) Inter-segment revenue are eliminated on consolidation. This is represented mainly by sale of fresh fruit bunches by plantation segment to mill segment and sale of earth and stones by quarry segment (included in All other segments) to plantation and mill segments.
- (b) The profit from inter-segment sales is deducted from segment profit to arrive at "Profit before tax" presented in the consolidated statement of profit or loss and other comprehensive income.

(ii) Geographical information

No geographical information has been provided as the Group activities are predominantly conducted in Malaysia.

(iii) Major customers

Revenue from 4 (2023: 7) major customers amounted to RM307,411,184 (61% of revenue) (2023: RM332,503,897 (71% of revenue)) arising from mill segment.

LIST OF PROPERTIES

as at 31 December 2024

	Location of Property Peninsular Malaysia	Tenure	Year of Expiry	Land Area	Description	Net Book Value As At 31.12.2024 RM'000	Date of last Revaluation ®
1	MHC Plantations Bhd. Lot Nos. 2768, 3502, 3537, 4471, 4475, 5228, 5229, 5936, 9249 to 9295 (incl.), 12657 and 12658, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Grant in perpetuity	N/A	343.902 hectares	Oil palm estate	3,324	1998
2	MHC Plantations Bhd Lot Nos. 2327, 5299, 5300, 8275 and 16413, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Grant in perpetuity	N/A	284.333 hectares	Oil palm estate	2,994	1998
3	MHC Plantations Bhd Lot Nos. 3318, 3319, 3342 to 3345 (incl.), Town of Teluk Intan, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 999 years	21.2.2883	10,142.000 sq. feet	6½-storey commercial structure partly used as a hotel known as Hotel Anson and partly as office premises	741	1998
4	MHC Plantations Bhd Lot No. 4453, Town of Teluk Intan, District of Hilir Perak, Perak Darul Ridzuan	Grant in perpetuity	N/A	2,325.000 sq. feet	3-storey commercial shophouse	1,250	2024
5	Anson Oil Industries Sdn. Bhd Lot No. 45525, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 99 years	28.02.2111	401.700 hectares	Oil palm estate	3,672	1998
6	Anson Oil Industries Sdn. Bhd Lot No. 8859, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 99 years	27.2.2111	367.025 hectares	Oil palm estate	2,710	1998
7	Anson Oil Industries Sdn. Bhd Lot No. 26789 Mukim Durian Sebatang, Daerah Hilir Perak, Perak Darul Ridzuan	Grant in perpetuity	N/A	464.000 sq. metre	1½-storey semi-detached factory	674	2024
8	Majuperak Plantation Sdn. Bhd. Lot No. 10471, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 99 years	26.08.2090	404.889 hectares	Oil palm estate	3,753	1998
9	Sharikat Muzwin Bersaudara Sdn. Bhd. Lot No. PT 8860, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 99 years	07.03.2111	404.686 hectares	Oil palm estate	2,243	1998
10	Yew Lee Holdings Sdn. Berhad Lot No. PT 6439, Mukim of Changkat Jong, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 99 years	27.02.2111	392.141 hectares	Oil palm estate	2,128	1998
11	Hutan Melintang Plantations Sdn. Berhad Lot No. PT 8861, Mukim of Hutan Melintang, District of Hilir Perak, Perak Darul Ridzuan	Leasehold 99 years	28.02.2111	396.147 hectares	Oil palm estate	4,280	1998
12	Champion Point Sdn. Bhd Lot Nos. 10065, 10066, 10068, 10069, 10071 - 10075 (Incl.), PT 30768, PT 30769, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Grant in perpetuity	N/A	76.437 hectares	Oil palm estate	2,576	1998

LIST OF PROPERTIES (Cont'd)

as at 31 December 2024

	Location of Property Peninsular Malaysia	Tenure	Year of Expiry	Land Area	Description	Net Book Value As At 31.12.2024 RM'000	Date of last Revaluation ®
13	Mah Hock Company Sendirian Berhad Lot Nos. PT 30770, PT 30766 and PT 30767, Mukim of Durien Sebatang, District of Hilir Perak, Perak Darul Ridzuan	Grant in perpetuity	N/A	11.706 hectares	Oil palm estate	2,666	N/A
	Location of Property Sabah	Tenure	Year of Expiry	Land Area	Description	Net Book Value As At 31.12.2024 RM'000	Date of last Revaluation ®
14	Prolific, Wong Tet-Jung Plantations Off KM 63.7, Sandakan-Lahad Datu Highway Kolapis-Beluran Area District of Labuk Sugut Prolific Yield Lot 38, Block C Taman Indah Jaya Phase 4A, Mile 4, Jalan Utara, Sandakan	Leasehold 99 years	2069	39.752 hectares	Oil Palm Plantation & Oil Mill	8,779	N/A
			2070	30.607 hectares			
		Perpetuity (Sublease 99 years)	2074	8.010 hectares	Plantable Reserve	102	N/A
			2075	207.903 hectares			
Leasehold 99 years	2076	9.967 hectares	Double Storey Terrace Shoplot	102	N/A		
	2077	24.460 hectares					
Under Sub Division Leasehold 99 years (Parent title TL077552035)	2082	6.463 hectares	Plantable Reserve	102	N/A		
	2082	72.790 hectares					
Leasehold 99 years	2097	2073	6.435 hectares	Plantable Reserve	102	N/A	
			2.250 hectares				
				408.637 hectares			
				167.22 Sq.M			
15	Melabau, Suara Baru, Gelang Usaha 0.2 Km East of KM 96, Sandakan-Lahad Datu Highway KM 28, Jalan Labuk	Leasehold 99 years	2069	27.480 hectares	Oil Palm Plantation Oil Palm Plantation & Quarry	519 19,827	N/A N/A
			2078	17.110 hectares			
			2079	260.780 hectares			
			2080	202.303 hectares			
			2081	136.615 hectares			
			2082	88.690 hectares			
			2085	252.660 hectares			
			2086	14.930 hectares			
			2095	4.993 hectares			
			2093	154.700 hectares			
			2097	12.300 hectares			
			Perpetuity (Sublease 99 years)	2075			
		2080		136.763 hectares			
Leasehold 99 years	2065	2093	5.751 hectares	Plantable Reserve	102	N/A	
		2097	10.930 hectares				
				1,644.396 hectares			
16	Sri Likas Mewah, Ultisearch Trading 2.6 KM north of KM 31, Sukau Road	Leasehold 99 years	2085	10.120 hectares	Oil Palm Plantation	3,376	N/A
			2094	386.100 hectares			
			2096	168.700 hectares			
			2098	47.750 hectares			

LIST OF PROPERTIES (Cont'd)

as at 31 December 2024

	Location of Property Sabah	Tenure	Year of Expiry	Land Area	Description	Net Book Value As At 31.12.2024 RM'000	Date of last Revaluation ®
17	Bakara Bukit Garam/Sg. Lokan Off KM 76.5, Sandakan-Lahad Highway	Leasehold 99 years	2085 2087	150.300 hectares 400.000 hectares 550.300 hectares	Oil Palm Plantation	5,538	N/A
18	Cepatwawasan & Kovusak KM 4.5, Jalan Beluran	Leasehold 99 years	2061 2071 2078	992.700 hectares 133.550 hectares 485.300 hectares 1,611.550 hectares	Oil Palm Plantation	19,972	N/A
19	Razijaya & Sugguh Mulia Sungai-Sungai Locality, 99 KM North-West of Sandakan	Leasehold 99 years	2098	362.200 hectares	Oil Palm Plantation, Quarry & Plantable Reserve	11,649	N/A
20	Prima Semasa Sonsogon Suyad, Paitan Locality 105 KM North-West of Sandakan	Leasehold 99 years	2094	2,997.000 hectares	Oil Palm Plantation & Plantable Reserve	27,885	N/A
21	Cepatwawasan, Tentu Bernas, Tentu Cergas, Liga Semarak & Jutategak Sg.Kawananan Locality 113 KM North-West of Sandakan	Leasehold 99 years	2097 2098 2099 2100	242.800 hectares 145.710 hectares 48.550 hectares 48.520 hectares 485.580 hectares	Oil Palm Plantation & Plantable Reserve	3,829	N/A
22	Ladang Cepat-KPD 85 KM South-West of Beaufort	Leasehold 99 years	2087	1,593.797 hectares	Oil Palm Plantation	17,010	N/A
23	Cepatwawasan Group Berhad Lot 70, Block 6, Prima Square Mile 4, North Road Sandakan	Leasehold 99 years	2106	564.386 Sq.M	Three Storey Shop/Office	491	N/A
24	Cepatwawasan Group Berhad Unit no. F-7-2, Level 7, Block F Utama Court, Phase 2, Mile 6 North Road, Sandakan	Leasehold 99 years	2081	106.500 Sq.M	Eight Storey Apartment	76	N/A
25	Cepatwawasan Group Berhad Unit no. F-8-2, Level 8, Block F Utama Court, Phase 2, Mile 6 North Road, Sandakan	Leasehold 99 years	2081	106.500 Sq.M	Eight Storey Apartment	77	N/A
26	Cepatwawasan Group Berhad Unit no. B1-10-1, Sri Utama Condominiums Mile 6, North Road Sandakan	Leasehold 99 years	2081	122.140 Sq.M	Eight Storey Condominium	211	N/A
27	Cepatwawasan Group Berhad Unit no. B1-10-3, Sri Utama Condominiums Mile 6, North Road Sandakan	Leasehold 99 years	2081	105.140 Sq.M	Eight Storey Condominium	170	N/A
28	Mistral Engineering Off KM 63.7, Sandakan-Lahad Datu Highway	Leasehold 99 years	2074	3.115 hectares	Biogas power plant	3,064	N/A
29	Cash Horse Off KM 63.7, Sandakan-Lahad Datu Highway	Leasehold 99 years	2074	7.070 hectares	Biomass power plant	31,690	N/A

LIST OF PROPERTIES (Cont'd)

as at 31 December 2024

	Location of Property Kuala Lumpur	Tenure	Year of Expiry	Land Area	Description	Net Book Value As At 31.12.2024 RM'000	Date of last Revaluation ®
30	Minelink HS (D) 118739, No. PT 9103 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	896.976 Sq.M	High-end residential property	7,339	2024
	Minelink HS (D) 118740, No. PT 9104 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	877.693 Sq.M	High-end residential property	7,181	2024
	Minelink HS (D) 118741, No. PT 9105 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	896.829 Sq.M	High-end residential property	7,337	2024
	Minelink HS (D) 118742, No. PT 9106 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	878.490 Sq.M	High-end residential property	7,188	2024
	Minelink HS (D) 118743, No. PT 9107 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	884.183 Sq.M	High-end residential property	7,234	2024
	Minelink HS (D) 118744, No. PT 9108 Damansara Heights Mukim of Kuala Lumpur	Freehold	-	863.043 Sq.M	High-end residential property	7,061	2024

STATEMENT OF SHAREHOLDINGS

as at 28 March 2025

Total Number of Issued Shares	:	196,543,970
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote per ordinary share

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	No. of Holders	% of Holders	No. of Shares	% of Issued Capital
Less than 100	510	12.71	21,447	0.01
100 - 1,000	288	7.18	153,274	0.08
1,001 - 10,000	1,967	49.03	9,913,272	5.04
10,001 - 100,000	1,088	27.12	32,824,011	16.70
100,001 - 9,827,198 (*)	158	3.94	64,443,942	32.79
9,827,199 and above (**)	1	0.02	89,188,024	45.38
Total	4,012	100.00	196,543,970	100.00

Notes: * - Less than 5% of issued holdings
 ** - 5% and above of issued holdings

STATEMENT OF SHAREHOLDINGS (Cont'd)

as at 28 March 2025

TOP THIRTY (30) HOLDERS AS AT 28 MARCH 2025

NO	NAME OF HOLDERS	HOLDINGS	% OF ISSUED CAPITAL
1	DATO MAH POOI SOO REALTY SDN BHD	89,188,024	45.378
2	REG BOARD OF T'TEES OF DATO MAH POOI SOO BENEVOLENT FUND	6,995,666	3.559
3	TAN AIK CHOON	2,941,400	1.497
4	MAH SIEW KEONG	2,005,800	1.021
5	MAYBANK NOMINEES (TEMPATAN) SDN BHD MAYBANK PRIVATE WEALTH MANAGEMENT FOR MAH SIEW HOE	2,000,000	1.018
6	DATIN SERI OOI AH THIN	1,905,888	0.970
7	LIM CHENG HAI	1,600,000	0.814
8	LIM CHENG HAI	1,600,000	0.814
9	CHEE SAI MUN	1,373,300	0.699
10	AMSEC NOMINEES (ASING) SDN BHD KGI SECURITIES (SINGAPORE) PTE. LTD. FOR MAH SIEW CHUAN	1,230,000	0.626
11	KENANGA NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR CHIN KIAM HSUNG	1,081,832	0.550
12	GEOFFREY LIM FUNG KEONG	1,022,800	0.520
13	LEONG SIEW MUN	1,010,000	0.514
14	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LIM LOI HENG	1,000,000	0.509
15	MENJELANG CITARASA SDN. BHD.	1,000,000	0.509
16	KENANGA NOMINEES (TEMPATAN) SDN BHD CHIN KIAM HSUNG	911,232	0.464
17	LIEW YOON YEE	910,000	0.463
18	LIM CHENG HAI	910,000	0.463
19	HLIB NOMINEES (TEMPATAN) SDN BHD PLEDGED SECURITIES ACCOUNT FOR YAP QWEE BENG	900,000	0.458
20	YEOH KIM LENG	825,200	0.420
21	LIM KUAN GIN	820,000	0.417
22	MAH SIEW HOE	780,000	0.397
23	LEE CHOO SEONG @ LEE CHO SENG	724,269	0.369
24	AFFIN HWANG NOMINEES (TEMPATAN) SDN. BHD. PLEDGED SECURITIES ACCOUNT FOR TEE KIM TEE @ TEE CHING TEE	701,000	0.357
25	LIM MING LANG @ LIM MING ANN	685,000	0.349
26	TIAN PEIR LUAN	662,000	0.337
27	TAN LIONG HUAT @ TAN SWEE HUAT	635,200	0.323
28	TAN LAI KIM (HOLDINGS) SDN BHD	600,000	0.305
29	TLK CAPITAL SDN.BHD.	600,000	0.305
30	FOONG HONG MENG @ FOONG LAI CHOONG	550,600	0.280

STATEMENT OF SHAREHOLDINGS (Cont'd)

as at 28 March 2025

SUBSTANTIAL SHAREHOLDERS AS AT 28 MARCH 2025

According to the Register of Substantial Shareholders required to be kept under Section 144 of the Companies Act, 2016, the following are the substantial shareholders of the Company:

Name of Substantial Shareholders	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato Mah Pooi Soo Realty Sdn Bhd	89,188,024	45.38	-	-	89,188,024	45.38
Dato' Seri Mah King Seng	338,948	0.17	90,189,024 *	45.89	90,527,972	46.06
Tan Sri Dr. Mah King Thian	93,248	0.05	90,188,024 **	45.89	90,281,272	45.94
Datin Seri Ooi Ah Thin	1,905,888	0.97	90,620,220 ***	46.11	92,526,108	47.08

Notes:-

- * Deemed interest by virtue of his shareholdings in Dato Mah Pooi Soo Realty Sdn Bhd, Menjelang Citarasa Sdn Bhd and his daughter, Mah Li-Na.
- ** Deemed interest by virtue of his shareholdings in Dato Mah Pooi Soo Realty Sdn Bhd and Menjelang Citarasa Sdn Bhd.
- *** Deemed interest by virtue of the shareholdings of her children, namely Dato' Seri Mah King Seng and Tan Sri Dr. Mah King Thian in MHC and her shareholdings in Dato Mah Pooi Soo Realty Sdn Bhd and Menjelang Citarasa Sdn Bhd.

STATEMENT OF SHAREHOLDINGS (Cont'd)

as at 28 March 2025

DIRECTORS' INTEREST AS AT 28 MARCH 2025

According to the Register of Directors' Shareholdings required to be kept under Section 59 of the Companies Act, 2016 the Directors' interests in the ordinary shares capital of the Company and its subsidiary companies are as follows:

Name of Directors	Direct Interest (A)	%	Deemed Interest (B)	%	Total Interest (A+B)	%
Dato' Seri Mah King Seng	338,948	0.17	90,189,024 *	45.89	90,527,972	46.06
Tan Sri Dr. Mah King Thian	93,248	0.05	90,188,024 **	45.89	90,281,272	45.94
Wan Salmah Binti Wan Abdullah	-	-	-	-	-	-
Heng Beng Fatt	-	-	-	-	-	-
Dato' TPr. Suki Mee	-	-	-	-	-	-
Mah Li-Na (Alternate Director to Dato' Seri Mah King Seng)	1,000	0.00	-	-	1,000	0.00
Mah Siu Wen (Alternate Director to Tan Sri Dr. Mah King Thian)	-	-	-	-	-	-

Notes:-

- * Deemed interest by virtue of his shareholdings in Dato Mah Pooi Soo Realty Sdn Bhd, Menjelang Citarasa Sdn Bhd and his daughter, Mah Li-Na.
- ** Deemed interest by virtue of his shareholdings in Dato Mah Pooi Soo Realty Sdn Bhd and Menjelang Citarasa Sdn Bhd.

By virtue of their interests in the Company, Dato' Seri Mah King Seng and Tan Sri Dr. Mah King Thian are also deemed to have interests in the shares in its related corporations to the extent of the Company's interest in accordance with Section 8 of the Companies Act, 2016.

Other than disclosed above, none of the Directors had any interest in the shares of the Company and its related corporations.



MHC Plantations Bhd.

[196001000393 (4060-V)]

(Incorporated in Malaysia)

No. of Shares Held	
CDS Account no.	
Telephone No.	

FORM OF PROXY

I/We, _____ NRIC No./Company No. _____
(Name of Shareholder as per NRIC)

of _____
(Full Address)

being a member of MHC Plantations Bhd. hereby appoint the following person(s):

Name of Proxy & NRIC No.	Email Address	No. of Shares	Percentage (%)
Proxy 1 _____			
Proxy 2 _____			

or failing him/her, the Chairman of the Meeting as my/our proxy, to vote for me/us and on my/our behalf at the Sixty-Fifth (65th) Annual General Meeting of the Company to be held on 23 May 2025 and at any adjournment thereof in the manner indicated below in respect of the following Resolutions:

Ordinary Business	Ordinary Resolution	For	Against
Approval for the payment of Directors' benefits	1		
Re-election of Tan Sri Dr. Mah King Thian as Director	2		
Re-election of Puan Wan Salmah Binti Wan Abdullah as Director	3		
Re-appointment of Messrs PKF PLT as Auditors of the Company and to authorise the Directors to fix their remuneration.	4		
Special Business			
Authority under Sections 75 and 76 of the Companies Act, 2016 for Directors to allot and issue shares	5		

Please indicate with (✓) or (x) how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he thinks fit, or at his discretion, abstain from voting.

Date: _____

Signature of Shareholder/
(Common Seal & Signatures)

NOTES:

- Only members whose names appear on the Record of Depositors as at 15 May 2025 shall be entitled to attend the AGM or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and to vote in his/her stead.
- A member (other than an exempt authorized nominee) entitled to attend and vote at the Meeting is entitled to appoint one (1) or two (2) proxies to attend and vote instead of him. A proxy must be 18 years and above and need not be a member of the Company.
- Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportions of his/her holdings to be represented by each proxy.
- Where a member of the Company is an Exempt Authorised Nominee which holds ordinary shares in the Company in an Omnibus Account, there is no limit to the number of proxies which the Exempt Authorised Nominee may appoint in respect of each Omnibus Account it holds but the proportion of holdings to be represented by each proxy must be specified.
- 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 seal or under the hand of an officer or attorney duly authorised. If under the hand of attorney/authorised officer, the Power of Attorney or Letter of Authorisation must be attached.
- The instrument appointing a proxy or proxies must be deposited at Boardroom Share Registrars Sdn. Bhd., 11th Floor, Menara Symphony, No. 5, Jalan Professor Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia not less than 48 hours before the time appointed for holding the Meeting or adjourned Meeting either by hand, post, courier or electronic mail to bsr.helpdesk@boardroomlimited.com or fax (603) 78904670 before the Form of Proxy lodgement cut-off time as mentioned above, otherwise the instrument of proxy should not be treated as valid.
- For verification purposes, members and proxies are required to produce their original identity card at the registration counter. No person will be allowed to register on behalf of another person even with the original identity card of that other person.
- 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 hereby agree and consent that any of your personal data in our possession shall be processed by us in accordance with the Personal Data Protection Act 2010. Further, you hereby warrant that relevant consent has been obtained by you for us to process any third party's personal data in accordance with the said Act.



Then fold here

AFFIX STAMP
(within Malaysia)



The Share Registrar

MHC Plantation Bhd. [196001000393 (4060-V)]
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

1st fold here



MHC PLANTATIONS BHD.

Kompleks Pejabat Behrang 2020,
Jalan Persekutuan 1,
35900 Tanjung Malim,
Perak Darul Ridzuan

T: +605 459 0001 F: +605 459 0003

www.mhc.com.my