



**ORIENTAL
HOLDINGS
BERHAD**
196301000446 (5286-U)

**ANNUAL
REPORT**
2023

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Second Annual General Meeting (“62nd AGM”) of stockholders of Oriental Holdings Berhad (“OHB” or “the Company”) will be conducted virtually through online streaming via Remote Participation and Electronic Voting (“RPEV”) facilities for the purpose of considering and if thought fit, passing with or without modifications the resolutions set out in this notice.

Event Name	:	OHB – 62 nd AGM
Day, Date and Time of Meeting	:	Thursday, 13 June 2024, 2.30pm
Broadcast venue	:	Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang, Malaysia (Members/ Proxies/ Corporate Representatives will not be allowed to be physically present at the broadcast Venue)
RPEV facilities	:	Boardroom Smart Investor Portal (“BSIP”) at https://investor.boardroomlimited.com
Mode of communication	:	(1) Participate in the 62 nd AGM to vote remotely using the RPEV facilities via the meeting platform; (2) Type the questions in the messaging box through the meeting platform. The messaging window facility will be opened concurrently with the meeting platform, i.e. 1 hour before the commencement of 62 nd AGM, starting from 1.30 pm (Malaysia time) on Thursday, 13 June 2024.

As Ordinary Business

- To receive the Audited Financial Statements for the financial year ended 31 December 2023 together with the Directors’ Report and Auditors’ Report thereon.
- To declare a Final Single Tier Dividend of 20 sen per ordinary stock for the financial year ended 31 December 2023. Ordinary Resolution 1
- To re-elect the following Directors who retire in accordance with Clause 103 of the Company’s Constitution:
 - Ms Tan Kheng Hwee Ordinary Resolution 2
 - Dato’ Seri Lim Su Tong Ordinary Resolution 3
 - Dato’ Sri Datuk Wira Tan Hui Jing Ordinary Resolution 4
- To re-elect the following Directors who retire in accordance with Clause 110 of the Company’s Constitution:
 - Dato’ Ong Eng Bin Ordinary Resolution 5
 - Dato’ Md Radzaif Bin Mohamed Ordinary Resolution 6
- To approve Directors’ fees and benefits up to an aggregate amount of RM2.5 million payable to the Directors for the period commencing this Annual General Meeting (“AGM”) through to the next AGM of the Company in 2025. Ordinary Resolution 7
- To re-appoint KPMG PLT as Auditors of the Company and to authorise the Directors to fix their remuneration. Ordinary Resolution 8

As Special Business

- Proposed Renewal of Stockholders’ Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature** Ordinary Resolution 9
 “THAT, pursuant to Chapter 10.09 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad, a general mandate of the Stockholders be and is hereby granted to the Company and/or its subsidiaries to enter into the recurrent arrangements or transactions of a revenue or trading nature, as set out in the Company’s Circular to Stockholders dated 30 April 2024 (“the Circular”) with any person who is a related party as described in the Circular, provided that such transactions are undertaken in the ordinary course of business, on an arm’s length basis, and on normal commercial terms, or on terms not more favourable to the Related Party than those generally available to the public and are not, in the Company’s opinion, detrimental to the minority stockholders; and that disclosure will be made in the annual report of the aggregate value of transactions conducted during the financial year.

NOTICE OF ANNUAL GENERAL MEETING

AND THAT, such approval, shall continue to be in force until:

- (a) the conclusion of the next AGM of the Company following the general meeting at which authorization is obtained, at which time it shall lapse, unless by ordinary resolution passed at the meeting, that authority is renewed either unconditionally or subject to conditions; or
- (b) the expiration of the period within which the next AGM after the date it is required to be held pursuant to Section 340(2) of the Companies Act 2016 ("Act") (but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the Act); or
- (c) revoked or varied by resolution passed by the stockholders of the Company in a general meeting, whichever is earlier.

FURTHER THAT the Directors of the Company be and are hereby authorised to do all acts, deeds, things and execute all necessary documents as they may consider necessary or expedient in the best interest of the Company with full powers to assent to any conditions, variations, modifications and/or amendments in any manner as may be required or permitted under relevant authorities to give full effect to the Proposed Stockholders' Mandate."

8. **Proposed Renewal of Authority to Buy-Back its Own Stocks**

Ordinary Resolution 10

"THAT, subject to compliance with Section 127 of the Companies Act 2016 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by any relevant authorities, approval be and is hereby given to the Company to utilise up to RM772.4 million which represents the audited retained profits reserve of the Company as at 31 December 2023, otherwise available for dividend for the time being, to purchase on Bursa Malaysia Securities Berhad its own stocks up to 62,039,363 ordinary stocks representing 10% of the total number of issued stocks of the Company of 620,393,638 ordinary stocks as at 2 April 2024 (including 31,808 Stocks retained as Treasury Stocks).

AND THAT, upon completion of the purchase(s) of the Stocks by the Company, the Stocks shall be dealt with in the following manner:

- (a) to cancel the Stocks so purchased; or
- (b) to retain the Stocks so purchased as Treasury Stocks for distribution as dividends to the stockholders and/or resell on the market of Bursa Malaysia Securities Berhad; or
- (c) to retain part of the Stocks so purchased as Treasury Stocks and cancel the remainder; or
- (d) in such manner as Bursa Malaysia Securities Berhad and such other relevant authorities may allow from time to time.

AND THAT, such authority from the stockholders would be effective immediately upon the passing of this Ordinary Resolution and will continue in force until:

- (a) the conclusion of the next AGM of the Company, unless by ordinary resolution passed at the meeting, the authority is renewed, either unconditionally or subject to conditions;
- (b) the expiry of the period within which the next AGM is required by law to be held (unless earlier revoked or varied by Ordinary Resolution in a general meeting of stockholders of the Company) but not so as to prejudice the completion of a purchase by the Company or any person before the aforesaid expiry date, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authorities;

FURTHER THAT authority be and is hereby given to the Directors of the Company to take all such steps as are necessary or expedient to implement or to effect the purchase of OHB Stocks."

NOTICE OF ANNUAL GENERAL MEETING

9. **Retention as Independent Non-Executive Director** Ordinary Resolution 11
"THAT, Mr. Lee Kean Teong be retained as Independent Non-Executive Director of the Company, in accordance with the Malaysian Code on Corporate Governance until the conclusion of the next AGM."
10. To transact any other businesses of which due notice shall have been given in accordance with the Company's Constitution.

By Order of the Board

Tai Yit Chan (MAICSA 7009143) (SSM PC No.: 202008001023)
Ong Tze-En (MAICSA 7026537) (SSM PC No.: 202008003397)
Joint Company Secretaries

Penang, 30 April 2024

Notes on proxy and voting:

- The AGM will be held entirely via RPEV facilities provided by Boardroom Share Registrars Sdn Bhd ("Boardroom") via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPEV facilities.
- The online meeting platform is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairman of the meeting to be present at the main venue of the meeting. Stockholders / proxies from the public **WILL NOT BE ALLOWED** to be physically present. Stockholders who wish to participate in the AGM will have to register online and attend remotely. Kindly read and follow the procedures in the Administrative Guide for the AGM in order to participate remotely.
- A proxy may but need not be a member of the Company.
- The instrument appointing a proxy must be deposited / lodged via the following ways not less than 48 hours before the time set for holding the AGM or at any adjournment thereof:-
 - By hard copy form** – The Form of Proxy must be deposited with the Poll Administrator at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
 - By electronic form** – The Form of Proxy can be electronically lodged with the Poll Administrator through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for the procedures on electronic lodgement of Form of Proxy.
- A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("**SICDA**"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary stocks of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary stocks in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.

NOTICE OF ANNUAL GENERAL MEETING

Notes on proxy and voting: (cont'd)

8. If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
9. In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **6 June 2024** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on his/her behalf.

Explanatory notes on the resolutions:

1. **Ordinary Resolutions 2, 3 and 4 are to re-elect Directors who retire in accordance with Clause 103 of the Company's Constitution**

Information on the Directors standing for re-election under Ordinary Resolutions 2, 3 and 4 are set out under Profile of Directors / Key Senior Management in the Annual Report 2023. The Board of Directors ("Board") approved the recommendations from the Nominating Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at Board meeting.

1.1 Tan Kheng Hwee is the Executive Director. She leads business development and oversees the entire operations of Automotive Singapore and the Hotels and Resorts segment. She has contributed significantly to the Group by steering these businesses forward with notable achievements throughout her tenure of service.

1.2 Dato' Seri Lim Su Tong is the Joint Group Managing Director. He has shown exemplary leadership in managing businesses and creating value especially in the Plantation segment by expanding into property investment abroad and the buyout of remaining equity interest in the plantation subsidiaries to enable full consolidation of the Group's interest in these subsidiaries. He has contributed significantly to the Group by steering these segments forward with notable achievements during his tenure as the Joint Group Managing Director.

1.3 Dato' Sri Datuk Wira Tan Hui Jing is the Executive Director. He plays a pivotal role in Healthcare, Automotive Manufacturing segments as well as Honda business in Singapore, Malaysia and Brunei. He oversees the expansion of businesses within Healthcare sector to include community-based retail pharmacies and a new hospital in northern Johor. These initiatives align with Healthcare's medium-term strategic planning. Dato' Sri Tan has provided valuable input and strategic direction to address performance challenges in an automotive manufacturing subsidiary to restore its performance and ensure that it remains on track. His approach, a combination of strategic planning, expansion and performance optimization, has contributed to the growth and success of these segments. He leads business development, in close cooperation with brand Principal, of the Honda marque in the defined markets.

2. **Ordinary Resolutions 5 and 6 are to re-elect Directors who retire in accordance with Clause 110 of the Company's Constitution**

Information on the Directors standing for re-election under Ordinary Resolutions 5 and 6 are set out under Profile of Directors / Key Senior Management in the Annual Report 2023. The Board approved the recommendations from the Nominating Committee and is supportive of the re-election of the retiring Directors based on the justifications below. The retiring Directors had abstained from deliberation and decision on their own eligibility to stand for re-election at both Nominating Committee and Board meetings.

2.1 Dato' Ong Eng Bin and Dato' Md Radzaif Bin Mohamed are the Independent Non-Executive Directors. Both have fulfilled the requirements on independence as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and have provided confirmation of independence. They have demonstrated objectivity through their proactive engagements during meetings of the Board by sharing valuable, relevant, independent and impartial insights, views and opinions on issues tabled for discussion.

NOTICE OF ANNUAL GENERAL MEETING

Explanatory notes on the resolutions: (cont'd)

3. Ordinary Resolution 7 is to approve Directors' Fees and Benefits

The fees and benefits payable to the Directors had been reviewed and approved by the Remuneration Committee and the Board. The quantum of Directors' fees and benefits payable is computed based on the anticipated number of meetings of Board, Risk Management Committee, Audit Committee, Nominating Committee and Remuneration Committee ("Board Committees"), assuming full attendance by all the Directors. The amount also includes a contingency sum to cater for unforeseen circumstances such as the appointment of any additional Director, additional unscheduled meetings of Board and Board Committees and/or for the formation of additional Board Committees. Please refer to the Corporate Governance Overview Statement and Corporate Governance Report for details of the fees and benefits payable for the Directors.

Once approved by the stockholders, this approval shall continue to be in force until the conclusion of the next AGM of the Company in 2025.

4. Ordinary Resolution 9 is to approve Proposed Renewal of Stockholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature

This Ordinary Resolution, if passed, will approve the stockholders' mandate on Recurrent Related Party Transactions and allow the Company and/or its subsidiaries to enter into Recurrent Related Party Transactions in accordance with Chapter 10 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This approval shall continue to be in force until the conclusion of the next AGM or the expiration of the period within which the next AGM is required by law to be held or revoked/varied by resolution passed by the stockholders in a general meeting whichever is the earlier.

5. Ordinary Resolution 10 is to approve Proposed Renewal of Authority to Buy-Back its Own Stocks

This Ordinary Resolution, if passed, will allow the Company to purchase its own stocks. The total number of stocks purchased shall not exceed 62,039,363 stocks representing 10% of the total number of issued share capital of the Company. This authority will, unless revoked or varied by the Company in a general meeting, expires at the next AGM of the Company.

6. Ordinary Resolution 11 is to retain Mr. Lee Kean Teong as the Independent Non-Executive Director of the Company

Mr. Lee Kean Teong was appointed as an Independent Non-Executive Director on 31 March 2015. He has served the Company as the Independent Non-Executive Director for 9 years as at the date of the notice of the 62nd AGM.

The Board approved the recommendation from the Nominating Committee and is supportive of retaining him as Independent Non-Executive Director based on the justifications below. Mr. Lee had abstained from deliberation and decision on his own eligibility to stand for re-election at both Nominating Committee and Board meetings.

- (1) Mr. Lee had provided annual declaration / confirmation of independence in accordance with guidelines as set out in the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. He has demonstrated complete independence in character and judgement and therefore able to bring element of objectivity that provide check and balance to the executive leadership team.
- (2) He has performed his duties diligently and has remained objective and independent in expressing his views during deliberation and decision-making of the Board and the Board Committees, as applicable. His judgment is not clouded by familiarity.
- (3) The length of his service on the Board does not in any way interfere with his exercise of independent judgement and ability to act in the best interest of the Group. He understands the businesses and operations of the Group as he has served as Independent Non-Executive Director for some time. Therefore, his familiarity has enabled him to participate effectively during meetings.

Statement of Accompanying Notice of AGM

(Pursuant to Paragraph 8.27(2) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad)

1. No individual is standing for election as a Director at the forthcoming AGM of the Company.

DIVIDEND ANNOUNCEMENT

NOTICE IS HEREBY GIVEN that a Depositor shall qualify for entitlement to the Final Single Tier Dividend of 20 sen per ordinary stock only in respect of:

- (a) Stocks transferred into the Depositor's Securities Account before 4.30 pm on 28 June 2024 in respect of ordinary transfers; and
- (b) Stocks bought on Bursa Malaysia Securities Berhad on a cum dividend entitlement basis according to the Rules of the Bursa Malaysia Securities Berhad.

The Final Single Tier Dividend, if approved, will be paid on 18 July 2024 to Depositors registered in the Records of Depositors at the close of business on 28 June 2024.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

1. INTRODUCTION

At the AGM of the Company held on 15 June 2023, the Directors had obtained stockholders' approval to undertake the Proposed Stock Buy-Back of up to 10% of the total number of issued stocks of Oriental Holdings Berhad ("the Company" or "OHB") through Bursa Malaysia Securities Berhad ("Bursa Securities"). The Company's authority to undertake the Proposed Stock Buy-Back shall, in accordance with Bursa Securities's Guidelines Governing Share Buy-Back, lapses at the conclusion of the forthcoming AGM unless a new mandate is obtained from stockholders for the Proposed Stock Buy-Back.

Accordingly, the Company had on 19 April 2024 announced that the Directors proposed to seek authorisation from stockholders for a renewal of the Proposed Stock Buy-Back.

The purpose of this Statement is to provide you with the details pertaining to the Proposed Stock Buy-Back and to seek your approval for the related resolution which will be tabled at the forthcoming AGM.

2. PROPOSED RENEWAL OF AUTHORITY FOR THE STOCK BUY-BACK

As at the date of this Statement, the Company has bought back 100,000 Stocks from the open market. On 2 March 2001, 68,192 of the Treasury Stocks that were purchased were cancelled.

As at 2 April 2024, the issued share capital of the Company is RM620,393,638 comprising of 620,393,638 Stocks (including 31,808 Stocks retained as Treasury Stocks). The Directors seek the authority from the stockholders of the Company to purchase its Stocks up to ten per centum (10%) of the total number of issued stocks of OHB or 62,039,363 Stocks for the time being quoted on the Bursa Securities through its appointed stockbroker, Affin Hwang Investment Bank Berhad previously notified to the Bursa Securities.

The new mandate from stockholders will be effective immediately upon the passing of the Ordinary Resolution for the Proposed Stock Buy-Back up till the conclusion of the next AGM of OHB in the year 2025 unless the authority is further renewed by an Ordinary Resolution passed at the said AGM (either unconditionally or subject to conditions), or upon the expiration of the period within which the next AGM is required by law to be held, or if earlier revoked or varied by an Ordinary Resolution of the stockholders of the Company in a general meeting.

The Proposed Stock Buy-Back is subject to the compliance with Section 127 of the Companies Act, 2016 (as may be amended, modified or re-enacted from time to time) and any prevailing laws, rules, regulations, orders, guidelines and requirements issued by the relevant authorities at the time of purchase.

In accordance with the guidelines of the Bursa Securities, the Company may only purchase the Stocks on the Bursa Securities at a price which is not more than fifteen per centum (15%) above the weighted average market price for the past five (5) market days immediately preceding the date of the purchase(s). The Company may only resell the Treasury Stocks on the Bursa Securities at:

- a) a price which is not less than the weighted average market price for the Stocks for the past five (5) market days immediately prior to the resale; or
- b) a discount price of not more than 5% to the weighted average market price for the Stocks for the five (5) market days immediately prior to the resale provided that :-
 - i) the resale takes place no earlier than 30 days from the date of purchase; and
 - ii) the resale price is not less than the cost of purchase of the shares being resold.

The Directors will deal with the Stocks so purchased in the following manner:-

- a) to cancel the Stocks so purchased; or
- b) to retain the Stocks so purchased as Treasury Stocks for distribution as dividend to the stockholders and/or resell on the market of the Bursa Securities; or
- c) to retain part of the Stocks so purchased as Treasury Stocks and cancel the remainder; or
- d) in such manner as Bursa Malaysia Securities Berhad and such other relevant authorities may allow from time to time.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

2. PROPOSED RENEWAL OF AUTHORITY FOR THE STOCK BUY-BACK (cont'd)

An appropriate announcement will be made to the Bursa Securities in respect of the intention of the Directors whether to retain the Stocks so purchased as Treasury Stocks or cancel them or both as and when the Proposed Stock Buy-Back is executed.

3. RATIONALE FOR THE PROPOSED STOCK BUY-BACK

The Proposed Stock Buy-Back will give the Directors the flexibility to purchase Stocks, if and when circumstances permit, with a view to enhancing the earnings per stock of the Group and net asset per stock of the Company.

The Proposed Stock Buy-Back is not expected to have any potential material disadvantage to the Company and its stockholders as it will be exercised only after in-depth consideration of the financial resources of the Group and of the resultant impact on its stockholders.

3.1 Potential Advantages

The Proposed Stock Buy-Back if exercised, is expected to potentially benefit the Company and its stockholders as follows:

- The Company would expect to enhance the earnings per stock of the Group (in the case where the Directors resolve to cancel the Stocks so purchased or retain the Stocks in treasury and the Treasury Stocks are not subsequently resold), and thereby long term and genuine investors are expected to enjoy a corresponding increase in the value of their investments in the Company;
- If the Stocks bought back are kept as Treasury Stocks, it will give the Directors an option to sell the Stocks so purchased at a higher price and therefore make an exceptional gain for the Company. Alternatively the Stocks so purchased can be distributed as share dividends to stockholders; and
- The Company may be able to stabilize the supply and demand of its Stocks in the open market and thereby supporting its fundamental values.

3.2 Potential Disadvantages

The Proposed Stock Buy-Back, if exercised, will reduce the financial resources of OHB and may result in OHB having to forego other alternative investment opportunities which may emerge in the future, and it may reduce the financial resources of OHB for payment of dividends. Nevertheless, the Directors will be mindful of the interests of OHB and its stockholders when exercising the Proposed Stock Buy-Back.

4. FINANCIAL EFFECTS OF THE PROPOSED STOCK BUY-BACK

4.1 Share Capital

The Proposed Stock Buy-Back, if carried out in full and assuming the Stocks so purchased are cancelled, the proforma effect on the issued share capital of the Company will be as follows:

	No. of Stocks
Existing as at 1 April 2024	620,393,638
Proposed Stock Buy-Back (10% of the total number of issued stocks, including 31,808 Treasury Stocks)	62,039,363
	558,354,275

However, there will be no effect on the total number of issued stocks of OHB if the Stocks so purchased are retained as Treasury Stocks.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

4. FINANCIAL EFFECTS OF THE PROPOSED STOCK BUY-BACK (cont'd)

4.2 Net Assets Per Stock

The effects of the Proposed Stock Buy-Back on the net assets per stock of the Group are dependent on the purchase prices of the OHB Stocks and the effective funding cost to the Company.

If all the OHB Stocks purchased are to be cancelled, the Proposed Stock Buy-Back will reduce the net assets per stock when the purchase price exceeds the net assets per stock at the relevant point in time. However, the net assets per stock will be increased when the purchase price is less than the net assets per stock at the relevant point in time. The net assets per stock is RM12.22 as per audited financial statements as at 31 December 2023.

4.3 Working Capital

The Proposed Stock Buy-Back, if exercised, will reduce the working capital of the Group, the quantum of which depends on the purchase price of OHB Stocks and the actual number of OHB Stocks purchased.

4.4 Earnings Per Stock

The effects of the Proposed Stock Buy-Back on the earnings per stock of the Group are dependent on the actual number of OHB Stocks bought back and the purchase prices of OHB Stocks and the effective funding cost to the Company.

4.5 Dividends

Assuming the Proposed Stock Buy-Back is exercised in full and the dividend quantum is maintained at historical levels, the Proposed Stock Buy-Back will have the effect of increasing the dividend rate of OHB as a result of the reduction in the total number of issued stocks of OHB.

5. SOURCE OF FUNDS FOR THE PROPOSED STOCK BUY-BACK

The Proposed Stock Buy-Back will allow the Company to purchase its own stocks at any time within the above mentioned time period using internally generated funds of the Company.

The actual number of Stocks to be purchased, the total amount of funds to be utilised for each purchase and the timing of any purchase will depend on the market conditions and sentiments of the stock market, the financial resources available to the Company as well as the availability of the retained earnings of the Company.

The maximum amount of funds to be utilised for the Proposed Stock Buy-Back shall not exceed the aggregate of the retained earnings of the Company, otherwise available for dividend for the time being. Based on the audited financial statements as at 31 December 2023, the Company's retained earnings is RM772.4 million.

6. OTHER DISCLOSURES IN RELATION TO THE PROPOSED STOCK BUY-BACK

6.1 Public Stockholding Spread

The Proposed Stock Buy-Back will be made in compliance with the 25% stockholding spread as required by the Listing Requirements of Bursa Securities. As at 2 April 2024, the public stockholding spread of the Company is approximately 42.69% of its issued share capital.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

6. OTHER DISCLOSURES IN RELATION TO THE PROPOSED STOCK BUY-BACK (cont'd)

6.2 Purchases and Resale Made in the Previous Twelve (12) Months

OHB has not purchased any stocks in the previous 12 months preceding the date of this Statement. There was also no resale or cancellation of Treasury Stocks during the same period.

As at 31 December 2000, OHB had purchased a total of 100,000 of its own Stocks and retained as Treasury Stocks. Out of 100,000 Stocks, 68,192 Stocks have been cancelled on 2 March 2001 and delisted from the Bursa Securities. The remaining of 31,808 Stocks are retained as Treasury Stocks. Treasury Stocks have no rights to voting, dividends, bonus issue and participation in other distribution.

6.3 Share Price

The monthly highest and lowest prices of the Stocks traded on the Bursa Securities for the last twelve (12) months from April 2023 to March 2024 are as follows:

	April 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
Highest (RM)	6.86	6.83	6.78	6.49	6.41	6.40	6.62	6.45	6.44	6.43	6.48	6.41
Lowest (RM)	6.56	6.65	6.35	6.34	6.31	6.34	6.30	6.27	6.31	6.33	6.37	6.28

(Source: Bursa Malaysia's Daily Scoreboard and Stock Summary)

The last transacted price of OHB Stocks on 19 April 2024, being the latest practicable date prior to the date of printing of the Circular was RM6.80.

6.4 Implication on The Malaysian Code on Take-Overs and Mergers 2016 ("the Code")

On 28 February 2024, following an internal restructuring, Pacific Carnival Sdn Bhd, emerged as a major stockholder of OHB. Pacific Carnival Sdn Bhd is controlled by Loh Wei-Lyn and entities connected to certain Directors of the Company, namely, Datuk Loh Kian Chong, Dato' Seri Lim Su Tong and Dato' Sri Datuk Wira Tan Hui Jing.

The Proposed Stock Buy-Back, if fully exercised will result in the equity interest of Pacific Carnival Sdn Bhd increasing from 36.74% to 40.82%. If the increase is more than 2% over a 6 month period, Pacific Carnival Sdn Bhd will be obliged pursuant to the Code to undertake a Mandatory General Offer for the remaining ordinary stocks in OHB not already held by them.

The Directors, Datuk Loh Kian Chong, Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Dato' Seri Lim Su Tong, Ms Tan Kheng Hwee, Dato' Sri Datuk Wira Tan Hui Jing and Pacific Carnival Sdn Bhd are deemed parties acting in concert, will seek Securities Commission Malaysia's approval for a waiver from the obligation to undertake a Mandatory General Offer of the Code, which is in respect of exemption for holders of voting shares, directors and persons acting in concert when a company purchases its own voting shares.

In the event the Proposed Waiver is not granted, the Company will not proceed with the Proposed Stock Buy-Back.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

7. INTERESTS OF DIRECTORS, SUBSTANTIAL STOCKHOLDERS AND PERSONS CONNECTED

The Directors, Substantial Stockholders and Persons Connected with the Directors and/or Substantial Stockholders of the OHB Group have no direct or indirect interest in the Proposed Stock Buy-Back and resale of Treasury Stocks.

The proforma table below shows the interests held directly and indirectly in OHB by the Directors and Substantial Stockholders of OHB before and after the Proposed Stock Buy-Back:

	Stockholdings as at 2 April 2024							
	Before Proposed Stock Buy-Back				After Proposed Stock Buy-Back			
	Direct	%	Indirect*	%	Direct	%	Indirect*	%
Directors								
Datuk Loh Kian Chong	1,000,000	0.16	^(a) 250,900,190	40.44	1,000,000	0.18	^(a) 250,900,190	44.94
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK)	181,149	0.03	^(b) 42,396,062	6.83	181,149	0.03	^(b) 42,396,062	7.59
Dato' Seri Lim Su Tong	2,966,906	0.48	^(b) 233,823,345	37.69	2,966,906	0.53	^(b) 233,823,345	41.88
Tan Kheng Hwee	172,032	0.03	^(c) 42,234,190	6.81	172,032	0.03	^(c) 42,234,190	7.56
Dato' Sri Datuk Wira Tan Hui Jing	-	-	^(d) 230,544,949	37.16	-	-	^(d) 230,544,949	41.29
Mitsuharu Funase	-	-	-	-	-	-	-	-
Lee Kean Teong	7,680	0.00	-	-	7,680	0.00	-	-
Puan Nazriah Binti Shaik Alawdin	-	-	-	-	-	-	-	-
Dato' Ong Eng Bin	-	-	^(b) 53,500	0.01	-	-	^(b) 53,500	0.01
Dato' Md Radzaif Bin Mohamed	-	-	-	-	-	-	-	-
Datin Loh Ean	161,872	0.03	^(e) 42,415,339	6.84	161,872	0.03	^(e) 42,415,339	7.60
Substantial Stockholders								
Datuk Loh Kian Chong	1,000,000	0.16	^(a) 250,900,190	40.44	1,000,000	0.18	^(a) 250,900,190	44.94
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK)	181,149	0.03	^(b) 42,396,062	6.83	181,149	0.03	^(b) 42,396,062	7.59
Dato' Seri Lim Su Tong	2,966,906	0.48	^(b) 233,823,345	37.69	2,966,906	0.53	^(b) 233,823,345	41.88
Dato' Sri Datuk Wira Tan Hui Jing	-	-	^(d) 230,544,949	37.16	-	-	^(d) 230,544,949	41.29
Datin Loh Ean	161,872	0.03	^(e) 42,415,339	6.84	161,872	0.03	^(e) 42,415,339	7.60
Dato' Seri Loh Cheng Yean	486,755	0.08	^(f) 42,691,914	6.88	486,755	0.09	^(f) 42,691,914	7.65
Dato' Lim Kean Seng	857,683	0.14	^(g) 232,965,662	37.55	857,683	0.15	^(g) 232,965,662	41.72
Employees Provident Fund Board	35,436,724	5.71	-	-	35,436,724	6.35	-	-
Lim Ee Ling	-	-	^(g) 232,965,662	37.55	-	-	^(g) 232,965,662	41.72
Lim Ee Hean	-	-	^(g) 232,965,662	37.55	-	-	^(g) 232,965,662	41.72
Loh Wei-Lyn	3,938,981	0.63	^(h) 239,712,888	38.64	3,938,981	0.71	^(h) 239,712,888	42.93
Loh Oon Ling	-	-	⁽ⁱ⁾ 239,152,996	38.55	-	-	⁽ⁱ⁾ 239,152,996	42.83
Loh Ean Holdings Sdn Bhd	42,234,190	6.81	-	-	42,234,190	7.56	-	-

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

7. INTERESTS OF DIRECTORS, SUBSTANTIAL STOCKHOLDERS AND PERSONS CONNECTED (cont'd)

The proforma table below shows the interests held directly and indirectly in OHB by the Directors and Substantial Stockholders of OHB before and after the Proposed Stock Buy-Back (cont'd):

	Stockholdings as at 2 April 2024							
	Before Proposed Stock Buy-Back				After Proposed Stock Buy-Back			
	Direct	%	Indirect*	%	Direct	%	Indirect*	%
Loh Cheng Yean Holdings Sdn Bhd	42,234,190	6.81	-	-	42,234,190	7.56	-	-
Loh Kar Bee Holdings Sdn Bhd	11,239,983	1.81	(i) 227,913,013	36.74	11,239,983	2.01	(i) 227,913,013	40.82
Loh Phoy Yen Holdings Sdn Bhd	2,816,783	0.45	(i) 227,913,013	36.74	2,816,783	0.50	(i) 227,913,013	40.82
Loh Gim Ean Holdings Sdn Bhd	2,631,936	0.42	(i) 227,913,013	36.74	2,631,936	0.47	(i) 227,913,013	40.82
Pacific Carnival Sdn Bhd	227,913,013	36.74	-	-	227,913,013	40.82	-	-
Tan Kheng Hwee	172,032	0.03	(c) 42,234,190	6.81	172,032	0.03	(c) 42,234,190	7.56
Tan Kheng Ju	86,016	0.01	(c) 42,234,190	6.81	86,016	0.02	(c) 42,234,190	7.56
Tan Ju Nguan	130,560	0.02	(c) 42,234,190	6.81	130,560	0.02	(c) 42,234,190	7.56
Tan Hui Ming	38,307	0.01	(d) 230,544,949	37.16	38,307	0.01	(d) 230,544,949	41.29

Notes:

- * Deemed interested pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act, 2016, where applicable
- (a) Deemed interested via Pacific Carnival Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd and Global Investments Ltd.
- (b) Deemed interested via spouses and /or children.
- (c) Deemed interested via Loh Cheng Yean Holdings Sdn Bhd.
- (d) Deemed interested via Pacific Carnival Sdn Bhd and Loh Gim Ean Holdings Sdn Bhd.
- (e) Deemed interested via spouse and Loh Ean Holdings Sdn Bhd.
- (f) Deemed interested via spouse (deceased), children and Loh Cheng Yean Holdings Sdn Bhd.
- (g) Deemed interested via Pacific Carnival Sdn Bhd, Loh Phoy Yen Holdings Sdn Bhd, United Formula Sdn Bhd, Tong Yen Sdn Bhd, Global Investments Ltd and Global Wealth Ltd.
- (h) Deemed interested via Pacific Carnival Sdn Bhd, Loh Kah Kheng Holdings Sdn Bhd and Loh Boon Siew Holdings Sdn Bhd.
- (i) Deemed interested via Pacific Carnival Sdn Bhd and Loh Kar Bee Holdings Sdn Bhd.
- (j) Deemed interested via Pacific Carnival Sdn Bhd.

STATEMENT ON PROPOSED RENEWAL OF AUTHORITY TO PURCHASE ITS OWN STOCKS

8. DIRECTORS' RECOMMENDATION

Having considered all aspects of the Proposed Stock Buy-Back, the Directors are of the opinion that the Proposed Stock Buy-Back is in the best interest of the Group. The Directors recommend that you vote in favour of the resolution pertaining to the Proposed Stock Buy-Back to be tabled at the forthcoming AGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

This Statement has been seen and approved by the Board and they collectively and individually accept full responsibility for the accuracy of the information given and confirm that after making all reasonable enquiries to the best of their knowledge and belief, there are no other facts the omission of which would make any statement misleading.

10. BURSA SECURITIES

Bursa Securities takes no responsibility for the contents of this Statement, makes no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or reliance upon the whole or any part of the contents of this Statement. Bursa has not reviewed this Statement prior to its issuance.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Registered Office of the Company during normal office hours on Mondays to Fridays (except public holidays) from the date of this Annual Report up to and including the date of AGM:

- (a) the Constitution of the Company;
- (b) the Audited Financial Statements of the Group for the past two financial years ended 31 December 2022 and 2023.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Chairman

- Datuk Loh Kian Chong
D.M.S.M.

Executive Directors

- Dato' Robert Wong Lum Kong
D.S.S.A., J.P., CMJA (UK)
- Dato' Seri Lim Su Tong
D.G.P.N., D.S.P.N.
- Tan Kheng Hwee
- Dato' Sri Datuk Wira Tan Hui Jing
S.S.A.P., D.C.S.M., P.K.T., P.J.K.

Non-Executive Directors

- Lee Kean Teong
Independent Non-Executive Director
- Nazriah Binti Shaik Alawdin
Independent Non-Executive Director
- Dato' Ong Eng Bin
Independent Non-Executive Director
- Dato' Md Radzaif Bin Mohamed
Independent Non-Executive Director
- Mitsuharu Funase
Non-Independent Non-Executive Director
- Datin Loh Ean
(Alternate Director to
Dato' Robert Wong Lum Kong
D.S.S.A., J.P., CMJA (UK))

EXCO COMMITTEE

Chairman

- Datuk Loh Kian Chong

Members

- Dato' Robert Wong Lum Kong
D.S.S.A., J.P., CMJA (UK)
- Dato' Seri Lim Su Tong
- Tan Kheng Hwee
- Dato' Sri Datuk Wira Tan Hui Jing

AUDIT COMMITTEE

Chairman

- Lee Kean Teong

Members

- Nazriah Binti Shaik Alawdin
- Dato' Ong Eng Bin
- Dato' Md Radzaif Bin Mohamed

REMUNERATION COMMITTEE

Chairman

- Lee Kean Teong

Members

- Nazriah Binti Shaik Alawdin
- Dato' Ong Eng Bin
- Dato' Md Radzaif Bin Mohamed

NOMINATING COMMITTEE

Chairman

- Nazriah Binti Shaik Alawdin

Members

- Lee Kean Teong
- Dato' Ong Eng Bin
- Dato' Md Radzaif Bin Mohamed

RISK MANAGEMENT COMMITTEE

Chairman

- Nazriah Binti Shaik Alawdin

Members

- Datuk Loh Kian Chong
- Dato' Robert Wong Lum Kong
D.S.S.A., J.P., CMJA (UK)
- Dato' Seri Lim Su Tong
- Tan Kheng Hwee
- Dato' Sri Datuk Wira Tan Hui Jing
- Wong Tet Look, Adrian

COMPANY SECRETARIES

Tai Yit Chan (MAICSA 7009143)
(SSM PC No.: 202008001023)

Ong Tze-En (MAICSA 7026537)
(SSM PC No.: 202008003397)

REGISTERED OFFICE

170-09-01
Livingston Tower
Jalan Argyll
10050 Penang
Tel No : 04-2294390
Fax No : 04-2265860
E-mail : boardroom-kl@boardroomlimited.com

SHARE REGISTRAR

Securities Services (Holdings) Sdn. Bhd.
Suite 18.05, MWE Plaza
No. 8, Lebuhr Farquhar
10200 Penang
Tel No : 04-2631966
Fax No : 04-2628544
E-mail : info@sshb.com.my

AUDITORS

KPMG PLT
Chartered Accountants

MAJOR BANKERS

- United Overseas Bank
(Malaysia) Berhad
- CIMB Bank Berhad
- OCBC Bank (Malaysia) Berhad
- Citibank Berhad

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia
Securities Berhad
Stock Code : 4006

WEBSITE

www.ohb.com.my

PROFILE OF DIRECTORS/ KEY SENIOR MANAGEMENT

DATUK LOH KIAN CHONG

Executive Chairman | Key Senior Management

Datuk Loh Kian Chong, aged 48, Male, a Malaysian, joined the Board as an Executive Director on 15 May 2009 and was appointed as Deputy Chairman on 8 November 2013 and assumed the position of Chairman on 1 January 2015. He is currently co-joint with Dato' Seri Lim Su Tong in charge of the investment and development of properties, trading of building material products and plantation segments of the Group.

Datuk Loh Kian Chong holds a Bachelor of Business in Property from Royal Melbourne Institute of Technology (RMIT), Australia.

He began his career as Director of Boon Siew Group of Companies in 2000. In May 2007, he was appointed as Deputy Chairman of Boon Siew Sdn. Bhd..

He is a major stockholder of Oriental Holdings Berhad.

He is a Director of Penang Yellow Bus Company Berhad, Boon Siew Credit Berhad and The Corner Properties Berhad.

He is a member of Risk Management Committee.

He attended all 5 Board Meetings held in 2023.

He is the nephew of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

DATO' ROBERT WONG LUM KONG, DSSA, JP, CMJA (UK)

Group Managing Director | Key Senior Management

Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), aged 83, Male, a Malaysian, was appointed to the Board on 12 April 1976. He is the Group Managing Director of Oriental Holdings Berhad in charge of the automotive segment for the Honda and Mitsubishi businesses in Malaysia as well as the automotive plastic segment and industrial manufacturing and commercial property segment in Malaysia.

Dato' Wong is a Chartered Accountant, a Fellow of CPA Australia with Cost Accounting background and a member of both the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He also holds memberships in the Malaysian Institute of Directors, Malaysian Institute of Corporate Governance and a Fellowship in the Institute of The Motor Industry, (UK).

He has over 50 years of experience in the business, corporate and entrepreneurship sectors, having started his career in 1964 when he became the General Manager and Director of a food canning manufacturing and trading concern dealing in non-consumable products. From 1967 to 1971, he was the Senior Accountant in a Certified Public Accounting firm, and during this period, he was seconded to a stock broking firm for 1½ years to reorganize and manage the business. In 1971, he started a public accounting firm bearing his own name.

He is one of the five executive directors responsible for the overall business and management operations of the Group. He is also a member of the EXCO Committee and Risk Management Committee.

In 1972, Dato' Wong joined Boon Siew Sdn Bhd as General Manager and Oriental Holdings Berhad Group as General Manager and Advisor, with emphasis in the motor and motor-related businesses.

In addition, he is the Managing Director of the following Oriental Holdings Berhad subsidiaries, namely:

- Kah Motor Co. Malaysia Honda Distributorship operations since 1987 and Honda Malaysia dealerships since 2001;
- Boon Siew (Borneo) Malaysia Honda car & motorcycle operations since 1987 and Honda Malaysia dealership since 2001;
- Kah Classic Auto Mitsubishi Malaysia dealerships since 2015;
- Happy Motoring Co. Sdn Bhd, exclusive distributor of Honda automobiles under Honda Motor Co. Ltd., Japan, in Negara Brunei Darussalam.

He is highly experienced in the motor industry, and has over 40 years of experience encompassing importation, distribution, assembly and marketing in both cars and motorcycles, as well as the manufacturing of components for the automotive (2-wheelers and 4-wheelers), electronics and parts industry both locally and overseas.

Besides the automotive business in Malaysia and Negara Brunei Darussalam, Dato' Wong is also in charge of the automotive plastic segment of the Group locally and abroad. He established Teck See Plastic Group as an integrated one-stop center for designing, compounding and manufacturing of automotive and consumer products.

Dato' Wong is also very much devoted to public services and has held some notable memberships and positions, including among them, Associate Member of the Commonwealth Magistrates & Judges Association, Honorary Rotarian, Trustee of The Spastic Children's Association of Selangor and Federal Territory, and Chairman of the 5th New Honda Circle Asia-Oceania Bloc Committee.



PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATO' ROBERT WONG LUM KONG, DSSA, JP, CMJA (UK) (cont'd)

Group Managing Director | Key Senior Management

For Kah Motor Co. Malaysia and Boon Siew Malaysia to be the only two companies, and Malaysia the only country, in the world to attain the No. 1 position for both the Honda brand of passenger cars and motorcycles (non-national segment) for 11 consecutive years (1990 – 2000), Dato' Wong received formal recognition from various Honda Presidents and Managing Directors of Honda Motor Co., Ltd. (Japan). He is held in high esteem by Honda Japan who has honoured him on various occasions including public recognition as the de facto head representative for all Honda Motorcycle Distributors worldwide during Honda Motor's 100th million unit celebration in 1997 and again in 1998 during Honda Motor's 50th Anniversary, this time for all Honda Car Distributors.

The 11 consecutive years of No. 1 achievement in the Honda motorcycle brand was the feather in the cap over the overall No. 1 position for Honda motorcycles in Malaysia (non-national segment) for 33 years and was largely achieved through the development of over 300 professional Honda motorcycle dealers which started from bicycle shops. Dato' Wong further developed Kah Motor - Boon Siew Honda motorcycle assembly plant in Prai, Penang, the first of its kind in the country, and toward acclamation in the Malaysian Book of Records as the first ever motorcycle plant to produce over 3 million units.

During this time, Dato' Wong and his team also catapulted Malaysia to be the first country outside of Japan to locally assemble and market Honda's flagship, the CKD Legend 3.2L, which became one of the top selling cars of its class in Malaysia in that time. The Honda NSX was also introduced in Malaysia being one of the few countries that gained the trust of Honda Motor Japan.

Throughout the illustrious accomplishments of the Oriental Group automotive segment, Dato' Wong and his team also established a professional and accomplished network of Honda car dealers and Honda CKD parts' suppliers some of which today continue to flourish and have become iconic names in Malaysia.

Forward looking with deep passion for sustainability, Dato' Wong and his team worked hard to ensure his stewardship did not only hit the top of the awards' charts but also in generating returns to investors. To this day, Kah Motor's best annual profit that exceeded RM300m and dividend contribution of close to RM400m in a single year stand unsurpassed and the fruits of these results have been channeled into the Group's ongoing diversifications for future sustainability.

To ensure these diversifications by Oriental Holdings Berhad involving hotels and resorts, plantation and commodities, investment properties and trading of building material products, healthcare services, land reclamation, healthcare, construction machinery, safety driving centers and financial services are well looked after, Dato' Wong also serves on the boards of the subsidiary and associate companies.

He has been the Managing Director of Boon Siew Sdn Bhd since 1987. Amongst his other directorships, he is a director of Hicom-Honda Manufacturing Malaysia Sdn Bhd, a joint-venture between DRB-Hicom Berhad, Honda Motor Co. and Boon Siew Sdn Bhd in the manufacture of motorcycle engines and components and Hicom-Teck See Sdn Bhd which specializes in plastic automotive parts manufacturing. He is also a director of Hitachi Construction Machinery (Malaysia) Sdn Bhd and Singapore Safety Driving Centre Ltd.

In further recognition of his outstanding and exemplary achievements in entrepreneurship, Dato' Wong was awarded with no fewer than 12 entrepreneurship awards, among them the Entrepreneur of the Year Award by Enterprise Asia in its Asia Pacific Entrepreneurship Awards 2010 (APEA 2010), the Great Entrepreneur Brand Icon Leadership Award 2011, the Brand Personality Award 2012-2013 from the BrandLaureate Asia Pacific Brands Foundation as well as the Malaysia Business Leadership Awards 2010 – Automotive Award, from the Kuala Lumpur Malay Chamber of Commerce and the Leaders Magazine. Distinguishing his contributions in the field of leadership, Dato' Wong was awarded the Lifetime Achievement Global Leadership Award 2011 and the Lifetime Achievement Master Class Award in 2011 from ASEAN Retail Chains & Franchise Federation. In 2016, he received recognition as a Global Lifetime Brands Icon in the Automotive Industry Awards and in 2018, was inducted into BrandLaureate's Hall of Fame for Lifetime Achievement.

He was a founding member of the Audit Committee since its formation on 27 April 1994 until his resignation on 31 January 2009.

He attended all 5 Board Meetings held in 2023.

He is the spouse of Datin Loh Ean and the eldest brother-in-law of Dato' Seri Lim Su Tong and the uncle of Datuk Loh Kian Chong, Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATO' SERI LIM SU TONG

Group Managing Director | Key Senior Management

Dato' Seri Lim, aged 79, Male, a Malaysian, was appointed to the Board on 1 July 1974. He is currently the Group Managing Director in charge of the investment and development of properties, trading of building material products and plantation segments of the Group.

Dato' Seri Lim, a Bachelor of Arts (Hons) Economics graduate from the Universiti Malaya, has over 40 years of experience in business operations.

He is one of the five Executive Directors responsible for the overall business and management operations of the Group.

He is a Director of several subsidiaries involved in hotels and resorts, automotive and plastic parts industries.

He is also a Managing Director of Boon Siew Sdn. Bhd. and Boon Siew Credit Berhad and a Director of Penang Yellow Bus Company Berhad.

He is a member of Risk Management Committee.

He attended 4 out of 5 Board Meetings held in 2023.

He is the brother-in-law of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean and the uncle of Datuk Loh Kian Chong, Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

TAN KHENG HWEE

Executive Director | Key Senior Management

Ms. Tan Kheng Hwee, aged 58, Female, a Singaporean, joined the Board as an Executive Director on 1 January 2015. She was previously an Alternate Director to Dato' Seri Loh Cheng Yean who retired from the Board on 31 December 2014.

Ms. Tan holds a Bachelor of Arts in Economics, Cornell University and also a MBA in Finance, New York University. She worked in Deloitte and Touche in New York City (International Tax) for a year before joining Kah Motor Singapore Branch as a Finance Manager in 1993. She is currently the Executive Director in charge of the Honda automobile business in Singapore as well as Hotels & Resorts segment.

She is a Director of Boon Siew Credit Berhad and Penang Yellow Bus Company Berhad. On 1 April 2018, she joined the Board of Boon Siew Honda Sdn. Bhd. as the representative director of Oriental Holdings Berhad in Boon Siew Honda Sdn. Bhd..

She is a member of Risk Management Committee.

She attended all 5 Board Meetings held in 2023.

She is the niece of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Datuk Loh Kian Chong and Dato' Sri Datuk Wira Tan Hui Jing.

DATO' SRI DATUK WIRA TAN HUI JING

Executive Director | Key Senior Management

Dato' Sri Datuk Wira Tan Hui Jing, aged 43, Male, a Malaysian, joined the Board as a Non-Independent Non-Executive Director on 1 February 2014 and was re-designated as an Executive Director on 1 January 2015.

Dato' Sri Datuk Wira Tan Hui Jing holds a Bachelor of Business Systems degree from Monash University, Clayton, Australia.

He began his career as Sales and Marketing Executive in Boon Siew Sdn. Bhd. in 2004. In 2006, he was appointed as Director of Boon Siew Honda Sdn. Bhd.. He is the Deputy CEO and was re-designated Chairman of Boon Siew Honda Sdn. Bhd. effective 1 April 2018.

He is the Director in charge of Armstrong Auto Parts Group, Honda business in Malaysia, Singapore and Brunei and Healthcare segment. In addition, he is the representative director of Oriental Holdings Berhad in Boon Siew Honda Sdn. Bhd., Honda Malaysia Sdn. Bhd. and Hitachi Construction Machinery (Malaysia) Sdn. Bhd..

He is a member of Risk Management Committee.

He attended all 5 Board Meetings held in 2023.

He is the nephew of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK), Datin Loh Ean, Dato' Seri Lim Su Tong and the cousin of Datuk Loh Kian Chong and Tan Kheng Hwee.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

LEE KEAN TEONG

Independent Non-Executive Director

Mr. Lee Kean Teong, aged 65, Male, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 31 March 2015.

He was with KPMG Malaysia for more than 35 years and was a partner until his retirement on 31 December 2014. He qualified as a Chartered Accountant of Malaysian Institute of Accountants (MIA) and is also a member of Malaysian Institute of Certified Public Accountants (MICPA).

He has extensive experience in audit and management consulting throughout his career. He was the engagement partner for a wide range of companies which included public listed companies and multinationals in various industries, mainly in manufacturing, property development and construction, hotel, stock broking and finance.

He is the Chairman of Audit Committee and Remuneration Committee and a member of Nominating Committee.

Mr. Lee currently sits on the Board of EG Industries Berhad, Asas Dunia Berhad and Thong Guan Industries Berhad. He is the Chairman of Remuneration Committee and Audit & Risk Management Committee and a member of Nominating Committee of EG Industries Berhad. He is also the Chairman of Audit Committee and a member of the Nominating Committee and Remuneration Committee of Thong Guan Industries Berhad.

He attended all 5 Board Meetings held in 2023.

He does not have any family relationship with any other Director and/or major stockholder of the Company.

NAZRIAH BINTI SHAIK ALAWDIN

Independent Non-Executive Director

Puan Nazriah, aged 54, Female, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 11 November 2021. She is the Chairman of the Risk Management Committee and Nominating Committee. She is also a member of Audit Committee and Remuneration Committee.

She graduated from the Universiti Malaya with LL.B (Hons) in 1994 and was called to the Malaysian Bar as an Advocate and Solicitor in February 1995. She is currently a partner of a leading legal firm with offices in Penang, Kuala Lumpur and Johor Bahru.

Puan Nazriah has extensive experience in banking, commercial and land matters. She has served as the Chairman of the Penang Conveyancing Sub-Committee and Management Committee of the Bar Council Legal Aid Centre, Penang as well as other committees under the Bar Council. She is a member of the Property Development Construction & Management Committee of the Penang Chinese Chambers of Commerce.

She attended 5 Board Meetings held in 2023.

She does not have any family relationship with any other Director and/or major stockholder of the Company.

DATO' ONG ENG BIN

Independent Non-Executive Director

Dato' Ong Eng Bin, aged 61, Male, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 1 July 2023. He is a member of Audit Committee, Nominating Committee and Remuneration Committee.

He began his career at Pricewaterhouse Malaysia (now known as PricewaterhouseCoopers Malaysia) in 1986.

Dato' Ong had an impressive career of 35 years at OCBC Bank (Malaysia) Berhad (OCBC) where he rose through the ranks from a Corporate Banking Officer in 1988 to several leadership roles in different divisions of the bank including as Chief Executive Officer (CEO) of OCBC for eight years from August 2014 until his retirement in December 2022.

During his tenure as CEO of OCBC, he was also the Chairman of Pac Lease Berhad and e2 Power Sdn Bhd as well as a Council Member of the Association of Banks in Malaysia. He is an Adviser to the Chairman of OCBC until 30 June 2023.

Currently, he serves as an Independent Non-Executive Director of Paramount Corporation Berhad and Inari Amertron Berhad, a Non-Executive Director of Asian Banking School Sdn. Bhd. and STF Resources Sdn. Bhd., as well as a Council Member of the Asian Institute of Chartered Bankers. He is a member of Risk Management Committee and Remuneration Committee of Paramount Corporation Berhad and a member of Risk Management Committee of Inari Amertron Berhad.

He attended all 2 Board Meetings held in 2023 following his appointment.

He does not have any family relationship with any other Director and/or major stockholder of the Company.

PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATO' MD RADZAIF BIN MOHAMED

Independent Non-Executive Director

Dato' Md Radzaif Bin Mohamed, aged 66, Male, a Malaysian, was appointed to the Board as an Independent Non-Executive Director on 1 July 2023. He is a member of Audit Committee, Nominating Committee and Remuneration Committee.

He graduated from University of Leeds, United Kingdom with a First Class (Hons) degree in Mechanical Engineering in 1981 and obtained his Master of Science from Cranfield Institute of Technology, United Kingdom in 1983. He is a Chartered Engineer registered with the Engineering Council, United Kingdom.

Dato' Radzaif was involved in the industrial gas and fabrication industries in the early years of his career.

He then joined HICOM Teck See Manufacturing Malaysia Sdn. Bhd. in 2004 and subsequently appointed as its Chief Executive Officer in 2009. In July 2010, he was appointed to lead the Manufacturing and Engineering Division of DRB-HICOM Berhad.

In April 2014, Dato' Radzaif was appointed as DRB-HICOM's Chief Operating Officer of Automotive Distribution and Manufacturing. During his tenure in DRB-HICOM, he also served as a member of the Board of Management and held seats on the Boards of several of the Groups companies including PROTON Holdings Berhad (PROTON), MODENAS, Composites Technology Research Malaysia Sdn. Bhd. and Isuzu Malaysia Sdn. Bhd.

Dato' Radzaif was seconded as the Deputy Chief Executive Officer at PROTON in April 2016 till his retirement in early 2022. He had played an instrumental role in developing a strong relationship and partnership of DRB-HICOM and Zhejiang Geely Holdings (Geely) in PROTON from 2018 and played a major role towards PROTON's turnaround success.

He attended all 2 Board Meetings held in 2023 following his appointment.

He does not have any family relationship with any other Director and/or major stockholder of the Company.

MITSU HARU FUNASE

Non-Independent Non-Executive Director

Mr. Mitsu Haru Funase, aged 52, Male, a Japanese, was appointed to the Board as a Non-Independent Non-Executive Director on 1 January 2022. He is the representative of Honda Motor Co., Ltd..

He graduated from National Institute of Technology, Oita College in 1992 with a major in Mechanical Engineering.

Mr. Funase began his journey with Honda Motor Co., Ltd. in Tokyo, Japan ("Honda Japan") in October 1992, under the Engineering department in the Kumamoto Factory. He built his expertise on model development and factory control operation for 4 years before moved to headquarter of Honda Motorcycle business to take up his new challenge in New Model Center in 2004. Subsequently, he extended his expertise in the areas of Product and Business Planning then transferred to PT Astra Honda Motor plant as the Head of Sales department in 2015. 3 years later, he moved to headquarters again to take up the management role of business and product strategy planning in Honda Motorcycle business.

Mr. Funase has vast experience in managing total manufacturing environment and is technically-inclined, excellent logic and outstanding organizational skills in multiple areas covering business planning, human resources, production, process engineering, quality assurance, product development and project management.

He was appointed as Managing Director & Chief Executive Officer of Boon Siew Honda Sdn. Bhd., a subsidiary of Honda Japan, in Malaysia effective on 1 January 2022.

He attended all 5 Board Meetings held in 2023.

He does not have any family relationship with any other Director and/or major stockholder of the Company.



PROFILE OF DIRECTORS/KEY SENIOR MANAGEMENT

DATIN LOH EAN

Alternate Director

Datin Loh Ean, aged 82, Female, a Malaysian, was appointed as Alternate Director to Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK) on 9 September 2010. Datin Loh Ean obtained higher education in England.

She started work in Boon Siew Sdn. Bhd. since 1965. She is a Director of Boon Siew Credit Berhad, Penang Yellow Bus Company Berhad, Niterra Malaysia Berhad, certain subsidiaries in the plantations and healthcare segment and associated companies of Oriental Holdings Berhad and Boon Siew Sdn. Bhd..

She is the spouse of Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK). She is the eldest sister-in-law of Dato' Seri Lim Su Tong and the aunt of Datuk Loh Kian Chong, Dato' Sri Datuk Wira Tan Hui Jing and Tan Kheng Hwee.

WONG TET LOOK, ADRIAN

Group Chief Financial Officer/Key Senior Management

Wong Tet Look, Adrian, aged 74, Male, a Malaysian, is the Group Chief Financial Officer since assuming the role in 2012 and has since been a part of the Key Senior Management team. He has formerly served as Corporate Controller for the Group. He is a member of Risk Management Committee. He is also on the Board of Directors of numerous joint venture companies, several subsidiaries within the Group and Kwong Wah Yit Poh Press Berhad.

With over forty years with the Group, he has had a broad range of operating and management experience at senior management level in the Group's plantation segment, automotive retail & auto parts manufacturing segment, hotels & resorts segment, investment properties and trading of building material products segment, plastic segment, healthcare segment and investment holding segment.

Prior to his career in Oriental Holdings Berhad, he obtained his professional experience with Price Waterhouse & Co. for over seven years in London, Melbourne and Kuala Lumpur.

He is a Fellow Member of the Institute of Chartered Accountants in England and Wales, Associate Member of the Institute of Chartered Accountants, Australia, Malaysian Institute of Accountants and The Chartered Institute of Taxation, Malaysia.

He graduated with Honors in Accounting and Finance from The London School of Economics and Political Science, University of London in 1973.

He does not have any family relationship with any Director and/or major stockholder of the Company.

Notes:-

- (a) Conflict of Interest
None of the Directors/Key Senior Management has any conflict of interest with the Group except as disclosed in the Notes to Audited Financial Statements.
- (b) Convictions of Offences
None of the Directors/Key Senior Management has been convicted of any offences within the past 5 years. There was no public sanction or penalty imposed by the relevant regulatory bodies during the financial year.

NAME OF SUBSIDIARIES AND ASSOCIATES

Automotive and Related Products	AAP	: Armstrong Auto Parts Sdn. Berhad
	ATS	: Armstrong Trading & Supplies Sdn. Bhd.
	BSB	: Boon Siew (Borneo) Sendirian Berhad
	HM	: Happy Motoring Co. Sdn. Bhd.
	KAHA	: Kah Agency Sdn. Bhd.
	Kah M	: Kah Motor Company Sdn. Berhad
	KBA	: Kah Bintang Auto Sdn. Bhd.
	KC	: Kah Classic Auto Sdn. Bhd.
	KMA	: KM Agency Sdn. Bhd.
	KP	: Kah Power Products Pte. Ltd.
	KPA	: Kah Progression Auto Sdn. Bhd.
Plastic Products	AI	: Armstrong Industries Sdn. Bhd.
	CC	: Compounding & Colouring Sdn. Bhd.
	DF	: Dragon Frontier Sdn. Bhd.
	KTSM	: Kasai Teck See (Malaysia) Sdn. Bhd.
	LMold	: Lipro Mold Engineering Sdn. Bhd.
	OKI	: PT Oriental Kyowa Industries
	ONDE	: Oriental Nichinan Design Engineering Sdn. Bhd.
	OSI	: Oriental San Industries Sdn. Bhd.
	TSP	: Teck See Plastic Sdn. Bhd.
Hotels and Resorts	30Ben	: 30 Bencoolen Pte. Ltd.
	KNZ	: KAH New Zealand Limited
	KAust	: KAH Australia Pty Limited
	Bint	: Bayview International Sdn. Bhd.
	BIH	: Bayview International Hotels Pte. Ltd.
	KPCL	: Kingdom Properties Co. Limited
	SBHL	: Silver Beech Holdings Limited
	SBIOM	: Silver Beech (IOM) Limited
	SBO	: Silver Beech Operations UK Limited
	SBL	: Suanplu Bhiman Limited
	PSH	: Park Suanplu Holdings Co., Ltd.
Plantation	ORPO	: Oriental Rubber & Palm Oil Sdn. Berhad
	PT BSSP	: PT Bumi Sawit Sukses Pratama
	PT DAM	: PT Dapo Agro Makmur
	PT GBina	: PT Gunungsawit Binalestari
	PT GML	: PT Gunung Maras Lestari
	PT GSSL	: PT Gunung Sawit Selatan Lestari
	PT PPA	: PT Pratama Palm Abadi
	PT SAP	: PT Surya Agro Persada
	PT SSL	: PT Sumatera Sawit Lestari
	SPP	: Southern Perak Plantations Sdn. Berhad

NAME OF SUBSIDIARIES AND ASSOCIATES

Investment Holding	Juta	: Jutajati Sdn. Bhd.
	KWE	: Kwong Wah Enterprise Sdn. Bhd.
	NMEO	: North Malaya Engineers Overseas Sdn. Bhd.
	OAM	: Oriental Asia (Mauritius) Pte. Ltd.
	OAMS	: OAM Asia (Singapore) Pte. Ltd.
	OBSM	: Oriental Boon Siew (Mauritius) Pte. Ltd.
	OBSS	: OBS (Singapore) Pte. Ltd.
	OC	: Syarikat Oriental Credit Berhad
	OIM	: Oriental International (Mauritius) Pte. Ltd.
	SOAM	: Selasih OAM Sdn. Bhd.
	SP	: Selasih Permata Sdn. Bhd.
Investment Properties and Trading of Building Material Products	ACP	: Armstrong Cycle Parts (Sdn.) Berhad
	Ken	: Kenanga Mekar Sdn. Bhd.
	LT	: Lipro Trading Sdn. Bhd.
	NME	: North Malaya Engineers Trading Company Sdn. Bhd.
	NMX	: North Malaya (Xiamen) Steel Co., Ltd.
	OAA	: Oriental Asia (Aust.) Pty. Ltd.
	OAMA	: OAM (Aust) Pty. Ltd.
	OBS(M)	: Oriental Boon Siew (M) Sdn. Bhd.
	OIM(A)	: OIM (Aust) Pty. Ltd.
	OR	: Oriental Realty Sdn. Bhd.
	SU	: Simen Utara Sdn. Bhd.
	UG	: Ultra Green Sdn. Bhd.
	UMix	: Unique Mix (Penang) Sdn. Bhd.
UniMix	: Unique Mix Sdn. Bhd.	
Healthcare	LBSE	: Loh Boon Siew Education Sdn. Bhd.
	MSM	: Melaka Straits Medical Centre Sdn. Bhd.
	NILAM	: Nilam Healthcare Education Centre Sdn. Bhd.
	OMS	: Oriental Medical (Segamat) Sdn. Bhd.
	SLP	: Star Life Pharma Sdn. Bhd.
	SJ	: Star Joy Sdn. Bhd.
Associates	BBDS	: Bukit Batok Driving Centre Ltd.
	BSFB	: BSFB Motorcycles Sdn. Bhd.
	BSH	: Boon Siew Honda Sdn. Bhd.
	BSKah	: B. S. Kah Pte. Ltd.
	ChDev	: Chainferry Development Sdn. Berhad
	HCM	: Hitachi Construction Machinery (Malaysia) Sdn. Bhd.
	HTSM	: Hicom Teck See Manufacturing Malaysia Sdn. Bhd.
	KST	: Kasai Teck See Co., Ltd.
	PgA	: Penang Amusements Company Sdn. Berhad
	PT KTS	: PT Kasai Teck See Indonesia
	PWR	: Penang Wellesley Realty Sdn. Berhad
	SSDC	: Singapore Safety Driving Centre Ltd.

GROUP STRUCTURE

ORIENTAL HOLDINGS BERHAD



AAP	ATS	AI	CC	Kah M	ORPO	PT BSSP	Juta	KWE	Ken	LT	MSM	LBSE	BBDS	BSFB
BSB	HM	DF	KTSM	- Bayview Hotel Melaka	PT DAM	PT GBina	NMEO	OAM	NMX	NME	NILAM	OMS	BSH	BSKah
KAHA	Kah M	LMold	OKI	KNZ	PT GML	PT GSSL	OAMS	OBSM	OAMA	OAA	SJ	SLP	ChDev	HCM
KBA	KC	ONDE	OSI	- Chateau Tongariro Hotel #	PT PPA	PT SAP	OBSS	OC	OBS (M)	OIM (A)			HTSM	KST
KMA	KP	TSP		- Wairakei Resort Taupo	PT SSL	SPP	OIM	SP	OR	SU			PgA	PT KTS
KPA				KAust			SOAM		UG	UMix			PWR	SSDC
				- Bayview Geographe Resort, WA					UniMix	ACP				
				- The Sydney Boulevard Hotel										
				- 100 William Street										
				SBHL	30Ben									
				PSH	SBIOM									
				Bint	SBL									
				SBO	BIH									
				KPCL										

■ SUBSIDIARIES ■ ASSOCIATES

Permanently closed from February 2023 onwards

CHAIRMAN'S STATEMENT

On behalf of the Board of Directors, it is my pleasure to present to you the Annual Report together with the Audited Financial Statements of Oriental Holdings Berhad ("the Company") and its subsidiaries ("the Group") for the financial year ended 31 December 2023.

FINANCIAL PERFORMANCE

The Group recorded a revenue of RM4.4 billion and a profit before tax of RM619.5 million for the financial year ended 31 December 2023 compared to a revenue of RM3.8 billion and a profit before tax of RM820.2 million for the preceding year. The Automotive and Plantation segments led the contributions with 52% and 19% of the consolidated revenue respectively.

Although the automotive segment had contributed significantly to the Group's operating profit in FY2023 on the back of a marginal increase in the number of cars sold in FY2023 compared to FY2022, the softer performance for the Group for FY2023 compared to FY2022 was attributed to the lower contribution in FY2023 from the Plantation segment caused by the lower average palm product prices that did not move up in tandem with the escalating production costs. The Group's performance for FY2023 also included a one-off gain on bargain purchase from the acquisition of Southern Perak Plantations Sdn Berhad ("SPP") shares and the gain in fair value on the SPP shares that it already owned of RM102.4 million and RM116.4 million respectively. The performance in FY2022 included a one-off gain on disposal of a hotel in Australia of RM212.0 million.

The net tangible assets per share of the Group increased from RM11.21 in FY2022 to RM12.22 in FY2023, primarily due to the strengthening of stockholders' funds.

A detailed review of the performance and results of the Group's major segments is set forth under the Management Discussion and Analysis in this Annual Report.

RETURN TO STOCKHOLDERS AND VALUE CREATION (DIVIDEND)

Consistent with our approach of rewarding stockholders and taking into due consideration the persistent market volatility and commitment to business sustainability and growth while navigating through a challenging business environment, the Board is pleased to recommend a single tier final dividend of 20 sen per ordinary stock for this financial year. Combined with the first interim dividend of 20 sen per ordinary stock paid on 16 November 2023, this brings the total dividend for FY2023 to 40 sen per ordinary stock.

The Board will endeavour to pay a reasonable dividend each year and regularly reviews the distribution to stockholders taking into account the Group's business strategies in order to strike a balance between the interests of stockholders and sustainability of the business. The Board believes that providing a stable dividend return and maintaining robust internal reserves will provide the Group with a sustainable future. The total dividend payout to-date constitutes a reasonable payout ratio of more than 54% of the profit after tax after non-controlling interests.

OUTLOOK AND FUTURE STRATEGIES

FY2023 marked a pivotal shift as the world transitioned from the pandemic to the endemic phase of the outbreak which started in 2020. The global economy for the year was slightly brighter, but growth remains weak. We continue to face risks from geopolitical tensions arising from the prolonged Russia-Ukraine war and trade tension between US and China and persistent tightening of monetary policies to address inflation have increased the risk of a worldwide slowdown. These macroeconomic factors have greatly affected the manufacturing activities as the raw materials cost surged while the demand from customers subdued. Despite the challenging market conditions and business environment, the Board views that these challenges will present opportunities and drive value to the Group.

Subsequent to the completion of our acquisitions of the remaining equity interests in 3 companies, namely, Selasih Permata Sdn Bhd, Oriental Boon Siew (Mauritius) Pte Ltd and Southern Perak Plantations Sdn Berhad in September 2023, our Plantation segment now operates 2 plantation companies in Malaysia, 8 plantation companies in Indonesia and with 5 oil mills, 4 of which are in Indonesia and 1 in Malaysia. We are confident that these acquisitions will create greater long-term synergies within the Group and contribute positively to the Group's performance in the upcoming years.

CHAIRMAN'S STATEMENT

OUTLOOK AND FUTURE STRATEGIES (cont'd)

The global economy in 2024, according to the OECD's Economic Outlook, is expected to continue to confront the challenges of both low growth and elevated inflation, with a mild slowdown, mainly as a result of the necessary monetary policy tightening over the past three years. The Group, however, is confident that it is well placed to weather these uncertainties with its diversified business base. We will continue to demonstrate our enduring commitment towards business sustainability, growth while navigating through a challenging business environment and resilience by placing emphasis on improving our efficiency and ensuring the health, safety, and security of our employees. We look forward to seek excellent business opportunities and to add synergy to our existing business.

For a diversified organisation like ours, ESG brings challenges but also the opportunity to evolve for advancement. We will focus on the long-term sustainability by refining our employment practices, enrich our community engagements and embrace eco-conscious processes. We will strive to do our best to safeguard our long-term business strategies and policies ensuring they are in line with the highest standard of sustainable practice.

We will continue to focus on expanding the Plantation, Automotive, and Healthcare segments, venturing into the retail pharmacy and transitional care centre management in the Healthcare segment to provide long-term income streams in future.

ACKNOWLEDGEMENT AND APPRECIATION

We all share a common goal to create an even brighter future for the Group and on behalf of the Board, I would like to extend my heartfelt appreciation to the Oriental family, including our diligent management team and our hardworking employees. I believe that our people are our most valuable asset, and their continued cooperation and professional work ethics will be integral towards the future growth and in ensuring the Group's success.

To all our stockholders, customers, longstanding business partners and the regulatory authorities whom we have been dealing with over the years, I wish to extend my heartfelt thanks and sincere appreciation for your unwavering support, remain committed to upholding your trust, and confidence in our Group.

We bid farewell to Ms. Mary Geraldine Phipps and Puan Sharifah Intan Binti S. M. Aidid, who retired from the Board as our Independent Non-Executive Director and Non-Independent Non-Executive Director. I would like to express heartfelt gratitude for their invaluable services and unwavering commitment during their tenure and wish them well for the future.

I would like to extend a warm welcome to our new Independent Non-Executive Directors, Dato' Md Radzaif Bin Mohamed and Dato' Ong Eng Bin who were appointed to the Board on 1st July 2023. We look forward for the guidance to pursue new opportunities for the growth of our organisation.

To my fellow members of the Board, it has been my great honour to serve with you in my capacity as the Group Chairman. I thank everyone for your continued wisdom and stewardship and look forward to working with the Board. Let's keep the flame and passion going towards our common goal to enhance the performance and value of Oriental.

Datuk Loh Kian Chong
Executive Chairman
19 April 2024

MANAGEMENT DISCUSSION AND ANALYSIS

- AUTOMOTIVE SEGMENT

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES AND STRATEGIES

The main business activities of the Group's Automotive segment are the distribution and retailing of Honda and Mitsubishi cars and spare parts as well as provision of after-sales service. We added Mitsubishi masque to our portfolio in 2014, expanding our product range and customer base. We launched a new used car sales business, through Kah Bintang Auto Sdn. Bhd., in 2019 that complements our automotive business.

We are the exclusive distributor of Honda cars in both Singapore and Brunei Darussalam. Kah Motor Company Sdn. Berhad ("Kah Motor Malaysia") currently operates eight out of the 92 Honda dealerships in Peninsular Malaysia and one in Sabah. Kah Motor Malaysia currently owns one 1S ("showroom") centre, one 2S ("service and body & paint") centre, five 3S ("showroom, service and spare parts") centres and three 4S ("showroom, service, spare parts and body & paint") centres. Kah Motor's branch in Singapore has two showrooms, six service centres and two body & paint centres while Happy Motoring Co. Sdn. Bhd., a subsidiary of Kah Motor boasts one 3S centre and one 1S centre in Brunei Darussalam under its name.

Kah Classic Auto Sdn. Bhd. ("KC") is an appointed dealer for the Mitsubishi marque focusing on sales and servicing of Mitsubishi-branded vehicles through its sole outlet at Jalan Ipoh, Kuala Lumpur.

The Automotive Manufacturing sub-segment collaborates strongly with our technical partners to provide custom-made and high-performance automotive parts to both Original Equipment Manufacturer ("OEM") and Replacement Equipment Manufacturer ("REM") markets.

The segment's objective is to become the leading automobile distributor and retailer in the region by setting industry standards for customer satisfaction and cost efficiency. With our relentless dedication to innovation and productivity improvement, we deliver top-notch products and services at competitive prices to our customers.

We aim to increase our profitability and strengthen our position in the automotive and manufacturing sectors to support our long-term sustainability and growth. As a result, we can deliver high-quality products and services to our customers and stakeholders.

DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS AND CONDITIONS

The Automotive segment recorded an increase of 19.7% in total revenue of RM2.3 billion in FY2023 compared to RM1.9 billion in FY2022. Revenue contribution from retail operations in Singapore accounted for 31.8% of total revenue, while the remaining 68.2% came from operations in Malaysia and Brunei. The increase in sales and financial performance largely resulted from the high demand for certain models.

Retail operations in Singapore recorded an increase in revenue and operating profit by 17.4% and 195.0% respectively. Higher operating profit was mainly due to an increase in interest income. However, the number of cars sold decreased by 13.9% driven by a surge in Certificate of Entitlement ("COE") prices. As a result, we saw a drop in units sold for certain models such as HR-V and Civic while Honda Freed recorded higher units sold.

Automotive Malaysia experienced an increase in revenue and operating profit by 19.6% and 64.6% respectively. A higher number of cars sold by 2.7% spurred by higher demand for HR-V model, which offers a spacious and stylish experience, as well as the innovative and premium WR-V model that was launched in 2023.

The overall number of Honda cars sold increased by 6.4% despite constant total sales of Honda cars in Malaysia. The number of Mitsubishi cars sold decreased by 20.2% while total sales of Mitsubishi cars in Malaysia decreased by 9.6%.

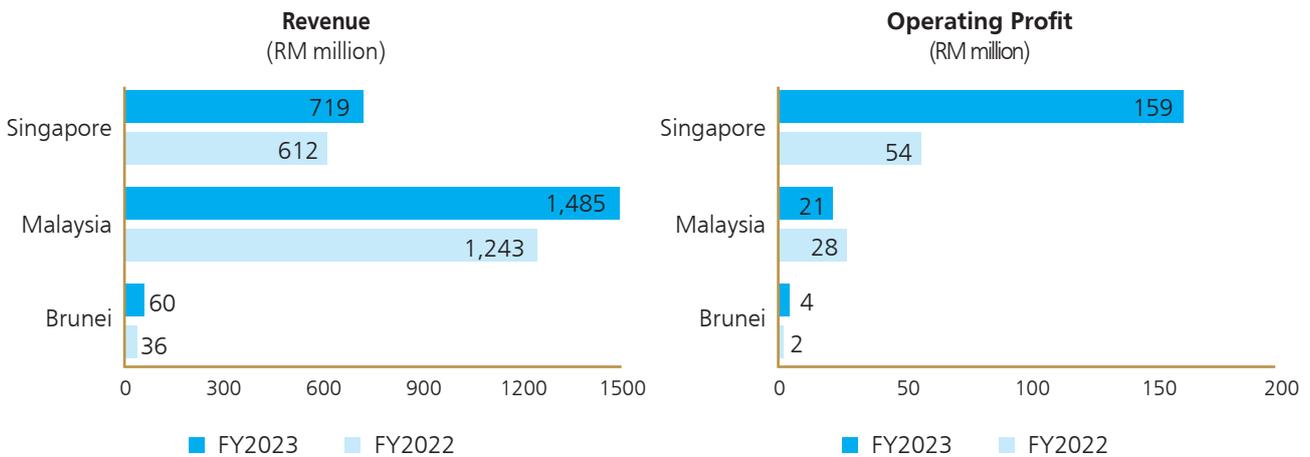
MANAGEMENT DISCUSSION AND ANALYSIS

- AUTOMOTIVE SEGMENT

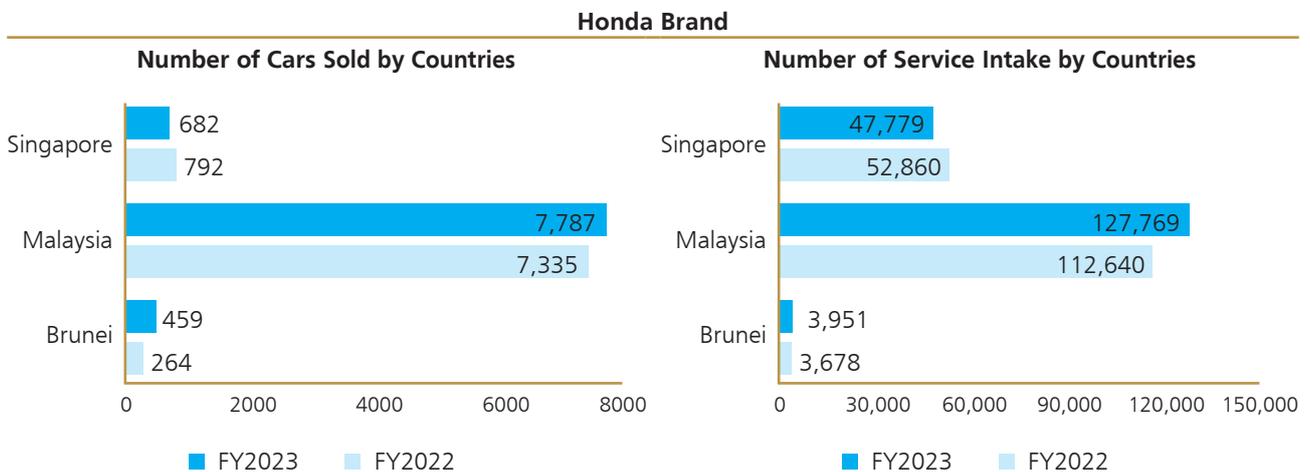
DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS AND CONDITIONS (cont'd)

A majority of cars were registered by 31 March 2023 to fulfil the sales tax exemption on passenger vehicles in Malaysia. In addition, we benefitted from the formation of the Unity Government which led to a more stable socio-political environment in Malaysia. As a result, we saw an improvement in our business performance and customer loyalty.

Summary of the financial results of the Automotive segment for the corresponding years:



Summary of the number of cars sold and service intake of the Automotive segment for the corresponding years:

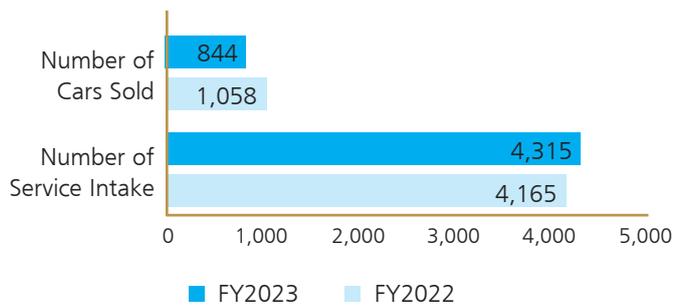


MANAGEMENT DISCUSSION AND ANALYSIS

- AUTOMOTIVE SEGMENT

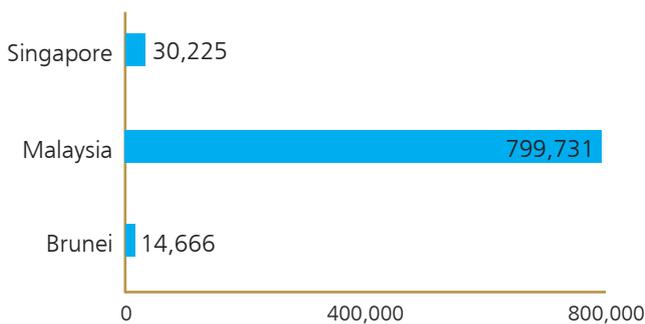
DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS AND CONDITIONS (cont'd)

Mitsubishi Brand (Malaysia)



The market share analysis for FY2023 :-

Industry Volume by Countries



Honda Market Share

Singapore:	8.7%
Malaysia:	10.0%
Brunei:	3.1%

Mitsubishi Market Share

Malaysia:	2.7%
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OHB Group Market Share over Honda Market Share

Singapore:	25.9%
Malaysia:	9.7%
Brunei:	100%

OHB Group Market Share over Mitsubishi Market Share

Malaysia:	3.9%
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REVIEW OF OPERATING ACTIVITIES AND DISCUSSION OF MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

The retail operations in Malaysia continued to grow strongly despite the end of government incentives in March 2023 and the cumulative effects of the central bank's interest rate hikes to 3%. In the second half 2023, four new Honda models launched in Malaysia. The models were WR-V, City, Civic Type R and All-New CR-V.

The supply chain disruptions situation improved in 2023 as the supply of semiconductors became more stable and predictable. The increase in chip capacity from new and existing suppliers and the easing of the trade tensions helped to fulfil the balance backorder and keep inventories at a healthy level. These came at an opportune time to further bolster the business and the economy, driven by strong domestic consumption.

MANAGEMENT DISCUSSION AND ANALYSIS

- AUTOMOTIVE SEGMENT

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION OF MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

All through to the end of 2023, we organised a series of events and marketing campaigns as well as fulfilled backlog orders. We are committed to the ongoing professional development of our staff through continuous training initiatives.

In Singapore, several retention programmes were implemented including extended warranty, service package, membership system and mobile app to attract and retain new and existing customers.

We have endeavoured to stay ahead of our competitors in the automotive market by expanding and upgrading our showrooms, service centres and quality of our manpower resources. We have also strengthened efforts to boost our presence in East Malaysia. The construction of our Ipoh outlet was completed and the certificate of practical completion obtained in end of FY2023 while the upgrade of Sabah outlet is targeted to commence in May 2024.

In terms of capital expenditure, the segment spent a total of RM139.9 million in FY2023 as compared to RM60.2 million in the preceding financial year. The capital expenditure incurred was mainly for the renewal of land lease in Singapore. We will continue with our strategies to grow our business which include improving and refurbishing our facilities to ensure a high standard of service quality, developing body and paints hubs, enhancing our marketing communications and retention programmes and continuous improvement on work efficiency and cost management.

Going forward, the Automotive segment will continue to expand its sales and after-sales service network to our customers with a better ownership experience.

We have placed a strong focus and worked hard on enhancing our after-sales business to ensure it is well-positioned to be a strong pillar for us.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

Given that we purchase and sell our high-quality automotive products in markets across different countries, any adverse development in the political, economic and regulatory environment in these countries may adversely affect our financial and operational conditions. Therefore, we need to monitor the situation closely and take appropriate measures to mitigate the risks and protect our profitability.

We will continue to strive to satisfy our customers by working closely with our trusted principal. In addition, we will ensure timely car delivery for customers.

Many new model launches, including electric vehicles ("EVs") with competitive prices, may have given the customers more options and subsequently affected the sales. Moreover, The Malaysian government is fully dedicated to facilitating the growth of the EV industry by providing various tax incentives on EV adoptions and is committed to setting up 10,000 EV charging stations throughout Malaysia by 2025.

The Singapore Green Plan 2030 included a strong push to electrify vehicle population, which would help Singapore achieve its vision of 100% cleaner energy vehicles by 2040. Singapore has also invested more in charging infrastructure, regulating the reliability and safety of EV charging services and rolled out tax incentives for hybrids and EVs.

Therefore, the management will discuss with the principal on plans to launch hybrid or EVs in the future to grow its market share. The management is mindful of the competition from parallel importers who could import a large range of hybrids and/or EVs at competitive prices.

MANAGEMENT DISCUSSION AND ANALYSIS

- AUTOMOTIVE SEGMENT

FORWARD-LOOKING STATEMENT

The International Monetary Fund (“IMF”) had forecasted that global economic growth would slow from 3% in 2023 to 2.9% in 2024. Despite the challenging global economic environment, the Malaysian economy is expected to expand moderately within the range of 4.3% to 4.6% in 2024 driven by resilient domestic demand and stable labour market conditions.

The Malaysian Automotive Association (“MAA”) forecasted a lower Total Industry Volume (“TIV”) of 740,000 units of vehicles in 2024 given the uncertainties in the global economy and consumer spending may also slow down due to concerns over the targeted subsidy rationalisation, the rising cost of living, the implementation of the proposed High Value Goods Tax and a higher service tax rate for some services including motor vehicles repair and maintenance.

Automotive Singapore Operations has ongoing promotions for its after-sales and services. It also has a mobile app that offers dedicated services at owners’ fingertips to improve customer engagement and the overall ownership experience.

Based on current market and economic outlook, the Group anticipates a challenging economic environment in Malaysian and overseas markets. However, as the Group operates from a position of strength, we are confident in our ability to weather the uncertainties ahead. We are confident that the Group’s overall business fundamentals will remain strong and we have demonstrated our ability to adapt to the new norms of business operations. The Group’s strong balance sheet and assets will provide the foundation to meet these challenges and drive further business growth.

In addition, the Group will continue to actively take measures to improve its competitiveness in the markets in which we operate. The Group will leverage its diversified portfolio, strategic partnerships, and regional presence to capture new opportunities and expand its market. The Group will also maintain the focus on streamlining its operations and conserving cash through further cost containment initiatives. Furthermore, the Group will strengthen its working capital management and implement tighter controls on capital expenditure, by prioritising good return projects and enhancing cash flow forecasting.

MANAGEMENT DISCUSSION AND ANALYSIS

- PLANTATION SEGMENT

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS, INCLUDING OBJECTIVES AND STRATEGIES

OHB Group first ventured into the palm oil plantation business in 1965 with the acquisition of its first plantation in Malaysia. The Group diversified into the palm oil plantation business in Indonesia in 1994 with the acquisition of 20,000 hectares of concession plantation land in Bangka Island, marking its first foray into the overseas market. As at 31 December 2023, the Group operates eight plantation companies in Indonesia, three on Bangka Island and five in South Sumatra.

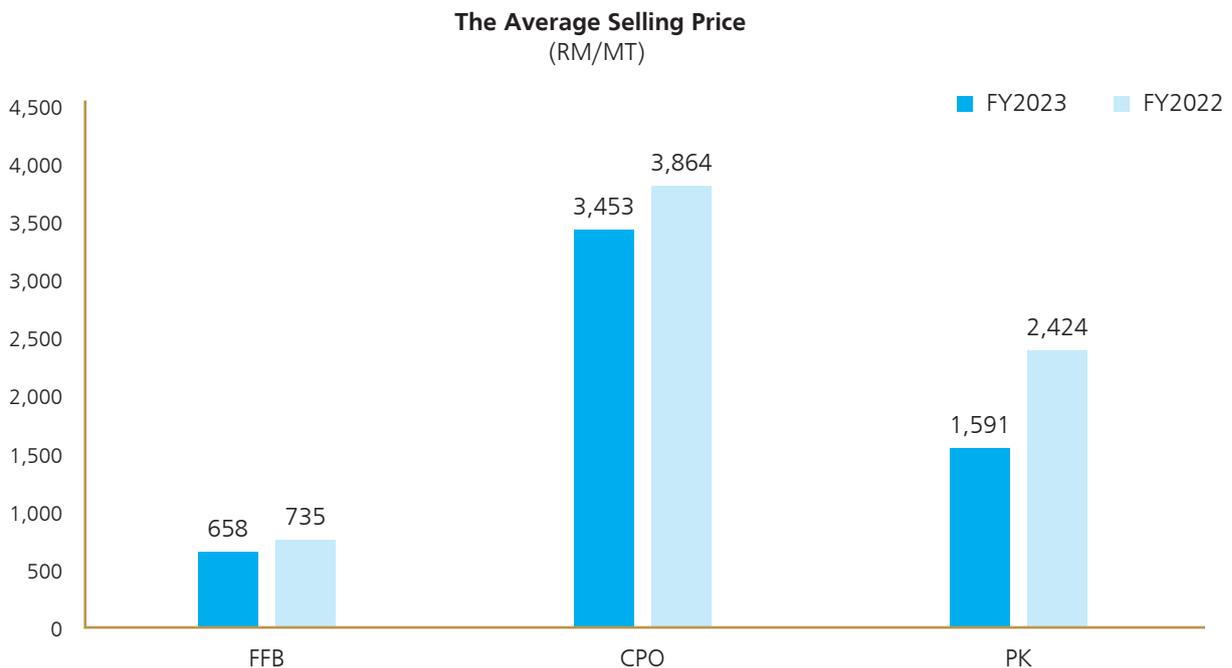
The Group commissioned its first Crude Palm Oil ("CPO") mill in Bangka Island, Indonesia in 1999 followed by a second CPO mill on the island in 2003 in line with the rapid increase in Fresh Fruit Bunches ("FFB") production in Indonesia. The third oil mill on the island was commissioned in 2016. The fourth oil mill, the first for its South Sumatra operations was commissioned in September 2020.

In Quarter 4 2022, OHB entered into a corporate proposal with related parties to acquire shares, plantation lands and other related assets that it did not own for a total cash consideration of approximately RM1.2 billion. The proposed shares and land acquisitions have been completed in Quarter 3, 2023 and Quarter 1, 2024 respectively. The acquisitions have increased the Group's footprint in the oil palm cultivation business in Malaysia by approximately 3,508 Ha where the planted Ha will increase from 4,794 Ha to approximately 8,302 Ha with the addition of an oil mill located in Perak. The share acquisitions also enabled the full consolidation of the Group's interests in the plantations subsidiaries in Indonesia.

As of 31 December 2023, the Group's plantation land bank concession stands close to 106,000 hectares, of which 46,047 hectares have been planted with oil palm trees. About 97,397 hectares are in Indonesia (Bangka Island and South Sumatra) while the remaining 8,603 hectares are located in Malaysia (in Pahang, Negeri Sembilan, Penang and Kedah). The segment currently has a matured area of 38,021 hectares.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS

The plantation segment recorded a revenue of RM829.7 million in FY2023, a decrease of RM54.8 million or 6.2% compared to RM884.5 million in FY2022, due to the decrease in CPO, Palm Kernel ("PK") and FFB selling prices. The average selling price for CPO, PK and FFB decreased by 10.6%, 34.4% and 10.5% respectively compared to the preceding year. The plantation segment recorded an operating profit of RM124.1 million, a 63.9% decrease from the preceding year's operating profit of RM343.4 million. RM112.7 million or 90.8% of the operating profit was from the Indonesian Operations. The decline in performance was mainly attributable to the lower realised and unrealised foreign exchange gain on the Japanese Yen ("JPY") denominated borrowings and lower gross profit margin.



MANAGEMENT DISCUSSION AND ANALYSIS

- PLANTATION SEGMENT

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS (cont'd)

The Group's estates produced a total of 686,292 MT of FFB, a decrease of 1.5% compared to 696,808 MT in the preceding year. The decrease was mainly due to lower yield - FFB yield per hectare of 18.05 MT/Ha in FY2023 compared to 19.56 MT/Ha in FY2022.

In FY2023, the plantation segment recorded an unrealised foreign exchange gain of RM8.6 million compared with unrealised foreign exchange loss of RM2.4 million in FY2022. Meanwhile, a realised foreign exchange gain of RM9.6 million recorded in FY2023 (FY2022: RM90.8 million) mainly attributed to repayment of JPY denominated borrowings.

For capital expenditure, the segment spent a total of RM98.3 million in FY2023 compared to RM68.3 million in the preceding year. The capital expenditure consisted mainly on its newly land acquisitions in Malaysia and development costs for its Indonesian Operations, including new planting and replanting of oil palm, construction of staff quarters and acquisition of agricultural equipment and vehicles. The total capital expenditure to be incurred in FY2024 for new planting, acquisition of plant and machineries for oil mill and the construction of estate building is expected to reach around RM58.8 million.

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

The Group's five palm oil mills in Indonesia and Malaysia, with a combined operating capacity of 320 MT per hour, process their own estates' crops as well as crops purchased from smallholders, FFB traders and other third-party estates. The four palm oils mills in Indonesia are strategically located in close proximity to the plantations.

On the crop processing front, total FFB processed by its five mills was 909,203 MT in FY2023, a decrease of 2.2% compared to 929,243 MT in FY2022. The decrease in FFB processed was attributable to the drop in internal crops. The replanting programme commenced in Year 2020 has caused the yield per hectare diluted by the young matured area. 47.0% of the total FFB processed during the year was sourced from third parties compared to 44.6% in FY2022.

In FY2023, the average CPO and PK extraction rates stood at 19.86% and 4.94% respectively, compared to 19.96% and 4.98% in FY2022.

A total of 272 hectares of oil palms were replanted in FY2023 compared with 270 hectares in FY2022 for Malaysian plantations. Moving forward, our strategy for the year 2024 is to replant 116 hectares. As for new planting activities in Indonesia, we have planted 13,370 hectares to date and target to plant about 600 to 800 hectares each year over the next two years. 790 hectares were replanted in FY2023 compared to no replanting in FY2022. An estimated 2,000 hectares is planned for replanting in FY2024. All the replanting activities will be carried out in a sustainable manner and in accordance with an environment-friendly, zero-burning policy.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The oil palm industry is exposed to climate risks such as erratic weather patterns. The La Nina phenomenon causes prolonged wet weather while the El Nino phenomenon results in prolonged low rainfall. Other factors include the depressed prices in CPO and PK, unstable MYR, intensified competition from substitutes, and rising operational costs, notably that of fuel, fertilisers and chemicals. Geopolitical factors, social disorder, cross border and country risks as well as labour shortages in estates also impacted the segment performance. On the international front, palm oil continues to face criticism for alleged links to deforestation, climate change, health effects and market restrictions in terms of tariff and non-tariff trade barriers.

Given that many factors are beyond our control, we will focus on key measures like cost control, improvements in all round productivity and efficiency, and prudent treasury management to enhance the bottom line. We will continue to prioritise controlling costs and yield improvements through better agronomic administration and reorganising harvesting operations. In addition, we will focus on the automation and mechanisation of the operations at our mills and estates as reliance on manpower restricts the institution of quality control for field works. With these enhanced internal efficiencies in place, production costs for matured areas were held in check, partially offsetting higher costs for newly matured areas.

MANAGEMENT DISCUSSION AND ANALYSIS

- PLANTATION SEGMENT

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO (cont'd)

As a commodity operator, we address the environmental, social and economic aspects of oil palm production while ensuring that we carry out the best management practices consistently. In all our activities, we are guided by the firm commitment to contribute to a better society, with environmental awareness as a top-of-mind priority.

STRATEGY

The Group continually evaluates its portfolio to ensure competitiveness and to unlock the value of its investment when an opportunity arises. Hence, for our Indonesian Operations, we strive to further consolidate plantation operations with a critical review of its current land bank. Marginal land will be removed from development. Efforts will be focussed on the development of the existing land bank into premium quality plantations and the expansion of planted hectares via acquisition of planted areas and plantation companies which fit our technical specifications and affordability requirements. In tandem with the expansion plans, the Group plans to enhance and improve the technical skills and capabilities of our staff through training sessions with the aim of talent retention to fulfil the current and future needs of the Group.

FORWARD-LOOKING STATEMENT

Palm oil industry has been experiencing downward price trend during the most part of 2023 in terms of CPO prices amid competition from other edible oils. The decline in CPO prices was generally expected, especially with 2022's exceptional events in the form of the Russia-Ukraine war as well as the restrictions in palm oil exports by Indonesia.

Leveraging on our solid foundation, we will continue our efforts to improve operational productivity and efficiency, and strengthen sustainable estate management practices at all levels of operations. Our main focus remains steadfast and that is to ensure a lean and cost-effective operations, maximize efficiency and effectiveness in the use of all resources, monitor the market conditions closely and enable prompt management action and decision to ensure the sustainability of the operations.

Indonesia, being the world's largest palm oil producer and exporter has mandated the use of biodiesel containing 35% palm-based fuel ("B35") on 1 February 2023, expanding from B30. Despite B35 blending mandate was implemented earlier in February 2023, nationwide rollout was only achieved in August 2023. Indonesia had originally planned to transit into a B40 blending mandate as early as 2021, though plans were delayed amid high costs and a lack of infrastructural readiness. Tests for B40 are currently underway and Indonesia plans to raise its mandatory blending from B35 to B40 in the next few years.

Effective 1 January 2023, Indonesia has reduced its domestic market obligation ("DMO") ratio to 1:6 from 1:8 to rein in soaring prices of cooking oil ahead of the Ramadan month starting in March. On 6 February 2023, Indonesia Government has suspended two-thirds (66%) of Indonesia palm oil export permit with immediate effect until 1 May 2023 and increase the DMO quantity of CPO by 50% from 300,000 MT to 450,000 MT per month amid the recent hike on government-sponsored cooking oil price. In May 2023, DMO ratio was further reduced to 1:4 and Indonesia will maintain its current DMO ratio for palm oil into 2024 to maintain price stability of domestic cooking oil.

Meanwhile, Malaysia has launched the nationwide implementation of the B20 programme in 2020 which was carried out in stages, starting with Langkawi, Labuan and Sarawak. However, due to the COVID-19 pandemic, the nationwide rollout of its B20 programme was later pushed back to 2022 from its initial mid-2021 plan in order to give priority to the Government's post COVID-19 economic recovery plan. The implementation of Malaysia's B20 mandate has been postponed in 2022 and subsequently to 2023 due to political uncertainties. On 27 July 2023, Malaysia Government launched the National Energy Transition Roadmap ("NETR") and has indicated plan to establish B30 mandate for land transport by 2030.

Looking back at 2023 CPO price trends, palm oil industry had shown resilience in the first half of 2023, with benchmark CPO price standing robust at RM3,900 per MT average. CPO price was traded lower by 27.1% to RM3,836 per tonne during January to October 2023 compared to RM5,265 per tonne in January to October 2022 with the highest and lowest traded prices at RM4,218 per tonne in April and RM3,640 per tonne in October respectively. CPO prices for 2023 averaged at RM3,891 per MT; 23.5% lower compared to RM5,088 per MT in 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

- PLANTATION SEGMENT

FORWARD-LOOKING STATEMENT (cont'd)

The Malaysian Palm Oil Board (“MPOB”) expects CPO price in 2024 to range between RM3,900 to RM4,200 per MT, driven by the implementation of the B35 biodiesel in Indonesia. The mandate is expected to reduce the global palm oil supply for the export market, consequently boosting CPO prices. Key factors influencing CPO prices in the near future include the El Nino phenomenon, rising biodiesel demand, robust crude oil prices and the pricing of sunflower oil.

On the international front, the European Union (“EU”) reached an agreement on 6 December 2022 to ban the import of palm oil and other commodities linked to deforestation. As a result, the EU Deforestation-Free Products Regulation (“EUDR”) entered into force on 29 June 2023, affording companies and pertinent authorities in both producing and consuming countries 18 months to prepare before the rules become enforceable as of 30 December 2024. Starting in January 2025, business operators and traders will be mandated to conduct due diligence on products entering or exiting the EU market to substantiate that their products are free from deforestation.

Indonesia and Malaysia have set up a joint task force with the EU to address concerns raised by Indonesia and Malaysia regarding the implementation of the EUDR and to identify relevant solutions and practical approaches for its implementation.

The critical challenges for planters include:

1. Sustainability risks (climate change, forest and biodiversity issues, water & carbon foot prints)
2. To manage the European Parliament approved a landmark deforestation law enacted on 19 April 2023
3. Human rights and forced labour issues
4. Mechanisation, digitalisation and automation for sustainable crop production
5. Focus of reducing labour-to-land ratio
6. Improve on the quality of local palm products
7. Productivity improvement in oil yields
8. Skilfully address palm oil reputation issues in a rational manner (back by scientific data)
9. Intensify downstream value added to escape from CPO dependence trap

PLANTATION STATISTICS

The Group’s estate production, yield and Profit per HA records

	FY2023	FY2022	Change (%)
Production (MT)			
Malaysian Operations			
FFB	88,596	71,949	23.1
Indonesian Operations			
-Bangka Island	414,557	476,050	-12.9
-South Sumatra	183,139	148,809	23.1
FFB	597,696	624,859	-4.3
Total FFB	686,292	696,808	-1.5
Yield Per Mature Hectare (MT)			
Malaysian Operations	14.45	21.04	-31.3
Indonesian Operations	18.74	19.40	-3.4
Group	18.05	19.56	-7.7
Operating Profit Per Mature Hectare (RM)			
Malaysian Operations	1,864	10,770	-82.7
Indonesian Operations	3,534	9,518	-62.9
Group	3,265	9,638	-66.1

MANAGEMENT DISCUSSION AND ANALYSIS

- PLANTATION SEGMENT

The Group's production records of 5 palm oil mills

	FY2023	FY2022	Change (%)
FFB processed (MT)			
Malaysian Operations			
Own Estates	15,806	-	100.0
Indonesian Operations @			
Own Estates	465,728	514,668	-9.5
External	427,669	414,575	3.2
FFB processed	893,397	929,243	-3.9
Total FFB processed	909,203	929,243	-2.2

Note:

@ FFB processed are segregated as follows:

Indonesian Operations	FY2023	FY2022	Change (%)
-Bangka Island	735,496	812,637	-9.5
-South Sumatra	157,901	116,606	35.4
Total	893,397	929,243	-3.9

CPO production (MT)	180,598	185,446	-2.6
PK production (MT)	44,941	46,230	-2.8

Extraction rates (%)			
CPO	19.86	19.96	-0.5
PK	4.94	4.98	-0.8

Distribution by Country and Level of Maturity of the Group's Planted Areas (hectares)

Malaysian Operations	FY2023	FY2022
	Ha	Ha
Matured	6,133	3,419
Immature	2,169	1,375
Planted	8,302	4,794
Balance Land Bank	16	-
Buildings, roads, etc.	285	164
Land Bank	8,603	4,958

MANAGEMENT DISCUSSION AND ANALYSIS

- PLANTATION SEGMENT

Distribution by Country and Level of Maturity of the Group's Planted Areas (hectares) (cont'd)

Indonesian Operations	FY2023	FY2022
	Ha	Ha
Matured	31,888	32,214
Immature	5,857	5,231
Planted #	37,745	37,445
Balance Land Bank	56,439	56,719
Buildings, roads, etc.	3,213	3,205
Land Bank	97,397	97,369
Total Group Planted	46,047	42,239
Total Group Land Bank	106,000	102,327

Note:

Planted area are segregated as follows:

Indonesia Operations	FY2023	FY2022
	Ha	Ha
-Bangka Island	24,375	24,436
-South Sumatra	13,370	13,009
Total	37,745	37,445

Distribution by Age Profile of the Group's Oil Palms:

Malaysian Operations	FY2023		FY2022	
	Ha	%	Ha	%
Young (4 to 7 years)	1,801	29	1,081	32
Prime (8 to 18 years)	1,874	31	1,373	40
Mature (More than 18 years)	2,458	40	965	28
Total Matured Planted	6,133	100	3,419	100

Indonesian Operations	FY2023		FY2022	
	Ha	%	Ha	%
Young (4 to 7 years)	6,229	20	6,046	19
Prime (8 to 18 years)	12,892	40	11,766	36
Mature (More than 18 years)	12,767	40	14,402	45
Total Matured Planted	31,888	100	32,214	100
Group Matured Planted	38,021	100	35,633	100

MANAGEMENT DISCUSSION AND ANALYSIS - HOTELS AND RESORTS SEGMENT

OVERVIEW OF THE GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES & STRATEGIES

The Hotels and Resorts segment owns 8 operating units, comprising one in Malaysia and seven other overseas-based units. Bayview Hotel Malacca is located in Malaysia while the remaining seven hotels and resorts located overseas are 30 Bencoolen (Singapore); Chateau Tongariro Hotel (closed permanently from February 2023 onwards) and Wairakei Resort Taupo (New Zealand); The Sydney Boulevard Hotel, and Bayview Geographe Resort (Australia); Somerset Park Suanplu (Thailand) and Thistle Holborn The Kingsley Hotel (United Kingdom).

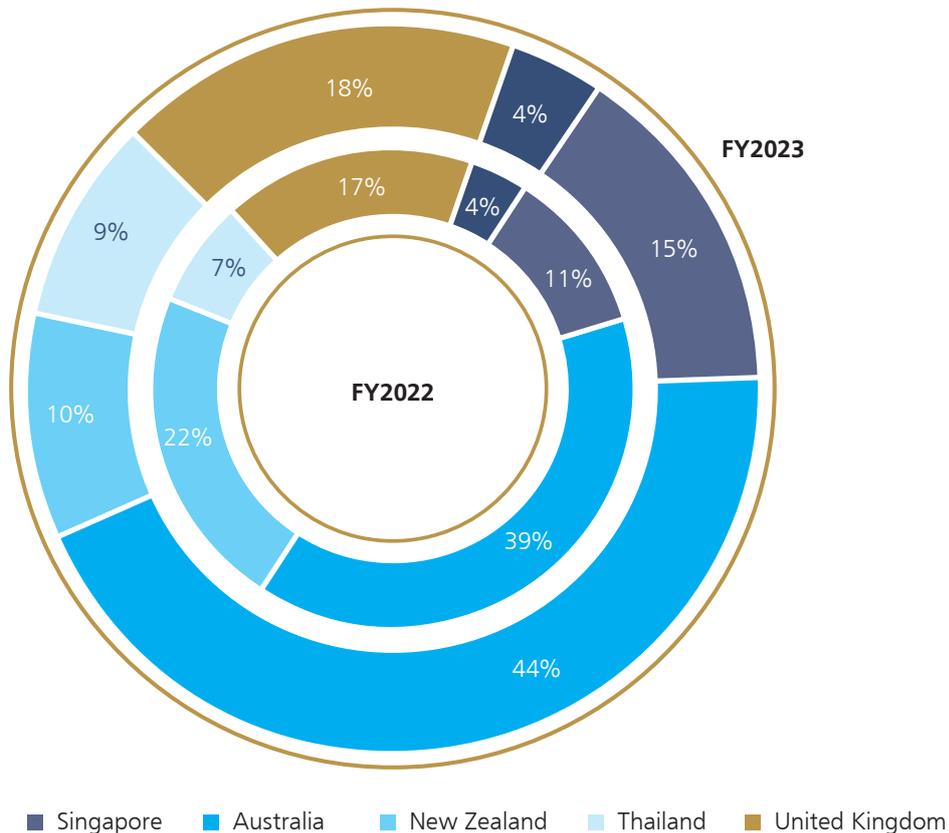
The Group operates all hotels and resorts on its own with the exception of Somerset Park Suanplu (managed by The Ascott Limited) and Thistle Holborn The Kingsley Hotel (managed by Clermont). The portfolio also includes Bayview International Sdn Bhd and Bayview International Hotels Pte Ltd which oversees the operations, marketing and promotion activities for Bayview hotels and resorts worldwide.

The segment's vision is to become a preferred brand for guests through providing a warm, personalised experience with each stay. With an emphasis on exceptional service, comfortable accommodation for every guest, high-quality amenities and dining options, friendly, attentive staff and excellent value for money, it aims to meet and exceed guest expectations.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS & CONDITIONS

The Hotels and Resorts segment recorded a revenue of RM267.9 million, an increase of RM40.4 million (17.8%) compared to RM227.5 million for FY2022. This was mainly attributed to the improvement in average occupancy rate and average room rate with the healthy leisure and commercial demands from its key markets. The increase was driven largely by the hotels and resorts in Singapore, Thailand, Australia and United Kingdom as a rise in leisure and commercial demands enable the overseas hotel properties to improve with the combined effects of its room occupancy rate and average room rate.

Revenue by Geographical Location (%)



MANAGEMENT DISCUSSION AND ANALYSIS

- HOTELS AND RESORTS SEGMENT

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS & CONDITIONS (cont'd)

The segment recorded a significant decrease in an operating profit of RM45.0 million in FY2023 compared to an operating profit of RM248.5 million in FY2022. The reduction in profit is not in proportion to the improved revenue, mainly due to in FY2022 recorded a gain on disposal of Bayview On the Park in Melbourne, Australia of RM 212.0 million which was completed in March 2022. While during FY2023, the segment incurred impairment loss on property, plant and equipment of RM17.9 million and provision of restoration liability of RM14.2 million subsequent to the cessation of the Chateau Tongariro Hotel's operation from February 2023 onwards. Excluding the impairment loss, restoration liability and gain on disposal, operating profit in FY2023 increased by 111.2%.

The average occupancy rate for the hotels and resorts increased from 54.4% to 61.0% in FY2023.

Hotels	Location	Star Rating	Managed by	Occupancy Rate	
				FY2023	FY2022
Bayview Hotel Malacca	Malaysia	4 star	Bayview International Sdn Bhd	66%	59%
30 Bencoolen	Singapore	4 star	Bayview International Sdn Bhd	91%	62%
The Sydney Boulevard Hotel	Australia	4 star	Bayview International Sdn Bhd	61%	29%
Bayview Geographe Resort	Australia	4 star	Bayview International Sdn Bhd	48%	48%
Chateau Tongariro Hotel#	New Zealand	4 star	Bayview International Sdn Bhd	13%	49%
Wairakei Resort Taupo	New Zealand	4 star	Bayview International Sdn Bhd	42%	46%
Somerset Park Suanplu	Thailand	4 star	The Ascott Limited	82%	65%
Thistle Holborn The Kingsley Hotel	United Kingdom	4 star	Clermont	85%	77%

Note: # Permanently closed from February 2023 onwards

REVIEW OF OPERATING ACTIVITIES & DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

After evaluating the sustainability of the business operations through disciplined cost containment and cash preservation measures, the management decided to minimise the impact by closing one of the hotels in New Zealand, namely Chateau Tongariro during FY2023. The challenges faced by the hotel includes global warming effects, higher compliance risk to new standards for seismic safety on earthquake and talent shortage. The segment will continue to look for further potential investments if opportunities arise.

Booking platforms tend to become easier to use, more user-friendly and guests are getting used to hotel booking processes. As increasing revenue become an important goal post-pandemic, Bayview International will continue in developing its own brand and direct booking platform via implementing "Member Deal" into the hotels' brand website, advertising direct booking campaigns, and encouraging direct booking via loyalty programs, deals and membership offerings to reduce Online Travel Agencies dependence.

The rapid evolution of digital technology and changing customer expectations are pushing our businesses to reconsider our operational strategies. Digital systems offer real-time data analytics, streamline operations, and reduce the need for physical resources. For instance, digital processes can analyse accurate revenue tracking to automated price adjustments, instantly update room availability across multiple platforms to reduce the chances of overbooking and ensuring memorable day-to-day guest experiences. Moreover, it can significantly reduce paper waste, contributing to a more sustainable business model. Bayview International will continue to carry out upgrading exercises on its digital distribution channels to improve its hotels' market share. Besides, Bayview International will also embark on payment gateway for all its hotel brand. While 30 Bencoolen with an on-going investment into a smorgasbord of digital adoptions including AI concierges, contactless self-check in gateway to enable contactless transactions for an optimised customer experience.

MANAGEMENT DISCUSSION AND ANALYSIS

- HOTELS AND RESORTS SEGMENT

REVIEW OF OPERATING ACTIVITIES & DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

To counter rising cost pressures, we focus to achieve stronger cost performance throughout our efforts by implementing rigorous efficiency and cost-saving programmes, for instance monitor variable costs during peak and low season, dynamic revenue pricing, and managing the availability of rooms efficiently to gain better yield.

We have been maintaining a prudent approach towards capital expenditure. The segment has spent approximately RM3.7 million in its capital expenditure in FY2023 compared to RM3.8 million in the preceding year. The capital expenditure incurred was for the upgrading of hotel rooms, conference rooms, restaurant, upgrade security system, building refurbishment, replacement of furniture and fixtures to increase our competitiveness performance in the industry.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The segment manages the risk by identifying and implementing the best procedures as this is important in the decision-making process for guests.

In order to counter rising cost pressures from the operations, we aim to achieve stronger cost performance throughout our operations by implementing rigorous efficiency and cost-saving programmes while maintaining a prudent and disciplined approach towards capital expenditure throughout the year.

As the travel and tourism industry rebounds, numerous operations are matching or surpassing pre-pandemic customer demand; however, many hotels have been unable to recruit qualified staff. Furthermore, rising payroll cost pressures are likely to continue as labour shortages affect the hospitality industry. We recognise the success in the hospitality industry is primarily determined by the quality of service and guest satisfaction. Therefore, we prioritise training and development in terms of recognising and rewarding staff.

Sustainable travel has emerged as a growing trend as guests nowadays are more conscious of their environmental footprint by choosing eco-friendly accommodation options. We have implemented eco-friendly initiatives, such as energy-efficient appliances, waste reduction programs, and locally sourced organic ingredients in our restaurants. We will continue promoting our commitment to sustainability to attract environmentally conscious travellers.

FORWARD-LOOKING STATEMENT

As we progress into 2024, leisure travel sector are likely on the pent-up demand accumulated from the pandemic years. Despite the prevailing financial uncertainties, the sustained enthusiasm for in-destination experiences, a growing appetite for exploring diverse locales and the continued trend of workplace flexibility are all contributing to positive trends in the travel industry.

The essence of hospitality today includes service excellence, human interaction, personalization and co-creation of memorable experiences. Key priorities going forward for our segment includes focusing on performance turnaround, strengthening digital presence, defending our domestic market share while driving regional growth, and pursuing more MICE business events. Simultaneously, with creativity, combined with a sharpened focus on risk management, innovative and flexibility to continue bringing in revenue during the periods of crisis will be the key for navigating forward.

Further, we will continue to uphold our longstanding commitment to maintain and promote high standards of ethics and integrity across the segment in order to ensure that we perform in a responsible and sustainable manner.

We will reserve about 3% to 4% of our revenue per year for capital expenditure to ensure the properties remain in optimal condition at all times to create positive customer experiences.

MANAGEMENT DISCUSSION AND ANALYSIS

- HEALTHCARE SEGMENT

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES & STRATEGIES

The companies are principally involved in the operations of a medical centre, a nursing college and an integrated lifestyle retail pharmacy in the healthcare segment. This segment was initiated concurrently with the acquisition of a nursing college in Melaka in April 2011 followed by the construction of the medical hub in August 2012 on the OHB Group's reclaimed land in Klebang, Melaka, a mere 10 minutes from the heart of Melaka Heritage City, providing the ideal environment for healing and recuperating. Officially launched on 31 January 2015, Oriental Melaka Straits Medical Centre ("OMSMC") is the flagship hospital for the Group's healthcare segment. The hospital has been growing constantly since its inception to become a leading tertiary hospital in Melaka.

As a healthcare service provider, the segment is setting a 10-year direction to develop and grow OMSMC into: (1) a full-fledged 300-bed tertiary medical centre offering multi-disciplinary medical services with sub-specialities that provide quality and value-based services with a strong presence in the community; and (2) a leader and trendsetter in quality healthcare delivery.

This segment opened its first lifestyle retail pharmacy outlet in Melaka at the end of March 2020, its second outlet in Bagan at the beginning of February 2022 and its third outlet in Segamat began operation in the end of September 2022. The setting-up of these retail pharmacies will produce a synergistic effect with the hospital by offering a variety of extended healthcare services which include comprehensive product segmentation to meet the local community's needs.

In March 2021, we incorporated a wholly-owned sub-subsidiary named Oriental Medical (Segamat) Sdn Bhd, through our direct 51.7% owned subsidiary, Melaka Straits Medical Centre Sdn Bhd. The step was taken to further expand the outreach of our operations to the Northern Johor region.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS & FINANCIAL CONDITION

The increase in revenue from higher patient volume resulted in a higher EBITDA and the segment recorded an improvement in operating profit which increased by RM9.1 million or 110% from the previous year.

With the upward trend in the patient volume, we are optimistic that the segment will continue to contribute to the Group's revenue and operating profit.

Key Indicators

	FY2023	FY2022	Variance (%)
Revenue (RM'000)	118,367	94,423	25.4
EBITDA (RM'000)	24,902	14,676	69.7
Operating profit (RM'000)	17,270	8,211	110.3
Number of beds (operational)	153	141	8.5
Medical consultants	57	51	11.8
Number of inpatients	12,955	10,860	19.3
Number of outpatients	109,940	105,484	4.2
Number of students intake	155	143	8.4

MANAGEMENT DISCUSSION AND ANALYSIS

- HEALTHCARE SEGMENT

REVIEW OF OPERATING ACTIVITIES & DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

Presently in its eighth year of offering high quality-based health services, is undergoing a transformational expansion to become a leading tertiary hospital in Melaka and southern Malaysia. We are proud to announce that OMSMC has successfully received another full 4-year accreditation from the Malaysia Society of Quality Healthcare (“MSQH”) in 2020. While conducting business and strategising for the future, the management keeps a close watch on relevant trends to spot opportunities and challenges to prepare better and more effectively for future developments.

Key profit drivers affecting the segment are:

Opportunities and challenges

Post-Pandemic - The ongoing COVID-19 pandemic impacted the operations of hospital.

Emergence of new competition - Growth in the industry has increased the number of healthcare service providers and retail pharmacies.

Digital healthcare – Addresses the changing needs of patients especially healthcare travellers to continue consultation with doctors

Directions

- OMSMC puts a greater emphasis and implements the COVID-19 Standard Operating Procedures in its operation.
- OMSMC ensures all staff are trained with skills and supplied with personal protective equipment.
- OMSMC ensures that adequate personal protective equipment is available at all times.
- OMSMC enforces strict hygiene and sanitation measures across its premises to ensure the safety of patients, visitors and staff.
- OMSMC strengthens its position by enhancing brand awareness and active brand differentiation.
- OMSMC continues to develop brand loyalty by reinforcing positive experiences for its patients and customers achieved through top quality medical care and retail pharmacy services.
- OMSMC continues to recruit additional medical consultants to provide and introduce new services or subspecialties such as dialysis service and wound care management.
- Management continues to work with key principals to enhance pricing competitiveness.
- OMSMC continues to focus on innovation and digitalisation to respond to patients’ needs and adapt to the new normal post-COVID-19.
- OMSMC will provide digital skills training to both clinical and non-clinical staff to enable them to deliver top-notch assistance and support to patients.

Aside from delivering outstanding patient care, the segment will continue to:

- actively promote and participate in health-related events in local and international communities such as medical education talks, public forums, corporate or insurance health talks and blood donation campaigns;
- sponsor and organize fund-raising events, for both environmental and community initiatives;
- position itself as a medical centre that not only provides treatment but also promotes a healthy lifestyle through Pro-Health initiatives and activities;
- build a core OMSMC team with the focus on talent management and retention to grow and retain talents, with necessary competencies, attitudes and skillsets; and
- promote an ongoing culture of quality improvement and patient safety.

MANAGEMENT DISCUSSION AND ANALYSIS

- HEALTHCARE SEGMENT

REVIEW OF OPERATING ACTIVITIES & DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

The segment continued to see encouraging growth in the number of patients post further liftings of restrictions related to COVID-19 and transition into endemicity as the segment benefits from a spike in local and international patient visits. The growth is driven by the inelastic demand of healthcare allows the passing on of higher cost amid rising inflation to patients, and strong pent-up demand, especially for elective medical procedures / surgeries from domestic and international patients as economics come out of the pandemic. Additionally, the segment will likely to look at a fundamental increase in healthcare demands that will likely to endure as the COVID-19 virus would continue to spread through communities even as the countries entered into the endemic stage.

The segment continues to invest RM8.2 million in FY2023 (FY2022: RM5.5 million) in medical and non-medical equipment needed for the improvement of service quality and efficiency as well as the renovation of its retail pharmacy outlets and preparation of new hospital.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

The health tourism industry has the potential to become the country's new investment. As such, under Budget 2024, the Malaysian government has allocated RM30 million to the Malaysia Healthcare Travel Council ("MHTC") to promote the country's medical tourism industry internationally. Being a member of MHTC, we are recognised and promoted as a quality provider of healthcare travel services for international patients. This serves as an opportunity to attract more international patients through MHTC's diverse international marketing programmes.

The rising number of new hospitals and expansion of existing hospitals has intensified the competition within the domestic healthcare industry. Human capital retention remains a key challenge to operations. Skilled and qualified healthcare professionals and support staff are presented with more options from the increasing number of medical institutions. Thus, the segment will continue to develop a core team through talent management, aggressive staff recruitment, provide continuous training and opportunities to second and third liners for succession planning and retention programme. Currently, there are four private hospitals in Melaka.

FORWARD-LOOKING STATEMENT

The management will continue to concentrate on innovation and digitalisation to respond to patients' needs. As such, the segment balances the short-term challenges while building a more resilient business model in the long term.

The strategic focus for the segment in the year 2024 will include the following action plans:

- continue to seek opportunities to reach out to foreign medical travellers;
- set up new retail pharmacy outlets in a wholesome community-based setting to serve as a contact point for recruitment and maintenance of customers into the OMSMC healthcare ecosystem;
- continue monitoring the progress of setting up an aged care facility and transitional care centre to provide specialised care for patients requiring medium to long-term medical or rehabilitative services;
- ready to collaborate with the public healthcare sector on health related programmes;
- continuously work on digital transformation to improve operational efficiency and improve patient experience; and
- look for further expansion both organically and inorganically, whenever an opportunity arises.

MANAGEMENT DISCUSSION AND ANALYSIS

- INVESTMENT PROPERTIES AND TRADING OF BUILDING MATERIAL PRODUCTS

OVERVIEW OF GROUP'S BUSINESS AND OPERATIONS INCLUDING OBJECTIVES AND STRATEGIES

Our business activities are spread across 6 major locations which are Penang, Kuala Lumpur, and Melaka as well as internationally in Melbourne and Burwood East (Victoria, Australia), and Xiamen (China).

In 1994, Ultra Green Sdn. Bhd. acquired a concession from the Melaka state government to reclaim a total of 1,125 acres of the waterfront at Klebang, Melaka. In consideration, the Melaka state government is entitled to one-sixth of the whole reclaimed area. To date, 1,015 acres of the total concession area have been reclaimed of which titles have been obtained for 690.43 acres, 137.07 acres are still in progress while 187.50 acres have been surrendered to the state government as part of their one-sixth entitlement. Reclamation works on the balance 110 acres commenced on 23 February 2023 and will take about 30 months to complete. The reclaimed lands will provide the Group with an invaluable land bank for commercial, tourism, and residential development once completed.

As part of the segment's diversification plans, we have ventured into real estate investment in Australia since 2014 to provide long-term recurring rental income and capital appreciation. The segment owns two commercial properties in the Central Business District of Melbourne, as well as a commercial complex comprising a block of service apartments and retail space which it developed at Burwood East to the southeast of Melbourne.

Key activities carried out under the trading of building material products include the manufacturing of steel wire, distributing and trading of cement, and supplying ready-mixed concrete products, quarry products, and building materials to the property and construction industry.

The Group operates 7 ready-mixed concrete batching plants; six plants in Penang and one plant in Perak.

The segment is committed to capture the synergistic benefit to secure good business volume and economies of scale that will benefit the Group.

DISCUSSION AND ANALYSIS OF THE FINANCIAL RESULTS AND CONDITIONS

During the year, the segment recorded a revenue of RM503.6 million, an increase of RM78.9 million or 18.6% compared to RM424.7 million in FY2022 in tandem with higher sales volume coupled with higher selling price. The property market sales have improved underpinned by a better economic outlook with gradual easing of oversupply conditions and improvement of investor sentiments.

Despite improvement in revenue, recorded an operating loss of RM16.0 million compared with an operating profit of RM10.1 million in FY2022 was mainly due to provision for impairment loss of investment properties in Australia of RM17.4 million in FY2023 while recorded reversal of impairment loss on Australia property of RM4.9 million in FY2022. The impairment mainly resulted from an unexpected decline in the market value driven by the rise in interest rates, tightening of lending standards, and global economic uncertainty.

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES

The principal activities are subject to certain risks inherent which may include increases in the cost of labour, raw materials, equipment, electricity tariffs, changes in the interest rate conditions, inflation, taxation, legal and environmental framework within which the industries operate.

Whilst it is not possible to prevent the occurrence of these events, the Group addresses these matters by high standards of preventive maintenance cost efficiency coupled with the operating efficiency of its assets.

The trading of building material products business segment continues to confront tough competition and a challenging year ahead given the rise in the cost of building materials. The business unit will continue to improve its marketing strategies and efforts to source for the distribution of a wider range of building products, secure new projects and broaden its markets and client base.

MANAGEMENT DISCUSSION AND ANALYSIS

- INVESTMENT PROPERTIES AND TRADING OF BUILDING MATERIAL PRODUCTS

REVIEW OF OPERATING ACTIVITIES AND DISCUSSION ON MAIN FACTORS THAT MAY AFFECT THE OPERATING ACTIVITIES (cont'd)

The rationalization of the Group's cement operations has continued to bolster profitability and value enhancement and improve the effectiveness and efficiency of delivering seamless solutions to customers.

All the commercial properties in Melbourne are tenanted except for one shop lot at Swanston Street. The service apartment complex located along Burwood Highway in Burwood East comprising 55 apartments, and 109 key/beds has been leased to Quest Service Apartment since 2019. Its commercial spaces are currently tenanted by a fitness company and the other by a physiotherapy company since 2020 and 2022 respectively. We will continue to actively monitor the market conditions and ensure that all lettable areas are fully tenanted.

The land reclamation works in Melaka are strategically located between Kuala Lumpur and Singapore with proximity to Ayer Keroh, the toll exit point to Melaka along the North-South Highway. The infrastructure as required by the local authorities is ongoing and largely in place. The Group's medical unit, Oriental Melaka Straits Medical Centre, and Nilam Nursing College are constructed on the reclaimed land. Plans to develop the titled areas are being looked into to value add to the Group.

Despite a challenging year for the investment property market and trading building material products segment, we are optimistic that benefits will accrue from capital appreciation and the steady growth in recurring rental income. In terms of capital expenditure, the segment invested a total of RM15.2 million in FY2023 as compared to RM3.2 million in FY2022 with funds used primarily to support ongoing reclamation works.

The Group focuses strongly on governance, compliance, and managing the economic, environmental, and social impacts of its businesses to ensure the long-term sustainability and viability of its operations.

DISCUSSION OF ANY ANTICIPATED OR KNOWN RISKS THAT THE GROUP IS EXPOSED TO

Escalating inflationary pressures may lead to higher operating costs, including increased energy and labour expenses. Increase in prices of building materials may also adversely impact profit margins. Eventually, this will erode the profit margins and add pressure to our pricing strategies. To remain competitive, we might compromise on margins.

The segment will continue to mitigate those risks such as changes in general economic conditions, government regulations, inflation, competition from existing players and new entrants, disruption in the supply of building materials, and non-renewal of licenses through prudent business strategies with continuous review of the operations and marketing strategies.

During land reclamation, the Group may be exposed to operational risks, which include amongst others, unstable soil conditions post-reclamation, which may result in possible erosion or cave-in of land. Therefore, the Board will take all measures to secure the necessary approvals and the Group has and will continue to engage reputable construction and reclamation companies with the necessary experience and capabilities to undertake the required works.

The segment has the financial strength and experience to weather the storm by operating sustainably, containing operating costs, improving its recurring income, and adding value with a diverse portfolio of investment properties.

FORWARD-LOOKING STATEMENT

The Malaysian Institute of Economic Research forecasts that the Malaysian economy, as measured by the gross domestic product (GDP), will expand moderately within the range of 4.3% to 4.6% in 2024, driven by resilient domestic demand and stable labour market conditions.

Given the ongoing uncertain business environment coupled with the higher price of building materials, the segment expects its performance to remain challenging. The management will continue to strategise, adapt, and navigate through the challenging business environment as well as to take appropriate initiatives to minimize operating risks and optimize its resources to ensure the resilience of its businesses.

The management will continue to focus on completing the reclamation of the remaining 110 acres in Melaka, as well as looking for ways to increase the value of its land bank for future development whenever opportunities arise.

The Group is confident in our ability to maintain our competitive edge and drive sustainable business growth.

FIVE-YEAR GROUP FINANCIAL SUMMARY

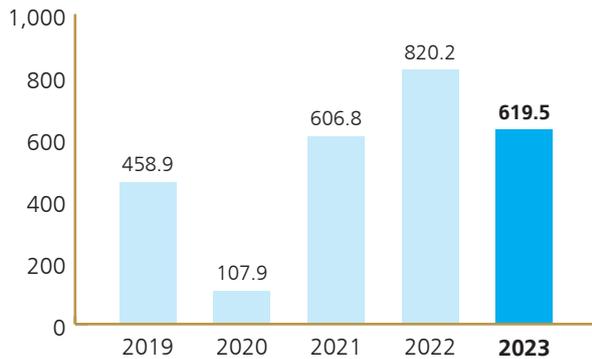
(RM' Million)

	2023	2022	2021	2020	2019
FINANCIAL POSITION ANALYSIS					
Share capital	620.5	620.5	620.5	620.5	620.5
Reserves	6,962.3	6,337.0	6,157.2	5,931.2	6,046.0
Treasury stocks	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
Total equity attributable to stockholders of the Company	7,582.6	6,957.3	6,777.5	6,551.5	6,666.3
Non-controlling interests	527.7	1,050.2	980.2	814.5	876.3
TOTAL EQUITY	8,110.3	8,007.5	7,757.7	7,366.0	7,542.6
Property, plant and equipment	2,136.5	1,866.8	1,919.4	1,931.9	1,964.7
Right-of-use assets	735.7	343.0	328.2	335.4	348.7
Intangible assets	22.8	23.3	23.1	22.5	21.9
Investment properties	1,078.7	1,073.8	1,095.5	1,109.9	1,108.3
Investments	1,150.2	1,027.7	1,304.4	1,220.5	1,286.7
Deferred tax assets	137.0	53.6	57.5	59.2	35.2
Inventories	35.9	35.9	35.9	35.9	35.9
Other receivables	30.6	33.8	31.1	30.8	32.6
Current assets	6,329.6	5,945.1	5,654.1	5,264.4	5,399.7
TOTAL ASSETS	11,657.0	10,403.0	10,449.2	10,010.5	10,233.7
TOTAL LIABILITIES	(3,546.7)	(2,395.5)	(2,691.5)	(2,644.5)	(2,691.1)
	8,110.3	8,007.5	7,757.7	7,366.0	7,542.6
OTHER DATA					
Profit before taxation	619.5	820.2	606.8	107.9	458.9
Taxation	(59.6)	(182.2)	(106.4)	(34.3)	(105.6)
PROFIT FOR THE YEAR	559.9	638.0	500.4	73.6	353.3
Non-controlling interests	(106.6)	(139.7)	(179.5)	38.5	(0.7)
NET PROFIT ATTRIBUTABLE TO STOCKHOLDERS OF THE COMPANY	453.3	498.3	320.9	112.1	352.6
DIVIDEND					
Net - RM' million	248.1	248.1	248.1	124.1	186.1
Sen	40.0	40.0	40.0	20.0	30.0

FINANCIAL HIGHLIGHTS OF THE GROUP

Profit Before Taxation
RM' Million

619.5



Turnover
RM' Million

4,356.1



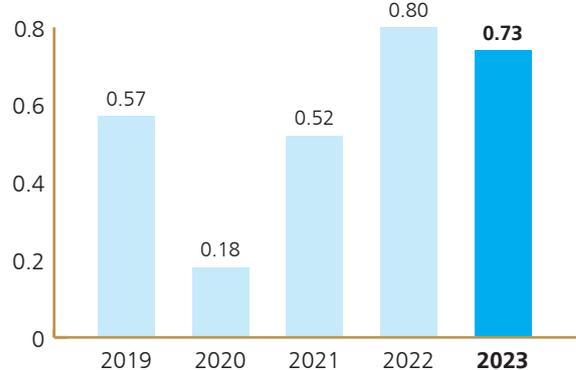
Shareholders' Fund
RM' Million

8,110.3



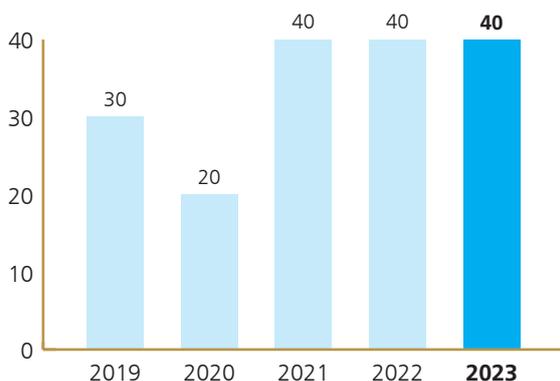
Earning Per Stock
RM

0.73



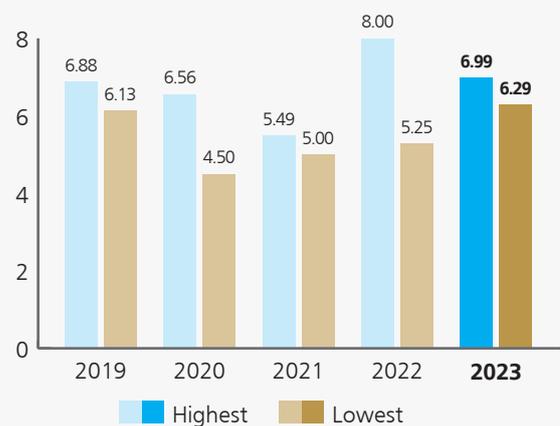
Gross Dividends
sen

40



Market Price
RM

6.99 | **6.29**



FINANCIAL CALENDAR

FINANCIAL YEAR END

31 December 2023

ANNOUNCEMENT OF RESULTS

Quarter ended 31 March 2023

30 May 2023

Quarter ended 30 June 2023

25 August 2023

Quarter ended 30 September 2023

29 November 2023

Quarter ended 31 December 2023

29 February 2024

DIVIDENDS

Payment of Final Dividend of 20 sen per ordinary stock for Year 2022

13 July 2023

Payment of Interim Dividend of 20 sen per ordinary stock for Year 2023

16 November 2023

POSTING OF ANNUAL REPORT AND FINANCIAL STATEMENTS TO STOCKHOLDERS

30 April 2024

ANNUAL GENERAL MEETING

13 June 2024

CORPORATE GOVERNANCE OVERVIEW STATEMENT

CORPORATE GOVERNANCE OVERVIEW STATEMENT

The Board of Directors (the “Board”) of Oriental Holdings Berhad (“OHB” or the “Company”) remains committed to implementing and maintaining high standards of corporate governance practices that are premised on the notions of transparency, accountability and integrity with a view to enhance stakeholders’ value. In the adoption of corporate governance best practices, the Board focuses on the substance of corporate governance principles, beyond the mere form.

This Corporate Governance Overview Statement (“Statement”) is prepared pursuant to Paragraph 15.25(1), including Practice Note 9, of the Main Market Listing Requirements (“Listing Requirements”) of Bursa Malaysia Securities Berhad (“Bursa Malaysia”), and has considered practices of the Corporate Governance Guide (4th Edition) of Bursa Malaysia.

This Statement provides an articulation of OHB’s application of the Principles of the Malaysian Code on Corporate Governance (as at 28 April 2021) (“MCCG”) for the financial year ended 31 December 2023 (“FY2023”).

This Statement is supplemented with OHB’s Corporate Governance Report for FY2023, which discusses how the Practices of MCCG are applied in OHB. The Corporate Governance Report is available on OHB’s website and via an announcement on Bursa Malaysia’s website.

This Statement should also be read in conjunction with the other statements in the Annual Report, e.g. Statement on Risk Management and Internal Control, Audit Committee Report, and Sustainability Statement.

CORPORATE GOVERNANCE APPROACH

The Board of OHB is focused on ensuring the Company and its subsidiaries (collectively referred to as the “Group”) continue to strive forward with the vigour and tenacity that has consistently produced value to its stockholders as well as the wider stakeholders. The Board believes that a robust and dynamic corporate governance framework is essential to providing a solid foundation for effective and responsible decision-making in OHB.

OHB’s key approach to a robust and dynamic corporate governance framework is to:

- have the appropriate people, processes and structures to direct and manage the business and affairs of the Group;
- promote the long-term sustainability of the Company by identifying business opportunities whilst equally being cognisant of the associated risks; and
- drive the application of good corporate governance practices through the alignment of the interests of stakeholders and Board as well as Management.

In its effort to promote meaningful and thoughtful application of good governance practices, the Board regularly reviews the Company’s corporate governance policies and procedures to ensure they reflect the latest curation of thoughts, market dynamics and best practices whilst simultaneously addressing the needs of the Group.

SUMMARY OF CORPORATE GOVERNANCE PRACTICES

OHB has applied all of the Practices encapsulated in the MCCG for the financial year ended 31 December 2023, save for:

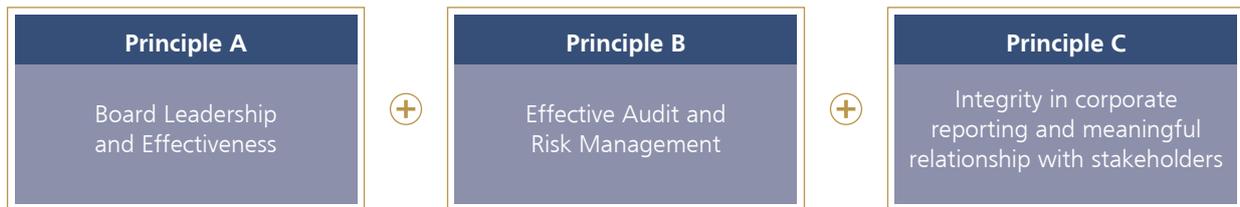
- Practice 5.2 (having majority Independent Non-Executive Directors on the Board);
- Practice 5.3 (seeking annual stockholders’ approval through a two-tier voting process to retain an Independent Non-Executive Director beyond nine (9) years);
- Practice 5.9 (having at least 30% women directors); and
- Practice 12.2 (the adoption of Integrated Reporting).

In relation to the aforementioned departed Practices, the Company provided explanations for their non-application, augmented with an articulation of alternative practices adopted which have considered the Intended Outcomes envisioned by the said Practices. Details of the application of the Practices are disclosed in OHB’s Corporate Governance Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

SUMMARY OF CORPORATE GOVERNANCE PRACTICES (cont'd)

OHB's corporate governance practices are made with reference to the three (3) Principles of MCCG as outlined below:



PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I: Board responsibilities

The Board is primarily responsible for directing and providing leadership for the overall strategic direction of the Group, focusing on value creation, balancing the interest of various stakeholders and across the short and long terms. In the pursuit of long-term value creation and formulation of long-term strategy for the Company, the Board incorporates economic, environmental, and social considerations, in line with its commitment to driving sustainable development and exercising corporate social responsibilities.

The Board is guided by an established Board Charter which stipulates the roles and responsibilities of the Board, Board Committees, and individual Directors, matters reserved for the Board's decision, as well as processes and practices which the Board and Directors are required to adhere to. All Directors are further required to observe the Directors' Code of Ethics which aligns the duties of a Director with good corporate governance practices, including addressing conflict of interest.

The Board sets the tone for how the Company's business and affairs should be managed, through various key policies and principles such as the Sustainability Policy which guides the Group's direction in managing environmental, social, and governance matters, the Anti-Bribery and Corruption Policy that specifies the Group's stance against corruption, and the Code of Ethics which stipulates the ethical standards expected of all Directors and employees of the OHB Group.

The summary of the Group's Board Charter and key governance policies are published on OHB's website at www.ohb.com.my.

Board Committees

The Board is assisted by various Board Committees, namely the Executive Committee ("EXCO"), Audit Committee ("AC"), Nominating Committee ("NC"), Remuneration Committee ("RC"), and Risk Management Committee ("RMC"), with respect to specific oversight matters. The Board delegates authority to the Board Committees through respective Terms of Reference ("TOR") but maintains ultimate responsibility.

The summary of the Group's Terms of References for the AC, NC, and RC are published on OHB's website at www.ohb.com.my.

Summary of Board Committees

The EXCO is comprised of the five (5) Executive Directors and is responsible for overseeing the implementation of Board decisions and policies at the Management level.

During the financial year under review, the EXCO approved the Group's annual budget as well as the budget for all segments. The annual budget was subsequently summarised and tabled to the Board for its endorsement. The EXCO monitors segment performance via quarterly reports by each segment's Performance Coordinating Teams ("PCT") and reports to the Board. The EXCO also carries out the roles of a Sustainability Committee ("SC") of the Group.

The AC is comprised exclusively of Independent Non-Executive Directors. The AC assists and supports the Board in reviewing the process for the preparation of the Group's financial reports including significant financial reporting issues and judgements, the integrity of internal control system, and the external and internal audit processes and outcomes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I: Board responsibilities (cont'd)

Summary of Board Committees (cont'd)

The NC is comprised exclusively of Independent Non-Executive Directors. The NC reviews the composition and effectiveness of the Board, ensuring the quality of Directors and overseeing the process for the nomination, assessment, and selection of Directors. Activities of the NC include recommending to the Board any candidature for Directors, overseeing the assessment of the Board, Board Committees, and individual Directors, facilitating Directors' induction, reviewing Directors' training, and reviewing the Board's succession plans.

The RC is comprised exclusively of Independent Non-Executive Directors. The RC is primarily responsible for reviewing and recommending to the Board the remuneration of Executive Directors in accordance with the Director Remuneration Policy.

The RMC is tasked to review the Group's risk management system, processes, and strategies.

Meetings of the Board and Board Committees

The Board and Board Committees meet regularly to carry out their responsibilities. Details of the meetings and Directors' attendances are summarised below:

Director	Board	AC	EXCO	NC	RC	RMC
Datuk Loh Kian Chong <i>Executive Chairman</i>	5/5		5/5			2/2
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK) <i>Group Managing Director</i>	5/5		5/5			2/2
Dato' Seri Lim Su Tong <i>Group Managing Director</i>	4/5 ⁽¹⁾		5/5			2/2
Ms. Tan Kheng Hwee <i>Executive Director</i>	5/5		5/5			2/2
Dato' Sri Datuk Wira Tan Hui Jing <i>Executive Director</i>	5/5		5/5			2/2
Mr. Lee Kean Teong <i>Independent Non-Executive Director</i>	5/5	9/9		4/4	1/1	
Pn. Nazriah Binti Shaik Alawdin <i>Independent Non-Executive Director</i>	5/5	9/9		4/4	1/1	1/1
Dato' Ong Eng Bin <i>Independent Non-Executive Director</i>	2/2	3/3		N/A	N/A	
Dato' Md Radzaif Bin Mohamed <i>Independent Non-Executive Director</i>	2/2	3/3		N/A	N/A	
Mr. Mitsuharu Funase <i>Non-Independent Non-Executive Director</i>	5/5					
Ms. Mary Geraldine Phipps ⁽²⁾ <i>Independent Non-Executive Director</i>	3/3	5/5		4/4	1/1	1/1
Pn. Sharifah Intan Binti S. M. Aidid ⁽³⁾ <i>Non-Independent Non-Executive Director</i>	2/2	3/3		1/1	1/1	

Chairman Member

⁽¹⁾ Dato' Seri Lim Su Tong was absent for the Board Meeting held on 28 November 2023 due to unexpected changes in travelling schedule.

⁽²⁾ As at the date of this Statement, Ms. Mary Geraldine Phipps had ceased to be a member of the AC, NC, and RC and retired from the Board on 31 May 2023.

⁽³⁾ As at the date of this Statement, Pn. Sharifah ceased to be a member of the AC, NC, and RC on 31 March 2023. She subsequently retired from the Board on 18 April 2023.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I: Board responsibilities (cont'd)

Summary of Board Committees (cont'd)

During the year, all Directors have devoted adequate time to prepare, attend, and actively participate in the Board and Board Committee meetings. To ensure Directors have sufficient time to review and prepare for meetings, materials and papers for Board and Board Committee meetings are circulated at least seven (7) calendar days prior to the meeting. The meeting minutes are prepared to reflect the decisions made, including key deliberations, rationale supporting the resolution, and any significant concerns or dissenting views voiced out by Directors. The minutes also indicate whether any Director abstained from deliberating and voting on specific matters, including for reasons due to conflict of interests. The meeting minutes are circulated to the Board and Board Committees for confirmation subsequent to the meeting to ensure the completeness and accuracy of the minutes.

Access to Senior Management, information, Company Secretaries, and professional advice

All Directors have the right of access to information and to Senior Management in furtherance of their duties and responsibilities as member of the Board or Board Committees. The Board also has unrestricted access to the services of two (2) competent and suitably qualified Company Secretaries who fulfil the requirements set out in Section 235(2) of the Companies Act 2016. The Company Secretaries regularly apprise the Board on the latest regulatory developments on corporate governance and assist the Board in interpreting and applying pertinent corporate governance practices. Where necessary, the Board, Board Committees, and Directors are also entitled to independent professional advice relating to their responsibilities.

II: Board composition

Board quality and diversity

The Board has an appropriate mix of skills, qualifications, attributes, and experience across relevant industries as well as in the fields of audit and accounting, tax, and law. The combined skills and expertise of the Directors provide a breadth and depth of perspectives and diverse insights that can refine the decision-making process of the Board in pertinent areas.

The composition of OHB's Board takes into consideration the Board Diversity Policy which promotes diversity in various aspects including skills, experience, age, cultural background, and gender and does not discriminate on the bases of race, age, ethnicity, gender, nationality, political affiliation, religious affiliation, sexual orientation, marital status, education physical ability, or geographic region.

The Board Diversity Policy is central to:

- identifying and creating the right balance of skills and industry experience, background and gender of Directors;
- retaining Directors based on performance and merit, in the context of skills, time commitment and experience, in order for the Board to be effective;
- providing a safe and healthy environment for the views of Board members to be heard, their concerns attended to, and where bias, discrimination and harassment on any matter are not tolerated; and
- reviewing and assessing the Board and Key Senior Management's composition and mix and make recommendations on the appointment of new Directors and Key Senior Management.

As at the date of this Statement, the composition of our Board comprises 2 women Directors out of 10 Directors, i.e. 20%. Nevertheless, the Board is mindful that any gender representation should be in the best interest of the Company. Our Board has established a Board Diversity Policy to guide the composition of the Board. The NC and the Board will continue to leverage various channels, including independent recruitment firms, directors' registries and professional body memberships to identify a wider spectrum of suitable and talented individuals for directorships, including female candidates.

In carrying out its responsibilities, the Board, through the NC, considers whether Directors and Key Senior Management, including candidates for Directors and Key Senior Management, possess the qualities required by the Group, including but not limited to, their character, experience, competence, integrity, and their commitment of time and efforts to the Group.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II: Board composition (cont'd)

Board quality and diversity (cont'd)

During the year, in alignment with the introduction of the requirement for listed issuers of Bursa Malaysia to have a fit and proper policy for the appointment and re-election of directors of the listed issuer and its subsidiaries, the Board has established a Fit and Proper Policy for the OHB Group, which is applicable to all directors of OHB and its subsidiaries. The Fit and Proper Policy sets out 6 fit and proper criteria which a director of the OHB Group shall satisfy, and the NC is entrusted to apply the Fit and Proper Policy in the nomination and review of OHB Directors.

The summary of the Group's Fit and Proper Policy is published on OHB's website at www.ohb.com.my.

Checks and balances

The Board is chaired by Datuk Loh Kian Chong while Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK) and Dato' Seri Lim Su Tong serve as joint Group Managing Directors. The positions of the Chairman of the Board and the Group Managing Director of OHB are held by different individual to facilitate a clear division of responsibilities between these positions, enabling effective Board oversight over the Company's business management and affairs. The Board Chairman's main roles include facilitating and leading the processes and functions of the Board while the joint Group Managing Directors focus on the business and day-to-day management of the Company.

Each of the Executive Director is in charge of different business segments with their diverse skill sets and experiences. They are accountable to the Board for the achievement of the Group's goals and objectives, as well as the observance of Management's authority limits.

The presence of Non-Executive Directors, including Independent Non-Executive Directors, brings objectivity to the Board oversight and decision-making process, enabling it to constructively challenge and probe Management's proposal for strategies as well as management performance, at the same time bringing diverse perspectives and insights to the Board. The Non-Executive Directors provide check and balance within the Group's governance structure. In addition, they serve as conduits between stakeholders and Management by taking into account feedback received from stakeholders during Board discussions.

The Board has formalised a policy that sets a 9-year cumulative (consecutive or intermittent) tenure for Independent Non-Executive Directors. If the Board intends to retain a Director as Independent Non-Executive Director after their 9-year tenure, the Board shall justify the decision and seek stockholders' approval at a general meeting annually. The Board's consideration for its recommendation includes an independence assessment on the said Director facilitated by the NC.

Independent Non-Executive Director's 12-year limit

In line with the Listing Requirements which has been amended to restrict the tenure of Independent Non-Executive Directors to 12 years effective from 1 June 2023, Ms. Mary Geraldine Phipps whose tenure has exceeded the 12-year limit has retired from the Board on 31 May 2023.

Annual Board Assessment

Annually, the Board, Board Committees, and individual Directors are subjected to a comprehensive assessment on their performance and effectiveness ("Board Assessment") during the year. The process is overseen by the NC and is administered via questionnaire to facilitate both self and/ or peer evaluation for the Board, each Board Committee (including the AC), each Director, the independence of each Independent Non-Executive Director.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II: Board composition (cont'd)

Annual Board Assessment (cont'd)

Amongst others, the topics or criteria reviewed in the Board Assessment include, but not limited to, the following:

- Board composition;
- Board meetings;
- Board processes;
- whether the Board carries out its responsibilities;
- the Company's strategic direction and overall performance including how sustainability is addressed or managed;
- individual Director's character, contribution, performance, participation and commitment; and
- independence.

OHB engages an independent, external consultant to facilitate the Board Assessment, including compilation, analysis, and reporting the evaluation results, to enhance the rigour and objectivity of the Board Assessment. Directors' feedback and comments are discussed with the NC Chairman and the Board on the basis of anonymity to encourage honest assessment and feedback by Directors.

Based on the annual Board Assessment carried out for the financial year under review, at the recommendation of the NC, the Board is satisfied with the overall Board composition which brings diverse perspectives and insights as well as checks and balances, the effectiveness of the Board, Board Committees, and individual Directors, and that the Board has carried out its duties objectively in the best interest of the Company.

The Board Assessment process and the assessment forms used to identify improvement areas to enhance the effectiveness and efficiency of the process and quality of the assessment was last reviewed by the Board, through the review of the NC in FY2022.

Nomination and Selection of Directors

The NC undertakes the responsibility for sourcing suitable candidates for directorships and making recommendations to the Board pertaining to the appointment, re-appointment, election, or re-election of Directors. The NC makes its recommendations via established processes backed by relevant supporting elements such as fit and proper assessments and assessments of the director or candidate in question, including considerations of their character, experience, integrity, competence, and whether they can commit time to the Group.

The NC and the Board reviewed the Directors who are retiring at the forthcoming Annual General Meeting ("AGM") and subject to re-election pursuant to Clause 103 and Clause 110 of the Company's Constitution respectively. The Board, with the Directors in question abstaining from the deliberation of their own review, supports and recommends the re-election of the following Directors for stockholders' approval at the forthcoming AGM:

Retire by rotation pursuant to Clause 103 of the Company's Constitution

- Dato' Seri Lim Su Tong;
- Ms. Tan Kheng Hwee; and
- Dato' Sri Datuk Wira Tan Hui Jing.

Retire pursuant to Clause 110 of the Company's Constitution

- Dato' Ong Eng Bin; and
- Dato' Md Radzaif Bin Mohamed.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II: Board composition (cont'd)

Mr. Lee Kean Teong ("Mr. Lee") has served as an Independent Non-Executive Director ("INED") for 9 years. The NC and the Board (with Mr. Lee recusing himself and abstaining from deliberation and decision-making) had reviewed his fit and proper assessment and recommended with justifications, for stockholders' approval in the upcoming AGM on 13 June 2024 to retain Mr. Lee as an INED beyond the 9-year tenure.

The rationale and reasons for recommending the re-election of each Directors are detailed in the Notice of AGM.

In the sourcing of candidates to act as OHB's Directors, the NC leverages on various sources including Directors' network, referrals from Management and/or stockholders, and independent sources such as registry of directors, open advertisements, and independent search firms, to consider a wider pool of candidates.

The Board, through the NC, ensures that the recruitment and selection process for the Directors are appropriately structured so as to ensure a diverse range of candidates are considered and that there are no conscious or unconscious biases against candidates.

For the financial year under review, the NC had reviewed the skill sets, the wealth of expertise as well as professional experiences of 4 potential candidates to fill the vacancy for INED before making decisions on candidates to be proposed for Independent Directors ("IDs"). The NC had utilised independent sources as well as recommendations by Directors to identify 4 potential candidates to fill the vacancy for INED.

Directors' Training

The Board, through the NC and considering the outcomes of the Board Assessment amongst others, assessed the training needs of the Board and Directors. During the financial year under review, all Directors attended relevant trainings in order to upskill themselves and keep themselves abreast of the latest market developments relevant to the growth and performance of the Group. All Directors attended training on "Amendment to the Listing Requirements on Conflict of Interest ("COI") and other areas Bursa Malaysia Securities Berhad" and "Amendment to the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia") on Sustainability Training for Directors".

Additional trainings attended by the Directors during the year are as below:

Directors	Training Programme/ Topics
Pn. Nazriah Binti Shaik Alawdin	<ul style="list-style-type: none"> The Audit Committee – How to navigate financial reporting oversight amidst potential landmines of misreporting? Conflict of Interest and Governance of Conflict of Interest
Dato' Ong Eng Bin	<ul style="list-style-type: none"> Corporate purpose and values Anti bribery & workshop Advocacy Session for Directors & CEOs Learning @Work : Human Learning in the Age of Machine Learning Retirement Reimagined Forum Mandatory Accreditation Program ("MAP") Empowering Change through Diversity, Equity and Inclusion
Dato' Md Radzaif Bin Mohamed	<ul style="list-style-type: none"> Mandatory Accreditation Program ("MAP")

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

II: Board composition (cont'd)

Summary of activities of the NC for the financial year

The key activities carried out by the NC for the financial year under review are summarised as follows:

- reviewed the processes and criteria of the Board Assessment;
- oversaw the facilitation of Board Assessment;
- reviewed the Board composition, performance of the Board, Board Committees, and individual Directors, including the application of the Fit and Proper Policy as well as the independence of Directors;
- reviewed and made recommendations on the re-election of Directors; and
- reviewed potential candidates to fill the vacancy for INED before making decisions on candidates to be proposed for IDs.

III: Remuneration

The Board has established a Directors' Remuneration Policy which sets out the principles and guidelines for remuneration practices for the Board and Key Senior Management^{N1} of OHB. The Directors' Remuneration Policy is developed to support OHB in attracting and retaining talent in the Board and Key Senior Management to achieve the Company's long-term objectives.

The remuneration of Executive Directors includes components structured to link to the Group and individual performance to incentivise performance, in addition to basic salaries and fringe benefits. The remuneration of Non-Executive Directors comprises fees for their services, reflecting their scope of responsibilities, experience, and contribution to the Board, including positions held at Board Committees. The remuneration of Non-Executive Directors does not include performance-based bonuses.

The RC assists the Board in overseeing the review of Executive Directors' remuneration, as well as the remuneration policies and procedures, guided by the Directors' Remuneration Policy.

The summary of the Directors' Remuneration Policy is published on OHB's website at www.ohb.com.my.

During the financial year under review, the RC has reviewed and made recommendations to the Board on the Executive Directors' remuneration packages. The Board as a whole also deliberated on the remuneration of Non-Executive Directors. During the deliberation process, the Directors concerned abstained from deliberating and voting on matters pertaining to their individual remuneration.

The Directors' fees, other fees and allowances proposed by the Board will be tabled for stockholders' approval during the forthcoming AGM.

Remuneration Package for Executive Directors / Key Senior Management

The remuneration of Executive Directors is structured to ensure the rewards are linked to their performance and contributions to the Group's growth and profitability in order to align the interest of the Directors with those of stockholders. The Committee also considered the extent of responsibilities undertaken by the individual Executive Director and their respective contribution to the effective functioning of the Board in arriving at their level of remuneration.

N1: The Executive Committee members, by virtue of their positions as Executive Directors of the Group, form part of the Key Senior Management of the Group that is primarily responsible for the business operations of OHB's core businesses and principal subsidiaries.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

III: Remuneration (cont'd)

Remuneration Package for Non-Executive Directors

As for Non-Executive Directors, their level of remuneration reflects the experience, time commitment and scope of responsibilities undertaken by the said Directors as well as the onerous challenges in discharging their fiduciary duties.

Fees

All Directors are paid meeting fee for each meeting attended. In recognition of the additional time and commitment required, the Directors also received annual fee arising from their participation in Board Committees.

The payment of Directors' fees and benefits payable to the Directors is tabled for stockholders' approval at the AGM.

The Board had on 25 August 2023 approved meeting attendance fee for general meetings to RM2,000 per meeting. The various fees for the Directors are set out as follows:

Director fee	RM
Executive Directors	95,000
Non-Executive Directors	126,000

Additional fees for Board Chairman and Board Committee membership	RM
Board Chairman	210,000
Chairman of:	
Audit Committee	42,000
Remuneration Committee	16,000
Nominating Committee	16,000
Risk Management Committee	16,000
Member of:	
Audit Committee	16,000
Remuneration Committee	8,500
Nominating Committee	8,500
Risk Management Committee	8,500

Meeting attendance fees (per meeting attended)	RM
Board meeting and General meeting	2,000
Audit Committee meeting	1,000
Remuneration Committee meeting	500
Nominating Committee meeting	500
Risk Management Committee meeting	500

Details of the remuneration of Directors of the Company for the financial year ended 31 December 2023 are provided in the Corporate Governance Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I: Audit Committee

The Board has established an AC whose roles include assisting the Board in reviewing the process for the preparation of the Group's financial reports including significant financial reporting issues and judgements, as well as overseeing the external and internal audit processes of the Group.

The AC is chaired by an Independent Non-Executive Director and is not the Board Chairman. The AC is comprised exclusively of Independent Non-Executive Directors, in line with the Listing Requirements, ensuring objectivity of the AC in carrying out its duties. The AC consists of members with relevant skills and experience, including in the fields of accounting, audit, and legal, and the financial literacy required to enable a sound understanding of financial matters of the Company and the Group.

To enhance the independence and objectivity of the AC, it further adopted Practice 9.2 of the MCCG, requiring a former partner of its external audit firm to observe a cooling-off period of at least three (3) years before being appointed as a member of the AC.

The AC has unrestricted access to both the Internal and External Auditors, who in turn report directly to the AC. The AC also provides avenues for the External Auditors to discuss matters with the AC without the presence of Management.

The AC and its members are assessed by the NC, via the Board Assessment process, on an annual basis. For the financial year under review, based on the outcome of the Board Assessment conducted, the Board is satisfied with the AC's performance and that its Chairman and members are able to understand matters under the purview of the AC including the financial reporting process. All members of the AC attended relevant trainings in order to upskill themselves and keep themselves abreast of the latest market developments relevant to the growth and performance of the Group.

In FY2023, the AC had revised its TOR to encompass changes related to COI pursuant to Paragraph 15.12(1)(h) of the MMLR, expanding the role of the AC to review COI situations that arose or persist (in addition to those that may arise) and the measures taken to resolve, eliminate, or mitigate the COI.

External Auditor's suitability, objectivity, and independence

The AC's responsibilities include ensuring the suitability of the External Auditor. In this regard, The Board, through the AC's recommendation, has established policies and procedures to safeguard the quality of External Auditors, including annual assessment of the independence, suitability, and objectivity, as well as the professional fees for the External Auditor.

In addition, the AC has formalised policies and procedures for the provision of non-audit services by the External Auditor and their affiliates, including pre-approved non-audit services which may be provided and the procedures for other non-audit services to be approved by the AC before the services are rendered. Non-audit services are considered against the nature and fees of services, amongst others, to safeguard the objectivity and independence of the roles of the External Auditor. The AC also reviews the non-audit services rendered by the External Auditor and their affiliates for the financial year, at the Company and Group levels.

During the year under review, the Board has received confirmation from its External Auditor that its personnel are and have been independent throughout the conduct of audit engagement in accordance with the terms of relevant professional and regulatory requirements.

II: Risk Management and Internal Control Framework

The Board of OHB maintains robust and comprehensive risk management and internal control system to safeguard the Company's assets and to enable the preparation of true and fair view of the financial statements, amongst others. The RMC, a Board Committee, is established and tasked to review the Enterprise Risk Management ("ERM") Framework, processes, and strategies while the internal control system is reviewed and enhanced on an ongoing basis supported by the risk management processes.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (cont'd)

II: Risk Management and Internal Control Framework (cont'd)

The ERM Framework facilitates the structured identification, evaluation, management, monitoring, and reporting of risks faced by the Group's business. The risks considered in the ERM process include various risk categories including strategic risks, operational risks, financial risks, sustainability risks, reputational risks, corruption risks, etc. The heads of the Group's business segments are responsible for managing the identified risks and mitigating risk to acceptable risk levels. The business segments report to OHB and the RMC periodically. The RMC ensures priority is placed on the significant risks faced by the Group, setting out rigorous review of the top five (5) risks and three (3) featured risks which are measured against Key Risk Indicators ("KRIs"), control effectiveness, and progress of Management's action plans.

Adequacy and effectiveness of internal control system

The Board is ultimately responsible for reviewing the adequacy and integrity of the Group's risk management and internal control systems. In this regard, the Board is supported by the AC who reviews the Group's internal control system via the works of the Internal and External Auditors, e.g. the assessment of internal controls over financial reporting and the outcome of internal audit.

The Group has an in-house internal audit function which provides the Board, through the AC, independent assurance on the adequacy and effectiveness of the governance, risk management, and internal control of the Group. Internal audit activities carried out are in line with a globally recognised framework, namely the International Professional Practices Framework ("IPPF") as promulgated by the Institution of Internal Auditors ("IIA"). The internal audit function and its personnel are independent of the activities they audit, and the Head of Internal Audit has direct access to the AC.

The AC assesses the performance of Internal Audit function on an annual basis to ensure the Internal Auditors have performed effectively and have acted independently in the conduct of internal audit activities. All seven (7) Internal Audit personnel, including the Head of Internal Audit, are free from any relationships or conflicts of interest which could impair their objectivity and independence.

Further details of the internal audit function are disclosed in the Audit Committee Report.

Assurance from Management

The Board has also received written assurances from Executive Chairman, Executive Directors and Group Chief Financial Officer on the adequacy and effectiveness of the Group's risk management and internal control system in all material aspects.

The details of the Risk Management and Internal Control Framework are set out in the Statement on Risk Management and Internal Control of this Annual Report.

PRINCIPLE C: INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

I: Communication with Stakeholders

In line with its responsibility towards the stewardship of OHB's business and affairs whilst taking into account stakeholders' interest, the Board recognises its roles in fostering transparent, active, and constructive communication with its stakeholders.

In this regard, the Board ensures there are channels to engage with stakeholders to obtain sufficient understanding of their interest and needs, as well as to communicate relevant information to stakeholders including relevant sustainability strategies, priorities, targets, and performance. The Group's key stakeholders, channels and modes through which the Group engages with stakeholders, and key focus areas, and expectations of stakeholders are summarised in OHB's Sustainability Report.

CORPORATE GOVERNANCE OVERVIEW STATEMENT

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

I: Communication with Stakeholders (cont'd)

The Board has formalised a Corporate Disclosure and Communication Policy to govern the dissemination of information to stakeholders. Amongst others, the policy covers the procedures on publications of reports, conduct of events such as analyst and investors' engagement sessions, procedures on responding to market rumours, confidential information and leakage of private information. The Corporate Disclosure and Communication Policy also specifies the authorised spokesperson for OHB to ensure consistent and accurate representation of disclosures to stakeholders, in addition to ensuring disclosure practices are compliant with the Listing Requirements.

The Group Chief Financial Officer is designated as the primary contact person for inquiries from analysts and investors. In addition to the contact information of the Group Chief Financial Officer, OHB's investor relations' email address ir@ohb.com.my is also provided on the website to increase accessibility of information for stakeholders, including potential investors.

Whilst OHB has yet to adopt Integrated Reporting, the Board is of the view that the existing Annual Report and Sustainability Report together provides a holistic view of the Group's performance, including financial and non-financial information, the long-term sustainability of the Group's businesses, and includes elements of an integrated report such as the organisation overview, outlook and external environment, governance policies, performance and the basis of preparation and presentation.

These developments signal a significant step forward and has positioned the Company on a solid footing to adopt Integrated Reporting. Moving forward, the Board would like to allow an advocacy period for the awareness of Integrated Reporting to be better appreciated by Management personnel before it is adopted.

II: Conduct of General Meetings

The AGM forms the principal avenue for a productive two-way dialogue between the Company and its stockholders.

The notice of 61st AGM was circulated at least 28 days prior to the date of the meeting, beyond the 21 days as required by the Companies Act 2016, to give stockholders sufficient notice and time to consider the resolutions to be discussed and decided. The notice for AGM outlines the resolutions to be tabled during the meeting and is accompanied with explanatory notes and background information where applicable. In addition, the notice of AGM also provides information beyond the minimum content stipulated in the Listing Requirements, such as the bases or justifications for recommending the re-appointment and/or re-election of directors, to enable stockholders to make informed decisions. The AGM was conducted through live streaming and online remote participation using Remote Participation and Voting ("RPV") Facilities via an electronic meeting platform.

All Directors attended OHB's 61st AGM on 15 June 2023. The Group Chief Financial Officer presented an overview of the Group's FY2022 performance and outlook for 2023 and shared the responses to questions submitted in advance by the Minority Shareholders Watch Group and other stockholders. The Executive Chairman, Executive Directors and Group Chief Financial Officer were responsible for answering the questions relating to business operations raised by stockholders. The Chairpersons of the Board Committees were also prepared to answer any questions addressed to them.

The Board Chairman, who also chaired the AGM, specifically expressed that every member present at the 61st AGM either in person, by proxy, or by corporate representative, has the right to participate, ask question and vote on the resolutions. During the AGM, questions had been posed via real time submission in the software's query box. The AGM has a dedicated session for questions and answers ("Q&A") where similar questions were grouped together and answered accordingly.

All the resolutions set out in the Notice of the 61st AGM were put to vote by poll and the voting was conducted through online remote voting. The outcome of the AGM was announced to Bursa Malaysia on the same day. The full AGM minutes, including questions posed by stockholders and the responses by OHB, and the outcome of resolutions, amongst others, were published on OHB's website within 30 business days after the AGM.

This Statement was approved by the Board of Directors of OHB on 19 April 2024.

OTHER INFORMATION AND DISCLOSURE

I. NON-AUDIT FEES

Non-audit fees amounting to RM 903,000 for the Group and RM 119,000 for the Company were paid to the External Auditors of the Company for the financial year ended 31 December 2023 mainly for the services in connection with the Group risk compilation and annual tax compliances.

II. LOAN CONTRACTS INVOLVING INTEREST OF RELATED PARTY

- (a) Total IDR 348.3 billion loan contracts of IDR 100 billion, IDR 85 billion, IDR 50 billion and IDR 113.3 billion dated April 27, 2022, May 18, 2022, May 25, 2022 and February 14, 2023 respectively between PT Gunung Maras Lestari ("GML") and PT Pratama Palm Abadi ("PPA");
- (b) Total IDR 75.4 billion loan contracts dated February 14, 2023 between GML and PT Dapo Agro Makmur ("DAM");
- (c) Total IDR 258.5 billion loan contracts dated February 14, 2023 between GML and PT Surya Agro Persada ("SAP");
- (d) Total RM 88.5 million loan contract of RM 38 million, RM 20 million, RM 20 million, RM 9 million, RM 1.5 million dated January 11, 2013, March 19, 2014, September 3, 2014, March 1, 2019 and July 19, 2019 respectively between OHB and Armstrong Auto Parts Sdn Berhad ("AAP"); and
- (e) Total RM 94.4 million loan contract of RM 25 million, RM 25 million, RM 10 million, RM 5 million, RM 3 million, RM 6 million, RM 6 million, RM 6 million, RM 6 million, RM 2 million and RM 0.4 million dated September 15, 2014, January 6, 2015, July 1, 2015, September 15, 2015, December 15, 2015, March 1, 2016, June 1, 2016, September 9, 2016, December 1, 2016, July 5, 2017 and August 1, 2017 respectively between OHB and Melaka Straits Medical Centre Sdn Bhd ("MSMC").

GML is a 92.5% subsidiary of Selasih Permata Sdn. Bhd. ("SP"). SP is a wholly owned subsidiary of OHB.

DAM and PPA are respectively owned 90% by OBS (Singapore) Pte. Ltd. ("OBSS") whilst SAP is owned 90% by OAM Asia (Singapore) Pte. Ltd. ("OAMS"). OBSS and OAMS are wholly owned subsidiary of Oriental Boon Siew (Mauritius) Pte. Ltd. ("OBSM"). OBSM is a wholly owned subsidiary of OHB.

Karli Boenjamin, a Director and substantial shareholder of 7.5% of GML. He is also a Director and major shareholder of 10% in DAM and PPA whilst a Director and indirect major shareholder of 10% in SAP.

AAP and MSMC is a 94.79% and 51.7% owned subsidiary by OHB respectively.

OTHER INFORMATION AND DISCLOSURE

II. LOAN CONTRACTS INVOLVING INTEREST OF RELATED PARTY (cont'd)

Loan From GML to PPA

Purpose	For working capital and pay off loan from financial institution
Interest rate	Fixed rate 7.80% per annum
Term as to payment of interest	Payable at end of tenor (1 or 3 months) or quarterly (tenor more than 3 months) whichever applicable
Repayment of principal	On demand
Security	Unsecured

Loan From GML to DAM

Purpose	For working capital and pay off loan from financial institution
Interest rate	Fixed rate 7.80% per annum
Term as to payment of interest	Payable at end of tenor (1 or 3 months) or quarterly (tenor more than 3 months) whichever applicable
Repayment of principal	On demand
Security	Unsecured

Loan From GML to SAP

Purpose	For working capital and pay off loan from financial institution
Interest rate	Fixed rate 7.80% per annum
Term as to payment of interest	Payable at end of tenor (1 or 3 months) or quarterly (tenor more than 3 months) whichever applicable
Repayment of principal	On demand
Security	Unsecured

Loan From OHB to AAP

Purpose	For working capital and restructuring
Interest rate	KL Interbank Offered Rate (KLIBOR) + 0.5635% per annum
Term as to payment of interest	Payable monthly
Repayment of principal	On demand
Security	Unsecured

Loan From OHB to MSMC

Purpose	For working capital
Interest rate	KLIBOR + 0.7647% per annum
Term as to payment of interest	Payable monthly
Repayment of principal	On demand
Security	Unsecured

OTHER INFORMATION AND DISCLOSURE

III. MATERIAL CONTRACTS

Material contracts of the Company and its subsidiaries involving Directors and major stockholders either subsisting at the end of the financial year or entered into since the end of the previous financial year are as disclosed above, and under Notes 35.2 and 36.1 of page 203 to 205 of the Annual Report 2023.

IV. RECURRENT RELATED PARTY TRANSACTIONS

At the Annual General Meeting held on 15 June 2023, the Company obtained a stockholders' Mandate to allow the Group to enter into recurrent related party transactions of a revenue or trading nature.

In accordance with Section 3.1.5 of Practice Note 12 of the Bursa Malaysia Securities Berhad Listing Requirements, the details of recurrent related party transactions conducted during the financial year ended 31 December 2023 pursuant to the Stockholders' Mandate are disclosed as follow:-

- (a) Transactions between OHB Group and Boon Siew Sdn Bhd Group which involve the interests of major stockholder of OHB, Boon Siew Sdn Bhd and its Group

	RM' 000
New cars, spare parts and car services	307
Transport charges, truck rental and labour charges	4
Office rental	1,281
Plant rental	35
Provision of sales, corporate advertising and marketing of hotel	1,258
Management, technical and advisory services	21,162
Nursing course sponsorship	906
Medical supplies	2,389
Shop lot rental	89

- (b) Transactions between OHB Group and Karli Boenjamin and his interest

	RM' 000
Fresh fruit bunches	79,810
Contractor for land clearing	1,552

OTHER INFORMATION AND DISCLOSURE

IV. RECURRENT RELATED PARTY TRANSACTIONS (cont'd)

- (c) Transaction between OHB Group and Datuk Loh Kian Chong and his interests

	RM' 000
Building materials	-

- (d) Transactions between OHB Group and Teck See Plastic Sdn. Bhd. and its interests

	RM' 000
Prototype of plastic parts, jigs	416
Plastic parts	32,920

- (e) Transactions between OHB Group and Teck See Plastic Sdn. Bhd. and Kasai Kogyo Co., Ltd. and their interests

	RM' 000
New molds, mold repairs	3,186
Plastic parts	22,534

AUDIT COMMITTEE REPORT

MEMBERSHIP

The present members of the Audit Committee (the “Committee”) of Oriental Holdings Berhad (“OHB” or “the Company”) comprise:

Name of member	Position
Mr. Lee Kean Teong <i>(Redesignated on 1 July 2023)</i>	Chairman, Independent Non-Executive Director
Pn. Nazriah Binti Shaik Alawdin	Independent Non-Executive Director
Dato’ Ong Eng Bin <i>(Appointed on 1 July 2023)</i>	Independent Non-Executive Director
Dato’ Md Radzaif Bin Mohamed <i>(Appointed on 1 July 2023)</i>	Independent Non-Executive Director
Ms. Mary Geraldine Phipps <i>(Retired on 31 May 2023)</i>	Chairman, Independent Non-Executive Director
Pn. Sharifah Intan Binti S.M. Aidid <i>(Ceased on 31 March 2023)</i>	Non-Independent Non-Executive Director

Ms. Mary Geraldine Phipps and Mr. Lee Kean Teong are members of the Malaysian Institute of Accountants and this is in line with Paragraph 15.09 (1)(c) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad which prescribes that at least one member of the Committee must be a member of the Malaysian Institute of Accountants.

TERMS OF REFERENCE

The Committee was established to act as a Committee of the Board of Directors, with terms of reference as set out under Terms of Reference of the Audit Committee which is published on the corporate website.

MEETINGS

The Committee convened nine (9) meetings during the financial year ended 31 December 2023. Details of the attendance of members are as follows:

Name of member	Attendance
Mr. Lee Kean Teong	9/9
Pn. Nazriah Binti Shaik Alawdin	9/9
Dato’ Ong Eng Bin	3/3
Dato’ Md Radzaif Bin Mohamed	3/3
Ms. Mary Geraldine Phipps	5/5
Pn. Sharifah Intan Binti S.M. Aidid	3/3

The meetings were appropriately structured through the use of agendas, which were distributed to members with sufficient notice of at least seven (7) days prior to the meeting.

The Company Secretaries were present by invitation at all meetings. Representatives of the External Auditors and the Head of Internal Audit also attended the meetings upon invitation.

TRAINING AND CONTINUOUS ENGAGEMENT

Members of the Committee have attended relevant training seminars and programmes to enhance their competency in fulfilling their functions and duties more effectively. The details of training attended by each member are set out under Corporate Governance Overview Statement in this Annual Report.

AUDIT COMMITTEE REPORT

During the financial year, the Committee Chairman engaged with Senior Management, Internal and External Auditors by way of telephone conversations and attending ad-hoc meetings, in order to be kept informed of matters affecting the Group. Through such engagements, relevant issues were brought to the attention of the Committee in a timely manner.

SUMMARY OF WORK DURING THE FINANCIAL YEAR

The Committee carried out its duties in accordance with its terms of reference during the financial year which adopts the Principles and Recommendations promulgated by the Malaysian Code on Corporate Governance. The main work undertaken by the Committee to ensure that they are able to discharge their responsibilities during the year were as follows:

General

- Reviewed the Company's compliance with the Main Market Listing Requirements ("Listing Requirements") of Bursa Malaysia Securities Berhad ("Bursa Securities") and other relevant legal and regulatory requirements;
- Reviewed the Committee's Terms of Reference to include matters pertaining to oversight of ethics and integrity in line with the newly reposed section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009 (Amendment 2018); and conflict of interest pursuant to Amendment to Listing Requirement of Bursa Securities;
- Considered major findings of whistleblowing reports, internal investigations and Management's response;
- Reviewed pertinent issues of the Group which had a significant impact on the results of the Group;

Financial Reporting

- Reviewed the audited financial statements of the Company and of the Group, before submission to the Board for its consideration and approval. The review was to ensure that the audited financial statements were drawn up in accordance with the provisions of the Companies Act 2016 and the applicable approved accounting standards adopted by the Malaysian Accounting Standards Board. The External Auditors would clarify issues that required the Committee's attention as well as areas of concern which the Committee should be aware of before the financial statements were approved. This includes financial reporting issues, key audit areas, significant judgements made by Management, significant and unusual events or transactions, and how these matters are addressed;
- Reviewed the quarterly unaudited financial results, year-end financial statements and announcements before recommending them for the Board's approval. This includes enquiries on material fluctuations noted in the financial results as well as any major changes in the financial position of the Group;

Internal Audit

- Reviewed the Internal Audit Department's ("IAD") audit plan for the financial year under review to ensure adequate scope and comprehensive coverage of the activities of the Group (OHB and subsidiaries, collectively). This includes a review of the planned audit assignments, scope of review and the risk areas selected for review. Active discussions were held together with the head of IAD as well as the Group's Chief Financial Officer on the extent and scope of review to ensure that all the top Group risks are included in the internal audit plan;
- Reviewed the effectiveness of the audit process, resource requirements for the year and assessed the performance of IAD against the international practices framework for internal auditing;
- Reviewed the Internal Audit reports, which highlighted the audit issues and Management's response. Where relevant, the Committee directed Management to present its status report on the management action plans to the Committee directly. In certain instances, Management was asked to be physically present to answer queries that were posed directly by the Committee. Where issues of significance arise, the Committee would bring it up to the full Board for clarification and resolution;
- Reviewed and approved the IAD's Operating Budget;
- Reviewed and assessed the performance of Internal Auditors which covered Internal Auditor Charter and Structure, skills and experience, training and training policy and endorsed their annual increment. The Audit Committee would communicate with Executive Directors and Management when necessary;

AUDIT COMMITTEE REPORT

SUMMARY OF WORK DURING THE FINANCIAL YEAR (cont'd)

External Audit

- Reviewed the External Auditors' scope of work and audit plan for the year. Prior to the audit, representatives of the External Auditors presented their audit strategy and plan for the Audit Committee's deliberations. The Audit Committee sought further clarification on the scope, selected risk areas as well as the planned audit approach and coverage by the External Auditors before giving their approval. Sometimes, the Audit Committee would also give their input to the External Auditors on other areas which they are concerned about;
- Reviewed with the External Auditors the results of the audit, their evaluation of the system of internal controls, the audit report and the management letter. The Audit Committee had obtained clarification and confirmation on the results of the audit and areas of concern;
- Reviewed the independence, suitability and objectivity of the External Auditors and their services, including professional fees, so as to ensure a proper balance between objectivity and value for money;
- Met with the External Auditors twice (2) on 12 April 2023 and 28 November 2023 without the presence of any Executive Board members and Senior Management, to discuss issues and reservations arising from the interim and final audits, and other matters;
- Considered and recommended to the Board on the re-appointment of the External Auditors and the audit fees payable to the External Auditors for the Board's submission to stockholders for approval at the Annual General Meeting;

Related Party Transactions and Conflict of Interest

- Reviewed the recurrent related party transactions of revenue and trading nature and other related party transactions entered into by the Group to ensure that such transactions were undertaken on an arm's length basis and were in the best interest of OHB and recommended to the Board for approval.

INTERNAL AUDIT FUNCTION

The Group has an Internal Audit function that is independent from the operations and activities of the Group in order to maintain impartiality. The head of IAD reports directly to the Audit Committee which is responsible for the review and approval of the IAD's annual audit plan, financial budget and human resource requirements to ensure that the department is adequately resourced with competent and proficient Internal Auditors.

Mr. Choo Mun Yew ("Mr. Choo") is the Head of Internal Audit of OHB, a post he held since joining the Company in October 2001. Mr. Choo has been with the Company for a total of 22 years. Prior to joining the Company, Mr. Choo had a diverse experience in external and internal audit as well as accounting positions. He started his career with an international accounting firm for eight years and later a local banking institution for four years. Mr. Choo was also a member of an internal audit team responsible for the audit of Asia Pacific operations of a global multinational corporation prior to joining the Company. Mr. Choo is currently a member of Malaysian Institute of Accountants (MIA), Malaysian Institute of Certified Public Accountants (MICPA) as well as a chartered member of The Institute of Internal Auditors Malaysia (IIAM).

The IAD is staffed by seven audit personnel, including the Head of Internal Audit. Most of the IAD staff have professional qualifications and are members of IIAM. All the internal audit personnel are free from any relationships or conflicts of interest which could impair their objectivity and independence. In addition, all new prospective internal auditors are personally screened by the Head of Internal Audit before they are accepted into the department.

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (cont'd)

The principal role of the IAD is to undertake independent, regular and systematic reviews of the systems of internal control in order to provide reasonable assurance that such systems continue to operate satisfactorily and effectively. It is the responsibility of the IAD to provide the Board, through the Audit Committee, with independent assurance on the efficiency and effectiveness of governance, risk management and internal control systems of the various operating units within the Group and the extent of compliance of the units with the Group's established policies and procedures as well as relevant statutory requirements. The Internal Audit function will perform root cause analysis and recommend action plans to improve on areas where control deficiencies are identified during the field audits. The Head of Internal Audit is also actively involved in the risk management review process by attending the Company's Risk Management Committee meetings.

The IAD governs itself through adherence to International Professional Practices Framework promulgated by IIA. The mandatory guidance includes the Definition of Internal Auditing, Core Principles, the Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing. This mandatory guidance constitutes principles of the fundamental requirements for the professional practice of internal auditing and for evaluating the effectiveness of the internal audit activity's performance.

The recommended guidance, i.e. Implementation Guidance and Supplemental Guidance is also being adhered to as applicable to guide operations. In addition, the internal audit activities also adhere to OHB's relevant policies and procedures.

The total costs incurred for the Internal Audit function at the Company and the Group levels for 2023 and 2022 are as follows:

	2023 RM '000	2022 RM '000
Group	1,880	1,752
Company	1,768	1,637

Further details of the activities of Internal Audit function are set out under the Statement on Risk Management and Internal Control in this Annual Report. Summary of work carried out by Internal Auditor during the year are as follows:-

- Performed a risk assessment of the business activities and functions for the whole Group at the beginning of the year;
- Aligned the risk assessments with the risks identified by the Group's risk assessment exercise to develop the audit universe and current year's audit risk map;
- Evaluated and assigned weightage to the risks identified and prioritized the risks according to significance and importance;
- Developed current year's audit plan in consideration of resources available to the IAD;
- Presented the audit plan to the Audit Committee for their consideration and approval;
- Carried out review of areas as outlined in annual audit plan to evaluate the adequacy of risk management, the strength and effectiveness of the internal controls including management information system, compliance to both internal and statutory requirements, governance and management efficiency, among others;
- Performed root cause analysis on all audit findings, after which appropriate recommendations are identified to address the weaknesses noted based on cost-benefit analysis for consideration by Management;

AUDIT COMMITTEE REPORT

INTERNAL AUDIT FUNCTION (cont'd)

- Presented the Internal Audit reports to the Audit Committee for deliberations during quarterly meetings, including the conclusion on the adequacy and operating effectiveness of governance, risk and control processes as a Group as well as the Management action plans;
- Performed follow up reviews and updated the Audit Committee on the status of action plans by Management to ensure that they are completed within the agreed timeframe;
- Performed reviews of recurrent related party transaction and other related party transactions entered into by the Group;
- Assisted the Audit Committee to investigate complaints of fraud and improprieties as reported via the Group's Whistleblowing channel; and
- Perform any other investigations or reviews as instructed by the Audit Committee from time to time.

During the year, the IAD issued and presented 16 Internal Audit reports to the Committee. All the audits were performed physically on site for operating units located in Malaysia. Audits involving hotel operations in Australia and New Zealand were reviewed with the assistance of third-party professional auditors to minimize COVID-19 risks associated with international travel. All the parties within the Group are satisfied with the arrangement and as such will be continued for future audits.

During 2023, IAD had focused their attention to areas of compliance and governance for subsidiaries by reviewing the adoption and compliance with Group policies. In addition, IAD had also looked into business sustainability issues affecting the Group.

All Internal Audit reports were presented to the Audit Committee and Management was invited to attend the Audit Committee meetings to present their explanations and action plans to remedy weaknesses, if any and enhance controls. The Audit Committee actively follows up on the issues brought up in the reports to ensure satisfactory resolution on a timely basis. During the financial year under review, the Audit Committee received six cases of whistleblowing. All cases were duly investigated by the IAD and acted upon by the Audit Committee. Where necessary, recommendations were escalated to the Board for further review and action. The whistleblowers identities were protected at all times, in accordance with our commitment to fostering a culture of transparency and accountability within the Group.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTRODUCTION

The Board of Directors (“Board”) of Oriental Holdings Berhad (“OHB” or “the Company”) is pleased to provide this Statement on Risk Management and Internal Control which outlines the nature and scope of the Group’s risk management and internal controls for the financial year ended 31 December 2023 (“FY2023”). This statement is prepared in accordance with paragraph 15.26(b) of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad and Principle B of the Malaysian Code on Corporate Governance 2021, with guidance from the Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers (“Guidelines”).

BOARD’S RESPONSIBILITY

The Board takes overall responsibility for oversight and is committed to maintaining a sound system of internal controls and effective risk management practices. The Board has established an on-going process for identifying, evaluating and managing the relevant and material risk of the Group. In discharging its responsibilities, the Board through its Audit Committee (“AC”) and Risk Management Committee (“RMC”), regularly reviews the results of this process, including risk mitigating measures taken by Management to address key risks. This includes reviewing the adequacy and integrity of the system’s financial, operational, regulatory compliance and risk management procedures.

The Board affirms that this process has been in place for the financial year under review and up to the date of approval of this Statement for inclusion in the Annual Report of the Group.

The risk management and internal controls system is designed to manage and mitigate risks with significant adverse impact on the achievement of OHB’s business objectives and therefore, can only provide a reasonable and not absolute assurance against material misstatements, financial losses or fraud. Excluded from this Statement are those associated companies in which the Group does not have control.

RISK MANAGEMENT

The Group’s Enterprise Risk Management (“ERM”) framework is adapted from the International Organization for Standardization 31000 International Risk Management Standards. Key elements of the framework are to:

- establish risk management strategy and policy across all business segments of the Group;
- define risk organisation structure, governance, roles and responsibilities for the individuals and risk management units;
- set the process for risk identification, evaluation, mitigating controls, monitoring and reporting;
- align the Group’s risk appetite and parameters (qualitative and quantitative);
- ensure appropriate skills, resources and system infrastructure are in place for risk management; and
- promote strong risk management culture, practices and processes.

While the Board is responsible to create a risk awareness culture and is accountable for overall risk management, responsibility for day-to-day risk management embedded in all levels of the Group.

The RMC is responsible to identify key risks and communicate to the Board the present and potential risks, risk changes and mitigation plans while the Management has the overall responsibility for ensuring that the day-to-day management of the Group’s activities is consistent with its risk strategy, risk appetite and policies approved by the Board. A dedicated team of Risk Officers coordinate ERM activities across the Group which include supervising policy implementation, overseeing documentation at Group level, function as the central contact and provide guidance for ERM matters.

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

RISK MANAGEMENT (cont'd)

The Group is guided by the following risk management policy:

- to weigh business decisions against the philosophy that business risks would be deliberately incurred if the associated rewards are expected to enhance OHB Group's shareholder value;
- to ensure risks which may have a significant impact upon OHB Group are identified in a manner which would result in their expeditious treatment;
- to provide reasonable assurance to OHB Group's stakeholders that the probability of attaining OHB Group's objectives would be enhanced by the establishment of an ERM framework;
- to establish an environment or platform whereby risk management activities may be effectively undertaken;
- to manage risks by adopting best practice methodologies for the identification, analysis, evaluation, reporting, treatment and monitoring of risks; and
- to provide an assurance regarding the extent of OHB Group's compliance with regulatory requirements and the policies and guidelines contained within this document.

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR

The Group maintains a register of key risks together with corresponding mitigating activities and risk ratings which are grouped according to the nature of the risk. These have been presented to the Board. The table below summarises the Group's top 5 key risks which are inherent and typical to its business nature:

Key risk factors	Risk description
Strategic	Risks that hinder the business from achieving its strategic objectives due to internal and external events;
Operational	Risks that affect the day-to-day operations of the Group;
Financial	Risks that are generally associated with misstatements in financial reporting including adverse events that result in financial losses;
Human resource	Risks that specific to employee and other members of a workforce; and
Social & environment	Risks that relate to environment, social and country specific risks in which the Group operates

The main activities undertaken by RMC during the financial year were:

- reviewed the risk management strategy and approach with independent consultants prior to implementation;
- conducted two (2) risk awareness briefings across the Group with Management personnel to kick off the ERM activity and to align the strategic objectives through risk awareness, risk identification and key risk indicator monitoring;
- Risk Officers together with the financial controller and the head of respective business segments/units in turn, assessed the overall risks faced by their business segments, the potential impact and likelihood of those risks occurring, the control effectiveness and the action plans taken to manage those risks to the desired level;
- strategic discussions were carried out by the independent consultants with the Executive Directors, RMC Chairman, Group Chief Financial Officer and Group Accountant on key business and strategic level risks. This process aims to gather high level inputs and to identify key controls and action plans to address the risks faced by respective business segments/units. These activities are also to engender continuous and proactive risk management activities within the Group;

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

SUMMARY OF RISK MANAGEMENT ACTIVITIES DURING THE FINANCIAL YEAR (cont'd)

- convened two (2) RMC meetings on 27 February 2023 and 22 November 2023 where significant risks of the Group and management action plans were presented for deliberations and approval. The Committee received and reviewed the bi-annual risk management reports for on-going monitoring and report to the Board any significant issues arising from the risk management activities including corresponding mitigating actions taken by the Group. The risk report summarises the following:
 - top five (5) risks identified by each business segment and overall risks as a Group;
 - key action plans to address the top risks;
 - anti-bribery and anti-corruption risks relating to the Group;
 - insurance coverage and business continuity/disaster management;
 - results of key risk indicators for each risk on quarterly basis; and
 - mitigating actions taken by Management of each company to reduce the likelihood of a risk materialising.
- the risk mitigating measures taken and/or to be taken by Management were reported and reviewed at the RMC meetings. For each of the risks identified, the segmental head has been assigned to ensure appropriate action plans are carried out in a timely manner.

Whilst the Board considers the risk management framework to be robust to meet the Group's needs, it will still subject the framework to continuous improvement, taking into consideration better practices and the changing business environment.

INTERNAL AUDIT FUNCTION

The Group has an in-house Internal Audit function, which provides the Board, through the AC, with independent assurance on the efficiency and effectiveness of governance, risk management and internal control systems. The Internal Audit function adopts a risk-based internal audit methodology in reviewing key processes of the various business units in the Group and reporting directly to AC on the state of risk management and internal control of the various business units audited during the financial year.

The Internal Audit function will perform root cause analysis and recommend action plans to improve on areas where control deficiencies are identified during the field audits. Action plans are taken by Management to address the findings and concerns raised in the Internal Audit reports and Internal Audit function will follow up on Management's implementation of action plans. Further details of the activities of the Internal Audit function are provided in the Audit Committee Report.

INTERNAL CONTROL

The key elements of the Group's internal control system as described below are relevant across the Group to provide for continuous assurance to the Management and the Board:

- *limits of authority and responsibility*

Formally defined and documented lines of responsibility and delegation of authority have been established through the relevant charters/terms of reference, organisational structures and appropriate authority limits. Hierarchical reporting is also in place to enhance the Group's ability to achieve its strategies and operational objectives as well as provide for documented and auditable trail of accountability;

- *planning, monitoring, reporting and safeguarding*

- established budgeting process requiring all business segments within the Group to prepare the annual budget, taking into consideration the strategic plans, capital and operating expenditure for the upcoming financial year for discussion and approval by the Executive Committee ("EXCO");

STATEMENT ON RISK MANAGEMENT AND INTERNAL CONTROL

INTERNAL CONTROL (cont'd)

- *planning, monitoring, reporting and safeguarding (cont'd)*
 - Performance Coordinating Team (“PCT”) comprising Management from each business segment reviews operational and financial Key Performance Indicators of their respective business segments and reports to the EXCO quarterly in order to assist EXCO in discharging their oversight role on the Group’s activities;
 - the AC reviews the quarterly financial results and evaluates the explanations and reasons for significant unusual variances noted thereof;
 - information, which includes quarterly reports covering all key financial and operational indicators, is provided to Management for monitoring of performance against budget and actions to be taken, where necessary; and
 - Management meetings are held regularly to identify, discuss and resolve strategic, operational and financial issues.

REVIEW OF THIS STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement pursuant to the scope set out in the Audit and Assurance Practice Guide (“AAPG”) 3, Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report issued by the Malaysian Institute of Accountants for inclusion in the Annual Report of the Group for the year ended 31 December 2023, and reported to the Board that nothing has come to their attention that cause them to believe that the statement intended to be included in the Annual Report of the Group, in all material respects:

- (a) has not been prepared 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; or
- (b) is factually inaccurate.

AAPG 3 does not require the External Auditors to consider whether this Statement covers all risks and controls, or to form an opinion on the adequacy and effectiveness of the Group’s risk management and internal control system including the assessment and opinion by the Board and Management thereon. The auditors are also not required to consider whether the processes described to deal with material internal control aspects of any significant problems disclosed in the Annual Report will, in fact, remedy the problems.

REVIEW BY THE BOARD

As recommended by the Guidelines, the Board has received assurances in writing from the Executive Chairman, Group Managing Directors and Group Chief Financial Officer that the Group’s risk management and internal control system has been operating adequately and effectively, in all material aspects, during the financial year under review and up to the date of this Statement.

Having regards to the assurances, the Board is of the view that the Group’s risk management and internal control system for the year under review and as at the date of this Statement for inclusion in the Annual Report is sound and sufficient to safeguard the stockholders’ investment as well as the Group’s assets. The Board recognises that the development of internal control system is an ongoing process and will continue to take appropriate action to further enhance the Group’s system of internal control.

This statement is issued in accordance with a resolution of the Directors dated 25 April 2024.

SUSTAINABILITY STATEMENT

OVERVIEW

We are proud to present our eighth annual Sustainability Report which reflects our Group’s sustainability efforts in 2023. As a globally diversified entity, we encounter not only challenges but also opportunities for advancement. Embracing this potential for growth, we have refined our employment practices, enriched our community engagements, embraced eco-conscious processes, and pursued digitalization initiatives. We strive to integrate the highest standards of governance into our sustainability initiatives and daily business processes.

Our Sustainability Report has been produced in accordance with Bursa Malaysia’s Enhanced Sustainability Reporting Requirements.

GOVERNANCE STRUCTURE

As part of our commitment towards sustainability, we have established a clear governance structure to ensure utmost compliance and optimal performance across our business operations. Our sustainability directives stem from the head of our organisation, with the Board of Directors (“Board”) setting the tone and maintaining responsibility for our overall business conduct. This process is led by the Board Sustainability Committee (“BSC”), which comprises the Executive Directors that oversee our seven business segments and hold responsibility for providing oversight and guidance in the formulation and direction of our corporate strategies and policies.

To achieve greater efficiency in our approach, the BSC is supported by our Sustainability Working Committee (“SWC”), which consists of Senior Management personnel. The SWC reviews and sets goals and targets for identified key sustainability matters, while overseeing the progress of our efforts towards these targets.

Our quarterly Executive Committee (“EXCO”) meeting provides a platform for the BSC to highlight and deliberate on any matters relating to our sustainability approach and reporting.

The illustration below further depicts our current sustainability governance structure. We will continue our efforts to periodically review and refresh our sustainability governance structure to ensure our environmental, social and governance material matters are adequately overseen and managed.



SUSTAINABILITY STATEMENT

SCOPE

Our Sustainability Report covers the sustainability performance and progress from all segments for the financial year ended December 2023, unless otherwise stated.

SUSTAINABILITY MATTERS

The three sustainability matters are as follows:-

1. Economic

Our focus on creating long-term sustainable growth for our stakeholders requires us to constantly review our business practices. This facilitates the delivery of economic performance built on good corporate governance and high ethical standards. We ensure compliance with various national laws in Malaysia, Indonesia, Singapore, Australia, New Zealand, and other markets where we carry out our business activities.

2. Environment

We strive to reduce our environmental footprint by adopting best practices in our daily operations, monitoring our performance against key indicators, and taking appropriate corrective action when necessary to reduce our environmental impact. We work with our stakeholders to enhance awareness of environmental issues, promote sustainable practices, and utilise operational processes that do not adversely affect the environments in which we operate.

3. Social

We consider our people to be our greatest asset, and we strive to provide them with adequate support, protection, and growth opportunities at the workplace. We also believe that the Group's success and growth should bring meaningful impact to the communities in which we conduct our business.

For more detailed disclosures on our sustainability efforts and material matters, please refer to our Sustainability Report 2023, publicly available online via our website at www.ohb.com.my.

FORWARD LOOKING STATEMENT

While sustainability governance has long been integral to our operations, we utilised the past year to fortify our reporting structures, harmonising sustainability objectives with our business goals, thereby laying a foundation for heightened value generation across our operations, supply chain, and the communities we serve. Fueled by this purpose-driven momentum, we are committed to maintaining our leadership in sustainability, effecting positive change for present and future generations alike. We will continue to enhance our disclosures and reporting approach, delivering positive performance and progress within these three pillars of sustainability.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors have pleasure in submitting their report and the audited financial statements of the Group and of the Company for the year ended 31 December 2023.

Principal activities

The principal activities of the Company are as follows :

- (a) investment holding; and
- (b) provision of management services.

There has been no significant change in the nature of these activities during the financial year.

The principal activities of its subsidiaries and associates are set out in Note 37 and Note 8 to the financial statements respectively.

Subsidiaries

The details of the Company's subsidiaries are disclosed in Note 7 and Note 37 to the financial statements.

Results

	Group RM'000	Company RM'000
Profit for the year attributable to :		
Stockholders of the Company	453,255	325,747
Non-controlling interests	106,632	-
	<u>559,887</u>	<u>325,747</u>

Reserves and provisions

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

Dividends

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

- i) In respect of the financial year ended 31 December 2022 as reported in the Directors' Report of that year :
 - a final single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 paid on 13 July 2023.
- ii) In respect of the financial year ended 31 December 2023 :
 - an interim single tier dividend of 20 sen per ordinary stock totalling RM124,072,366 declared on 25 August 2023 and paid on 16 November 2023.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Dividends (cont'd)

A final single tier dividend of 20 sen per ordinary stock has been recommended by the Directors in respect of the year ended 31 December 2023, subject to approval of the stockholders at the forthcoming Annual General Meeting.

Directors of the Company

Directors who served during the financial year until the date of this report are :

Datuk Loh Kian Chong, DMSM	
Dato' Wong Lum Kong, DSSA, JP, CMJA (UK)	
Dato' Seri Lim Su Tong, DGPN, DSPN	
Tan Kheng Hwee	
Dato' Sri Datuk Wira Tan Hui Jing, SSAP, DCSM, PKT, PJK	
Lee Kean Teong	
Nazriah Binti Shaik Alawdin	
Mitsuharu Funase	
Datin Loh Ean	
(alternate to Dato' Wong Lum Kong, DSSA, JP, CMJA (UK))	
Dato' Ong Eng Bin	(Appointed on 1 July 2023)
Dato' Md Radzaif Bin Mohamed	(Appointed on 1 July 2023)
Sharifah Intan Binti S. M. Aidid	(Retired on 18 April 2023)
Mary Geraldine Phipps	(Retired on 31 May 2023)

Directors of the subsidiaries

Directors of the subsidiaries who served during the financial year until the date of this report are as shown in the Appendix after the financial statements.

Directors' interests in shares

The direct and deemed interests in the stocks of the Company and of its related corporations (other than wholly-owned subsidiaries) of those who were Directors at financial year end (including the interests of the spouse or children of the Directors who themselves are not Directors of the Company) as recorded in the Register of Directors' Shareholdings are as follows :

	Balance at 1.1.2023	Bought	Sold	Balance at 31.12.2023
Number of Ordinary Stocks				
Interests in the Company				
Datuk Loh Kian Chong, DMSM				
<i>Direct interest</i>				
- own	909,300	90,700	-	1,000,000
<i>Deemed interest</i>				
- own	360,302,450	-	-	360,302,450

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' interests in shares (cont'd)

	Balance at 1.1.2023	Bought	Sold	Balance at 31.12.2023
Number of Ordinary Stocks				
Interests in the Company				
Dato' Wong Lum Kong, DSSA, JP, CMJA (UK)				
<i>Direct interest</i>				
- own	181,149	-	-	181,149
Dato' Seri Lim Su Tong, DGPN, DSPN				
<i>Direct interest</i>				
- own	2,966,906	-	-	2,966,906
<i>Deemed interest</i>				
- others *	4,073,196	-	-	4,073,196
Tan Kheng Hwee				
<i>Direct interest</i>				
- own	172,032	-	-	172,032
Dato' Sri Datuk Wira Tan Hui Jing, SSAP, DCSM, PKT, PJK				
<i>Deemed interest</i>				
- own	794,800	-	-	794,800
Lee Kean Teong				
<i>Direct interest</i>				
- own	7,680	-	-	7,680
Datin Loh Ean				
<i>Direct interest</i>				
- own	161,872	-	-	161,872
Dato' Ong Eng Bin				
<i>Deemed interest</i>				
- others *	-	53,500	-	53,500

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' interests in shares (cont'd)

	Balance at 1.1.2023	Bought	Sold	Balance at 31.12.2023
Number of ordinary shares				
Interests in subsidiaries				
Datuk Loh Kian Chong, DMSM				
<i>Deemed interest – own</i>				
- Melaka Straits Medical Centre Sdn. Bhd.	223,999,200	-	-	223,999,200
- Oriental Boon Siew (M) Sdn. Bhd.	339,000,000	-	-	339,000,000

Number of Preference Shares

Interests in subsidiaries

Datuk Loh Kian Chong, DMSM

Deemed interest – own

- Oriental Boon Siew (M) Sdn. Bhd.	70,000,000	-	-	70,000,000
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* *These are shares held in the names of the children and are regarded as interest of the Director in accordance with the Companies Act 2016.*

By virtue of his interests in the ordinary stocks of the Company, Datuk Loh Kian Chong is also deemed interested in the shares of the subsidiaries during the financial year to the extent that Oriental Holdings Berhad has an interest.

None of the other Directors holding office at 31 December 2023 had any interest in the shares of the Company and of its related corporations during the financial year.

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 those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown below) 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, other than certain Directors who have substantial financial interests in companies which rented the properties and traded with certain companies in the Group in the ordinary course of business, and companies which are involved in the sale of shares and proposed sale of land with the Company.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Directors' benefits (cont'd)

The benefits paid to or receivable by Directors in respect of the financial year ended 31 December 2023 are as follows:

	From the Company RM'000	From subsidiaries RM'000
Directors of the Company:		
Fees	1,068	552
Remuneration	589	20,298
Benefits-in-kind	-	1,510
	1,657	22,360

There were no arrangements during and at the end of the financial year which had the object of enabling 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.

Issue of shares and debentures

There were no changes in the issued and paid-up capital of the Company and no debentures were issued by the Company 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.

Indemnity and insurance cost

During the financial year, the total amount of insurance premium paid for Directors or officers of the Group and of the Company was RM135,050.

There was no indemnity given to Directors, officers or auditors of the Group and of the Company during the 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 have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts or the amount of the provision for doubtful debts in the Group and in the Company inadequate to any substantial extent, or
- ii) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading, or

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Other statutory information (cont'd)

At the date of this report, the Directors are not aware of any circumstances: (cont'd)

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

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

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

No contingent liability or other liability of any company in the Group has become enforceable, or is likely to become enforceable within the period of twelve 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, other than the gain on remeasurement of non-controlling interest previously held in an associate and gain from a bargain purchase on step acquisition of an associate as disclosed in Note 24 to the financial statements of the Group, the financial performance of the Group and of the Company for the financial year ended 31 December 2023 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 that financial year and the date of this report.

Significant events during the financial year

Details of the significant events during the financial year are as disclosed in Note 35 to the financial statements.

Significant events subsequent to the financial year end

Details of the significant events subsequent to the financial year end are as disclosed in Note 36 to the financial statements.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

Auditors

The auditors, KPMG PLT, have indicated their willingness to accept re-appointment.

The auditors' remuneration of the Group and of the Company during the year is as follows :

	Group 2023 RM'000	Company 2023 RM'000
Auditors' remuneration		
Audit fees		
- KPMG PLT Malaysia and overseas affiliates	2,041	272
- Other auditors	2,111	-
Non-audit fees		
- KPMG PLT Malaysia and affiliates	959	119
- Other auditors	319	275

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

.....
Datuk Loh Kian Chong, DMSM

Director

.....
Dato' Seri Lim Su Tong, DGPN, DSPN

Director

Penang,

Date : 25 April 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Assets			
Property, plant and equipment	3	2,136,537	1,866,845
Right-of-use assets	4	735,669	342,952
Intangible assets	5	22,806	23,254
Investment properties	6	1,078,701	1,073,793
Investments in associates	8	640,048	631,616
Other investments	9	510,179	396,084
Deferred tax assets	10	136,953	53,558
Inventories	11	35,893	35,889
Other receivables	13	30,641	33,768
Total non-current assets		5,327,427	4,457,759
Inventories	11	275,678	288,888
Biological assets	12	11,944	12,125
Trade and other receivables	13	550,932	431,896
Deferred tax assets	10	46,590	-
Current tax assets		38,594	12,781
Other investments	9	2,723,329	2,069,327
Cash and cash equivalents	14	2,651,509	3,100,642
		6,298,576	5,915,659
Assets classified as held for sale	15	31,034	29,572
Total current assets		6,329,610	5,945,231
Total assets		11,657,037	10,402,990

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Equity			
Share capital	16	620,462	620,462
Reserves	17	6,962,173	6,336,878
Total equity attributable to stockholders of the Company		7,582,635	6,957,340
Non-controlling interests		527,699	1,050,197
Total equity		8,110,334	8,007,537
Liabilities			
Borrowings	18	917,583	176,119
Lease liabilities		19,873	22,743
Retirement benefits	19	31,183	23,790
Contract liabilities	20	39,570	48,202
Deferred tax liabilities	10	158,223	57,226
Total non-current liabilities		1,166,432	328,080
Borrowings	18	1,818,326	1,678,796
Lease liabilities		5,087	4,624
Current tax liabilities		126,895	30,969
Trade and other payables	21	416,854	334,138
Contract liabilities	20	13,109	18,846
Total current liabilities		2,380,271	2,067,373
Total liabilities		3,546,703	2,395,453
Total equity and liabilities		11,657,037	10,402,990

The notes on pages 100 to 213 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Revenue	22	4,356,068	3,827,052
Cost of sales		(3,349,106)	(2,876,373)
Gross profit		1,006,962	950,679
Distribution expenses		(67,014)	(62,106)
Administrative expenses		(285,375)	(261,565)
Other operating expenses		(274,507)	(215,078)
Other operating income		284,129	375,350
Net gain/(loss) on impairment of financial instruments	24	222	(149)
		(342,545)	(163,548)
Results from operating activities		664,417	787,131
Finance costs	23	(94,093)	(40,420)
Operating profit		570,324	746,711
Share of profit after tax of equity accounted associates	8	49,178	73,513
Profit before tax	24	619,502	820,224
Tax expense	25	(59,615)	(182,176)
Profit for the year		559,887	638,048

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Other comprehensive income/(expense), net of tax			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Remeasurement of defined benefit liability		(627)	1,272
Net change in fair value of equity instruments designated at fair value through other comprehensive income		157,486	(121,746)
		156,859	(120,474)
<i>Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences for foreign operations - gains during the year		285,523	75,901
Foreign currency translation differences realised on liquidation of a subsidiary		2,409	-
Share of other comprehensive income of equity accounted associates	8	3,091	450
		291,023	76,351
Total other comprehensive income/(expense) for the year	26	447,882	(44,123)
Total comprehensive income for the year		1,007,769	593,925
Profit attributable to :			
Stockholders of the Company		453,255	498,395
Non-controlling interests		106,632	139,653
Profit for the year		559,887	638,048
Total comprehensive income attributable to :			
Stockholders of the Company		860,590	489,996
Non-controlling interests		147,179	103,929
Total comprehensive income for the year		1,007,769	593,925
Basic earnings per ordinary stock (sen)	27	73.06	80.34

The notes on pages 100 to 213 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

<i>Attributable to stockholders of the Company</i>									
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Capital reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2022	620,462	915,086	320,462	40,248	(249)	4,881,515	6,777,524	980,160	7,757,684
Remeasurement of defined benefit liability	-	-	-	-	-	592	592	680	1,272
Net change in fair value of equity instruments designated at fair value through other comprehensive income	-	-	(115,616)	-	-	-	(115,616)	(6,130)	(121,746)
Foreign currency translation differences for foreign operations	-	106,175	-	-	-	-	106,175	(30,274)	75,901
Share of other comprehensive income of equity accounted associates	-	-	450	-	-	-	450	-	450
Total other comprehensive income/(expense) for the year	-	106,175	(115,166)	-	-	592	(8,399)	(35,724)	(44,123)
Profit for the year	-	-	-	-	-	498,395	498,395	139,653	638,048
Total comprehensive income/(expense) for the year	-	106,175	(115,166)	-	-	498,987	489,996	103,929	593,925
<i>Distributions to stockholders of the Company</i>	-	-	-	-	-	(310,180)	(310,180)	-	(310,180)
Dividends to stockholders (Note 28)	-	-	-	-	-	-	-	(33,792)	(33,792)
Dividends to non-controlling interests	-	-	-	-	-	-	-	-	-
Liquidation of a subsidiary	-	-	-	-	-	(310,180)	(310,180)	(33,792)	(343,972)
	-	-	-	-	-	-	-	(100)	(100)
Total transactions with stockholders of the Company	-	-	-	-	-	(310,180)	(310,180)	(33,892)	(344,072)
Transfer upon the disposal of equity investment designated at FVOCI (Note 9)	-	-	8,017	-	-	(8,017)	-	-	-
At 31 December 2022	620,462	1,021,261	213,313	40,248	(249)	5,062,305	6,957,340	1,050,197	8,007,537

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Attributable to stockholders of the Company								
	Share capital RM'000	Foreign currency translation reserve RM'000	Fair value reserve RM'000	Capital reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interests RM'000	Total equity RM'000
At 1 January 2023	620,462	1,021,261	213,313	40,248	(249)	5,062,305	6,957,340	1,050,197	8,007,537
Remeasurement of defined benefit liability	-	-	-	-	-	(558)	(558)	(69)	(627)
Net change in fair value of equity instruments designated at fair value through other comprehensive income	-	-	157,655	-	-	-	157,655	(169)	157,486
Foreign currency translation differences for foreign operations	-	244,738	-	-	-	-	244,738	40,785	285,523
Foreign currency translation differences realised on liquidation of a subsidiary (Note 35.1)	-	2,409	-	-	-	-	2,409	-	2,409
Share of other comprehensive income of equity accounted associates	-	-	3,091	-	-	-	3,091	-	3,091
Total other comprehensive income/ (expense) for the year	-	247,147	160,746	-	-	(558)	407,335	40,547	447,882
Profit for the year	-	-	-	-	-	453,255	453,255	106,632	559,887
Total comprehensive income for the year	-	247,147	160,746	-	-	452,697	860,590	147,179	1,007,769
<i>Distributions to stockholders of the Company</i>	-	-	-	-	-	-	-	-	-
Dividends to stockholders (Note 28)	-	-	-	-	-	(248,144)	(248,144)	-	(248,144)
Dividends to non-controlling interests	-	-	-	-	-	-	-	(4,387)	(4,387)
Acquisition of non-controlling interests in subsidiaries (Notes 34.2 and 34.3)	-	-	-	-	-	-	-	(4,387)	(4,387)
Liquidation of a subsidiary (Note 35.1)	-	-	-	-	-	(248,144)	(248,144)	(4,387)	(252,531)
Total transactions with stockholders of the Company	-	-	-	-	-	(235,295)	(235,295)	(669,677)	(904,972)
Transfer upon the disposal of equity investment designated at FVOCI (Note 9)	-	-	12,363	-	-	-	-	-	-
At 31 December 2023	620,462	1,268,408	386,422	40,248	(249)	5,267,344	7,582,635	527,699	8,110,334

The notes on pages 100 to 213 are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from operating activities			
Profit before tax		619,502	820,224
Adjustments for :			
Amortisation of intangible assets	5	1,306	453
Depreciation of :			
- property, plant and equipment	3	148,087	130,385
- right-of-use assets	4	14,872	12,468
- investment properties	6	12,166	11,588
Dividend income	22	(74,499)	(41,321)
Interest income	22	(161,449)	(70,464)
Interest expense	23	94,093	40,420
Assets written off :			
- property, plant and equipment	24	2,563	142
- right-of-use assets	24	3	-
- investment properties	24	712	-
Impairment loss/(Reversal of impairment loss) on :			
- property, plant and equipment	3	22,248	6,578
- investment properties	6	17,395	(4,909)
Gain on disposal of :			
- property, plant and equipment	24	(2,302)	(3,829)
- right-of-use assets	24	(7)	(6)
- investment properties	24	-	(15)
- debt instruments at amortised cost	24	(477)	(732)
- asset classified as held for sale	24	-	(211,983)
(Gain)/Loss on liquidation of :			
- a subsidiary	24	(3,097)	41
- an associate	24	-	443
Gain on remeasurement of non-controlling interest previously held in an associate	34.1	(116,397)	-
Gain from a bargain purchase on step acquisition of an associate	34.1	(102,372)	-
Fair value change from financial asset designated at FVTPL	24	-	25
Fair value change from biological assets	12	1,940	3,020
Retirement benefits	19	6,959	1,192
Share of profit of equity-accounted associates, net of tax	8	(49,178)	(73,513)
Unrealised (gain)/loss on foreign exchange for borrowings	C	(12,467)	20,201
Operating profit before changes in working capital		419,601	640,408



CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Changes in working capital :			
Inventories		28,362	(52,961)
Trade and other receivables		(61,684)	(34,181)
Trade and other payables		59,409	9,814
Contract liabilities		(18,455)	(12,631)
Cash generated from operations		427,233	550,449
Dividends received (net)		81,534	106,818
Tax paid		(121,232)	(186,339)
Retirement benefits paid	19	(1,734)	(1,146)
Net cash from operating activities		385,801	469,782
Cash flows from investing activities			
Additions of :			
- property, plant and equipment	A	(140,526)	(128,760)
- right-of-use assets		(108,256)	(24,418)
- intangible assets	5	(99)	(1,154)
- investment properties	6	(17,091)	(2,872)
- land held for property development		(4)	(2)
- other investments		(1,350,819)	(607,400)
Investment in an associate	35.3	(300)	-
Interest received		151,642	62,196
Proceeds from disposal of :			
- property, plant and equipment		3,244	4,935
- right-of-use-assets		40	177
- investment properties		13	200
- other investments		756,627	148,127
- asset classified as held for sale		-	228,627
Proceeds from liquidation of :			
- a subsidiary		(15)	(145)
- an associate		-	13,886
Acquisition of a subsidiary, net of cash and cash equivalents acquired	34.1	(110,059)	-
Acquisition of non-controlling interests	34.2, 34.3	(646,931)	-
Deposits paid	13.3	(44,733)	(28,728)
Net cash used in investing activities		(1,507,267)	(335,331)

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from financing activities			
Dividends paid to :			
- stockholders of the Company		(248,144)	(372,217)
- non-controlling interests		(4,387)	(33,792)
(Placement)/Withdrawal of fixed deposits pledged for banking facilities		(192,858)	160,180
Changes in bank borrowings	C	796,021	(164,025)
Payments of lease liabilities	C	(6,711)	(6,989)
Interest paid		(113,092)	(39,956)
Net cash from/(used in) financing activities		230,829	(456,799)
Net decrease in cash and cash equivalents		(890,637)	(322,348)
Cash and cash equivalents at 1 January		2,514,868	2,780,112
Effect of exchange rate fluctuations on cash held		248,635	57,104
Cash and cash equivalents at 31 December	B	1,872,866	2,514,868
Cash outflows for leases as a lessee			
	Note	2023 RM'000	2022 RM'000
Included in net cash from operating activities:			
Payments relating to short-term leases	24	5,664	4,119
Payments relating to leases of low-value assets	24	216	299
Included in net cash from/(used in) financing activities:			
Payments of lease liabilities		6,711	6,989
Interest paid in relation to lease liabilities	23	1,172	1,102
Total cash outflows for leases		13,763	12,509

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to consolidated statement of cash flows

A. *Additions of property, plant and equipment*

During the financial year, the Group acquired property, plant and equipment (excluding interest capitalised) with an aggregate cost of **RM142,093,000** (2022 : RM129,601,000) of which **RM1,567,000** (2022 : RM841,000) was through hire purchase financing.

B. *Cash and cash equivalents*

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following consolidated statement of financial position amounts :

	Note	2023	2022
		RM'000	RM'000
Fixed deposits with licensed banks	14	1,702,473	1,599,261
Cash and bank balances	14	610,141	1,341,667
Unit trust money market funds	14	338,895	159,714
		2,651,509	3,100,642
Less :			
Deposits pledged	14.1	(778,643)	(585,774)
		1,872,866	2,514,868

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Notes to consolidated statement of cash flows (cont'd)

C. *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	At 1.1.2022 RM'000	Net changes from financing cash flows RM'000	Acquisition of new hire purchase/ leases RM'000	Unrealised loss on foreign exchange RM'000	Foreign exchange movements RM'000	At 31.12.2022 RM'000
Term loans	226,855	(13,991)	-	2,536	12,492	227,892
Revolving credit	1,755,566	(153,728)	-	17,665	(29,373)	1,590,130
Bankers' acceptances	31,748	4,129	-	-	-	35,877
Hire purchase financing	610	(435)	841	-	-	1,016
Total borrowings	2,014,779	(164,025)	841	20,201	(16,881)	1,854,915
Lease liabilities	28,281	(6,989)	5,820	-	255	27,367
Total liabilities from financing activities	2,043,060	(171,014)	6,661	20,201	(16,626)	1,882,282
	227,892	(14,151)	-	4,135	10,454	228,330
Term loans	1,590,130	788,372	-	(16,602)	85,419	2,447,319
Revolving credit	35,877	22,447	-	-	-	58,324
Bankers' acceptances	1,016	(647)	1,567	-	-	1,936
Hire purchase financing	1,854,915	796,021	1,567	(12,467)	95,873	2,735,909
Total borrowings	27,367	(6,711)	3,990	-	314	24,960
Lease liabilities	1,882,282	789,310	5,557	(12,467)	96,187	2,760,869
Total liabilities from financing activities						

The notes on pages 100 to 213 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Assets			
Property, plant and equipment	3	553	467
Investment properties	6	21,388	21,061
Interests in subsidiaries	7	1,792,672	992,568
Investments in associates	8	14,451	16,294
Other investments	9	325,535	158,984
Total non-current assets		2,154,599	1,189,374
Trade and other receivables	13	45,919	31,033
Current tax assets		226	661
Cash and cash equivalents	14	298,767	258,012
Total current assets		344,912	289,706
Total assets		2,499,511	1,479,080
Equity			
Share capital	16	620,462	620,462
Reserves	17	1,101,937	857,783
Total equity attributable to stockholders of the Company		1,722,399	1,478,245
Liabilities			
Borrowings	18	703,350	-
Total non-current liability		703,350	-
Borrowings	18	72,650	-
Trade and other payables	21	1,112	835
Total current liabilities		73,762	835
Total liabilities		777,112	835
Total equity and liabilities		2,499,511	1,479,080

The notes on pages 100 to 213 are an integral part of these financial statements.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Revenue	22	339,047	240,803
Administrative expenses		(9,420)	(7,080)
Other operating expenses		(1)	-
Other operating income		7,146	10,636
		(2,275)	3,556
Results from operating activities		336,772	244,359
Finance costs	23	(8,206)	-
Profit before tax	24	328,566	244,359
Tax expense	25	(2,819)	(2,807)
Profit for the year		325,747	241,552
Other comprehensive income/(expense), net of tax			
<i>Item that will not be reclassified subsequently to profit or loss</i>			
Net change in fair value of equity instruments designated at fair value through other comprehensive income		166,551	(99,251)
Total comprehensive income for the year attributable to stockholders of the Company		492,298	142,301

The notes on pages 100 to 213 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

Attributable to stockholders of the Company						
Note	Share capital RM'000	Fair value reserve RM'000	Capital reserve RM'000	Treasury stocks RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2022	620,462	232,539	29,992	(249)	763,380	1,646,124
Net change in fair value of equity investment designated at FVOCI	-	(99,251)	-	-	-	(99,251)
Profit for the year	-	-	-	-	241,552	241,552
Total comprehensive (expense)/income for the year	-	(99,251)	-	-	241,552	142,301
Dividends to stockholders	-	-	-	-	(310,180)	(310,180)
At 31 December 2022/1 January 2023	620,462	133,288	29,992	(249)	694,752	1,478,245
Net change in fair value of equity investment designated at FVOCI	-	166,551	-	-	-	166,551
Profit for the year	-	-	-	-	325,747	325,747
Total comprehensive income for the year	-	166,551	-	-	325,747	492,298
Dividends to stockholders	-	-	-	-	(248,144)	(248,144)
At 31 December 2023	620,462	299,839	29,992	(249)	772,355	1,722,399

The notes on pages 100 to 213 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from operating activities			
Profit before tax		328,566	244,359
Adjustments for :			
Depreciation of :			
- property, plant and equipment	3	113	136
- investment properties	6	100	4
Dividend income	22	(326,304)	(228,182)
Interest income	22	(9,148)	(9,137)
Interest expense	23	8,206	-
Reversal of impairment loss on interests in subsidiaries	24	-	(6,025)
Gain on disposal of property, plant and equipment	24	(24)	(1)
Gain on liquidation of an associate	24	-	(1,245)
Operating profit/(loss) before changes in working capital		1,509	(91)
Changes in working capital :			
Trade and other receivables		769	(406)
Trade and other payables		277	55
Cash generated from/(used in) operations		2,555	(442)
Dividends received		326,304	228,182
Tax paid		(2,384)	(2,854)
Net cash from operating activities		326,475	224,886

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 RM'000	2022 RM'000
Cash flows from investing activities			
Additions of :			
- property, plant and equipment	3	(199)	(68)
- investment properties	6	(427)	(2,320)
Proceeds from disposal of property, plant and equipment		24	1
(Increase)/Decrease in interests in subsidiaries		(622,710)	8,624
Acquisition of a subsidiary		(146,473)	-
Proceeds from liquidation of an associate		-	13,886
Interest received		9,148	9,137
Deposits paid	13.3	(44,733)	(28,728)
Net cash (used in)/from investing activities		(805,370)	532
Cash flows from financing activities			
Dividends paid		(248,144)	(372,216)
Changes in bank borrowings	A	776,000	-
Interest paid		(8,206)	-
Net cash from/(used in) financing activities		519,650	(372,216)
Net increase/(decrease) in cash and cash equivalents		40,755	(146,798)
Cash and cash equivalents at 1 January		258,012	404,810
Cash and cash equivalents at 31 December	14	298,767	258,012
Cash outflows for leases as a lessee			
	Note	2023 RM'000	2022 RM'000
Included in net cash from operating activities:			
Payments relating to short-term leases	24	70	68
Payments relating to leases of low-value assets	24	4	4
Total cash outflows for leases		74	72

The notes on pages 100 to 213 are an integral part of these financial statements.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

Note to statement of cash flows

A. *Reconciliation of movements of liabilities to cash flows arising from financing activities*

	At	Net changes from financing cash flows	31.12.2022/ 1.1.2023	At	Net changes from financing cash flows	At
	1.1.2022	RM'000	RM'000	RM'000	RM'000	31.12.2023
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Revolving credit	-	-	-	-	776,000	776,000
Total liability from financing activities	-	-	-	-	776,000	776,000

The notes on pages 100 to 213 are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Oriental Holdings Berhad is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of Bursa Malaysia Securities Berhad. The addresses of the registered office and principal place of business of the Company are as follows :

Registered office

170-09-01 Livingston Tower
Jalan Argyll
10050 George Town
Pulau Pinang

Principal place of business

1st Floor, 25B Lebuhr Farquhar
10200 Penang

The consolidated financial statements of the Company as at and for the financial year ended 31 December 2023 comprise the Company and its subsidiaries (together referred to as the "Group" and individually referred to as "Group entities") and the Group's interests in associates.

The principal activities of the Company are as follows :

- (a) investment holding; and
- (b) provision of management services.

The principal activities of its subsidiaries and associates are set out in Notes 37 and 8 to the financial statements respectively.

These financial statements were authorised for issue by the Board of Directors on 25 April 2024.

1. Basis of preparation

(a) Statement of compliance

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

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company:

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2024

- 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 and Classification of Liabilities as Current or Non-current*
- Amendments to MFRS 107, *Statement of Cash Flows* and MFRS 7, *Financial Instruments: Disclosures – Supplier Finance Arrangements*

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (cont'd)

(a) Statement of compliance (cont'd)

The following are accounting standards, interpretations and amendments of the MFRSs that have been issued by the Malaysian Accounting Standards Board ("MASB") but have not been adopted by the Group and the Company: (cont'd)

MFRSs, interpretations and amendments effective for annual periods beginning on or after 1 January 2025

- Amendments to MFRS 121, *The Effects of Changes in Foreign Exchange Rates – Lack of Exchangeability*

MFRSs, interpretations and amendments effective for annual periods beginning on or after a date yet to be confirmed

- Amendments to MFRS 10, *Consolidated Financial Statements* and MFRS 128, *Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The Group and the Company plan to apply the abovementioned accounting standards, interpretations and amendments, where applicable, in the respective financial years when the abovementioned accounting standards, interpretations and amendments become effective.

The initial application of the accounting standards, interpretations and amendments is not expected to have any material financial impacts to the current period and prior period financial statements of the Group and of the Company.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items, which are measured based on the measurement bases stated below:

Items	Measurement bases
Non-derivative financial instruments at FVTPL	Fair value
Debt and equity securities at FVOCI	Fair value
Net defined benefit (asset)/liability	Fair value of plan assets less the present value of the defined benefit obligation

(c) Functional and presentation currencies

These financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional currency. All financial information is presented in RM and has been rounded to the nearest thousand, unless otherwise stated.

(d) Use of estimates and judgements

The preparation of the financial statements in conformity with MFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation (cont'd)

(d) Use of estimates and judgements (cont'd)

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements other than those disclosed in the following notes:

Note 3	- assessment on impairment of property, plant and equipment
Note 7	- impairment loss of interests in subsidiaries
Notes 9 and 32.7	- fair value of unquoted investments
Note 10	- deferred tax asset recognition
Note 22.4	- allocation of transaction price as contract liabilities for free servicing and complimentary extended warranties

2. Changes in material accounting policies

2.1 Global minimum top-up tax

The Group has adopted the amendments to MFRS 112, *Income Taxes – International Tax Reform – Pillar Two Model Rules* upon their release on 2 June 2023. The amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and require new disclosures about the Pillar Two exposure (see Note 10).

The temporary mandatory relief applies retrospectively. However, there was no new legislation enacted or substantively enacted to implement the top-up tax at 31 December 2022 in the jurisdictions in which the Group operates. Therefore, the retrospective application has no impact on the Group's consolidated financial statements.

2.2 Material accounting policy information

The Group also adopted amendments to MFRS 101, *Presentation of Financial Statements and MFRS Practice Statement 2 – Disclosures of Accounting Policies* from 1 January 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Although the amendments did not result in any changes to the Group's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
Cost							
At 1 January 2022	262,771	1,392,310	978,028	652,098	369,251	37,518	3,691,976
Additions	-	3,374	48,074	15,525	15,293	49,482	131,748
Disposals	-	(2,338)	-	(26,251)	(12,532)	(324)	(41,445)
Write-off	-	(220)	(1,422)	(1,601)	(7,407)	(3)	(10,653)
Reclassifications	-	12,690	-	2,419	25	(15,134)	-
Transfer from investment properties (Note 6)	858	3,484	-	-	-	-	4,342
Transfer to assets classified as held for sale	(10,105)	(65,037)	-	(20,416)	-	(14)	(95,572)
Exchange differences	918	(5,101)	(33,326)	(6,598)	1,143	(637)	(43,601)
At 31 December 2022/1 January 2023	254,442	1,339,162	991,354	615,176	365,773	70,888	3,636,795
Additions	-	7,080	62,447	37,106	18,238	37,866	162,737
Disposals	-	-	-	(26,201)	(10,244)	-	(36,445)
Write-off	-	(113)	(1,946)	(7,514)	(15,636)	(5,026)	(30,235)
Reclassifications	143	13,601	-	31,046	1,272	(46,062)	-
Transfer to right-of-use assets (Note 4)	-	-	-	-	-	(15,426)	(15,426)
Transfer (to)/from investment properties (Note 6)	(830)	1,702	-	-	-	-	872
Transfer to assets classified as held for sale	-	-	-	(108)	-	-	(108)
Additions through acquisition of a subsidiary (Note 34.1)	-	9,697	232,542	12,639	8,254	-	263,132
Exchange differences	12,527	57,873	49,629	18,234	11,930	789	150,982
At 31 December 2023	266,282	1,429,002	1,334,026	680,378	379,587	43,029	4,132,304

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 January 2022	-	605,256	293,810	489,693	299,317	-	1,688,076
Accumulated depreciation	-	2,118	73,988	3,566	5	4,813	84,490
Accumulated impairment loss	-	607,374	367,798	493,259	299,322	4,813	1,772,566
Depreciation for the year	-	34,862	37,330	38,552	19,641	-	130,385
Impairment loss	-	283	5,457	838	-	-	6,578
Disposals	-	(2,323)	-	(26,042)	(11,974)	-	(40,339)
Write-off	-	(124)	(1,422)	(1,587)	(7,378)	-	(10,511)
Transfer from investment properties (Note 6)	-	2,519	-	-	-	-	2,519
Transfer to assets classified as held for sale	-	(60,924)	-	(16,423)	-	-	(77,347)
Exchange differences	-	2,914	(13,504)	(4,761)	1,517	(67)	(13,901)
At 31 December 2022	-	582,180	319,338	479,432	301,123	-	1,682,073
Accumulated depreciation	-	2,401	76,321	4,404	5	4,746	87,877
Accumulated impairment loss	-	584,581	395,659	483,836	301,128	4,746	1,769,950

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

Group	Freehold land RM'000	Buildings RM'000	Bearer plants RM'000	Plant and machinery RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Capital work-in-progress RM'000	Total RM'000
At 1 January 2023	-	582,180	319,338	479,432	301,123	-	1,682,073
Accumulated depreciation	-	2,401	76,321	4,404	5	4,746	87,877
Accumulated impairment loss	-	584,581	395,659	483,836	301,128	4,746	1,769,950
Depreciation for the year	-	33,463	49,253	48,288	17,083	-	148,087
Impairment loss	-	16,102	3,747	1,786	613	-	22,248
Disposals	-	-	-	(25,433)	(10,070)	-	(35,503)
Write-off	-	(80)	(1,946)	(5,068)	(15,599)	(4,979)	(27,672)
Reclassifications	-	-	-	(301)	301	-	-
Transfer from investment properties (Note 6)	-	723	-	-	-	-	723
Transfer to assets classified as held for sale	-	-	-	(101)	-	-	(101)
Additions through acquisition of a subsidiary (Note 34.1)	-	8,869	20,347	10,421	7,607	-	47,244
Exchange differences	-	25,467	21,345	14,094	9,652	233	70,791
At 31 December 2023	-	650,622	405,628	521,332	310,097	-	1,887,679
Accumulated depreciation	-	18,503	82,777	6,190	618	-	108,088
Accumulated impairment loss	-	669,125	488,405	527,522	310,715	-	1,995,767

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

Group	Freehold land	Buildings	Bearer plants	Plant and machinery	Furniture, fixtures, fittings, equipment and vehicles	Capital work-in-progress	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2022	262,771	784,936	610,230	158,839	69,929	32,705	1,919,410
At 31 December 2022/1 January 2023	254,442	754,581	595,695	131,340	64,645	66,142	1,866,845
At 31 December 2023	266,282	759,877	845,621	152,856	68,872	43,029	2,136,537

Buildings of the Group with carrying amount of **RM24,382,000** (2022 : RM25,006,000) are erected on freehold land belonging to a related party.

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

Company	Freehold land RM'000	Furniture, fixtures, fittings, equipment and vehicles RM'000	Total RM'000
Cost			
At 1 January 2022	289	2,239	2,528
Additions	-	68	68
Write-off	-	(59)	(59)
Disposals	-	(12)	(12)
At 31 December 2022/1 January 2023	289	2,236	2,525
Additions	-	199	199
Disposals	-	(162)	(162)
At 31 December 2023	289	2,273	2,562
Accumulated depreciation			
At 1 January 2022	-	1,993	1,993
Depreciation for the year	-	136	136
Write-off	-	(59)	(59)
Disposals	-	(12)	(12)
At 31 December 2022/1 January 2023	-	2,058	2,058
Depreciation for the year	-	113	113
Disposals	-	(162)	(162)
At 31 December 2023	-	2,009	2,009
Carrying amounts			
At 1 January 2022	289	246	535
At 31 December 2022/1 January 2023	289	178	467
At 31 December 2023	289	264	553

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

3.1 Borrowing costs capitalised

Additions to bearer plants of the Group during the year include :

	2023 RM'000	2022 RM'000
- Interest expense (Note 23)	<u>20,644</u>	<u>2,147</u>

Interest is capitalised under bearer plants at an average rate of **1.43% to 7.64%** (2022 : 0.82% to 3.30%) per annum.

3.2 Key sources of estimation uncertainties

The Group determines whether there is impairment on property, plant and equipment when indicators of impairment were identified. The recoverable amount is estimated based on the higher of fair value less cost to sell and the value in use. Estimating the recoverable amount requires the Group to make an estimate of the expected future cash flows from its property, plant and equipment and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

3.3 Impairment loss

3.3.1 Bearer plants

For the purposes of impairment testing, plantation assets of each subsidiary in the plantation segment are regarded as separate cash-generating units ("CGU") by the Group. The carrying amount and recoverable amount of cash generating unit with indicators of impairment due to the loss-making position and slow development of the plantations or reversal of impairment due to positive development during the year is as follows:

	Carrying amount RM'000	Recoverable amount RM'000	Impairment loss RM'000
2023			
CGU 1	<u>87,666</u>	<u>83,919</u>	<u>3,747</u>
2022			
CGU 1	<u>78,807</u>	<u>73,350</u>	<u>5,457</u>

The impairment loss on bearer plants of **RM3,747,000** (2022 : RM5,457,000) was charged to the income statement and included in other operating expenses of the Group.

The recoverable amount of each cash generating unit was assessed using the fair value less costs to sell method, based on a valuation carried out by an independent firm of valuers. The pre-tax discount rate applied by the valuers in the valuation is at **11.07%** (2022 : 11.15%).

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

3.3 Impairment loss (cont'd)

3.3.2 Building, plant and equipment

During the financial year, the Group assessed the recoverable amount of property, plant and equipment in the automotive segment used for the cable product line that was loss making. The cable product line is regarded as one cash-generating unit by the Group. Arising from the assessment carried out, the Group recognised an impairment loss of **RM563,000** (2022 : RM1,121,000) in other operating expenses of the Group.

The recoverable amount of the cash generating unit of **RM38,000,000** (2022 : RM Nil) was assessed using the value in use method. The estimate of the value in use was determined based on the projected cash flows of the remaining useful lives of the property, plant and equipment using a pre-tax discount rate of **8%** (2022 : 10%).

Apart from that, a hotel building and its underlying equipment with carrying amounts totalling **RM17,938,000** (2022 : RM Nil) were fully written down in line with the cessation of the hotel operations upon expiry of the lease of land where the hotel building was erected on. The impairment loss was recognised in other operating expenses of the Group.

3.4 Fair value information

For the purpose of impairment of bearer plants, the fair value of each cash generating unit is categorised as **Level 3** (2022 : Level 3). The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
i) Discounted cash flows		
The valuation method considers the present value of net cash flows to be generated from the cash generating units.	Oil palm fruits ("FFB") selling price ranging from RM628 - RM678 (2022 : RM730 - RM739) per metric tonne. Pre-tax discount rate is 11.07% (2022 : 11.15%).	The estimated fair value would increase/(decrease) if expected FFB selling price were higher/(lower); or pre-tax discount rate were lower/(higher).
ii) Comparison method of valuation		
This approach entails comparing an oil palm estate together with a palm oil mill with similar oil palm plantations that were sold. The characteristics such as accessibility, land size, palm age and tenure, merits and demerits of these plantations are noted and appropriate adjustments thereof are then made to arrive at the value of the plantation.	Price per hectare is RM131,124 (2022 : RM Nil)	The estimated fair value would increase/(decrease) if the price per hectare is higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

3. Property, plant and equipment (cont'd)

3.5 Material accounting policy information

(a) Recognition and measurement

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

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

(b) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment from the date that they are available for use. Freehold land is not depreciated. Property, plant and equipment under construction are not depreciated until the assets are ready for their intended use.

The depreciation rates for the current and comparative periods based on their estimated useful lives are as follows:

	%
• Buildings	2 - 10
• Bearer plants	5
• Plant and machinery	7 - 33 1/3
• Furniture, fixtures, fittings and equipment	5 - 50
• Vehicles	20

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets - Group

	Land RM'000	Buildings RM'000	Plant and machinery RM'000	Furniture fitting, equipment and vehicles RM'000	Total RM'000
At 1 January 2022	302,098	22,020	3,774	278	328,170
Additions	19,184	10,746	187	121	30,238
Depreciation for the year	(6,159)	(4,353)	(1,815)	(141)	(12,468)
Disposals	-	-	(29)	(142)	(171)
Exchange differences	(2,911)	95	-	(1)	(2,817)
At 31 December 2022/ 1 January 2023	312,212	28,508	2,117	115	342,952
Additions	108,598	1,901	-	1,747	112,246
Depreciation for the year	(8,046)	(5,259)	(1,268)	(299)	(14,872)
Disposals	-	(12)	-	(21)	(33)
Write-off	-	-	(3)	-	(3)
Transfer from property, plant and equipment (Note 3)	15,426	-	-	-	15,426
Addition through acquisition of a subsidiary (Note 34)	265,805	-	-	-	265,805
Exchange differences	13,836	312	-	-	14,148
At 31 December 2023	707,831	25,450	846	1,542	735,669

The Group leases a number of office and factory facilities that run between 2 years and 12 years, with an option to renew the lease after that date. Lease payments are increased every 2-10 years to reflect current market rentals.

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets - Group (cont'd)

4.1 Extension options

Some leases of land and buildings contain extension options exercisable by the Group prior to the end of the non-cancellable contract period. Where applicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Group and not by the lessors. The Group assesses at lease commencement whether it is reasonably certain to exercise the options if there is a significant event or significant change in circumstances within its control.

	Lease liabilities recognised (discounted) RM'000	Potential future lease payments not included in lease liabilities (discounted) RM'000	Historical rate of exercise of extension options %
2023			
Land	346	763	50
Buildings	10,614	476	100
2022			
Land	305	542	50
Buildings	12,992	-	100

4.2 Judgements and assumptions in relation to leases

The Group assesses at lease commencement by applying judgement whether it is reasonably certain to exercise the extension options. Group entities consider all facts and circumstances including their past practice and any cost that will be incurred to change the asset if an option to extend is not taken, to help them determine the lease term.

The Group also applied judgement and assumptions in determining the incremental borrowing rate of the respective leases. Group entities first determine the closest available borrowing rates before using judgement to determine the adjustments required to reflect the term, security, value or economic environment of the respective leases.

4.3 Security

Leasehold land of the Group with carrying amount of **RM9,299,000** (2022 : RM9,410,000) is pledged to the bank as securities for the secured term loans of the Group (see Note 18).

4.4 Material accounting policy information

(a) Recognition and measurement

All right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses.

(b) Lease and non-lease components

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices. However, for leases of properties in which the Group is a lessee, it has elected not to separate non-lease components and will instead account for the lease and non-lease components as a single lease component.

NOTES TO THE FINANCIAL STATEMENTS

4. Right-of-use assets - Group (cont'd)

4.4 Material accounting policy information (cont'd)

(c) Recognition exemption

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

5. Intangible assets - Group

	Note	Goodwill RM'000	Development costs RM'000	Total RM'000
Cost				
At 1 January 2022		21,215	6,144	27,359
Additions		-	1,154	1,154
Derecognition upon liquidation of a subsidiary		(32)	-	(32)
Exchange differences		(474)	-	(474)
At 31 December 2022/1 January 2023		20,709	7,298	28,007
Additions		-	99	99
Exchange differences		759	-	759
At 31 December 2023		21,468	7,397	28,865
Amortisation				
At 1 January 2022		-	4,300	4,300
Amortisation for the year	5.1	-	453	453
At 31 December 2022/1 January 2023		-	4,753	4,753
Amortisation for the year	5.1	-	1,306	1,306
At 31 December 2023		-	6,059	6,059

NOTES TO THE FINANCIAL STATEMENTS

5. Intangible assets - Group (cont'd)

	Goodwill RM'000	Development costs RM'000	Total RM'000
Carrying amounts			
At 1 January 2022	21,215	1,844	23,059
At 31 December 2022/ 1 January 2023	20,709	2,545	23,254
At 31 December 2023	21,468	1,338	22,806

Goodwill acquired in a business combination is allocated, at acquisition, to the cash-generating unit ("CGU") that is expected to benefit from that business combination. The carrying amount of goodwill has been allocated to the following business segments as independent CGUs :

	2023 RM'000	2022 RM'000
Automotive and related products	1,172	1,172
Plastic products	2,117	2,117
Plantation	15,080	14,321
Hotels and resorts	1,004	1,004
Multiple units without significant goodwill	2,095	2,095
	21,468	20,709

5.1 Amortisation

The amortisation of development costs is allocated to the cost of inventory and is recognised in cost of sales as the inventory is sold.

5.2 Material accounting policy information

(a) Recognition and measurement

Intangible assets, other than goodwill, that are acquired by the Group, which have finite useful lives, are measured at cost less any accumulated amortisation and any accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties

	Note	2023 RM'000	2022 RM'000
Group			
Cost			
At 1 January		1,266,476	1,284,616
Additions		17,091	2,872
Disposal		(13)	(185)
Write-off		(1,364)	-
Transfer to property, plant and equipment	3	(872)	(4,342)
Transfer to assets classified as held for sale		-	(11,347)
Exchange differences		25,435	(5,138)
At 31 December		<u>1,306,753</u>	<u>1,266,476</u>
Accumulated depreciation and impairment loss			
At 1 January		192,683	189,088
Depreciation for the year		12,166	11,588
Write-off		(652)	-
Transfer to property, plant and equipment	3	(723)	(2,519)
Impairment loss/(Reversal of impairment loss)	24	17,395	(4,909)
Exchange differences		7,183	(565)
At 31 December		<u>228,052</u>	<u>192,683</u>
Carrying amount		<u>1,078,701</u>	<u>1,073,793</u>
Included in the above are :			
Freehold land		300,107	290,985
Right-of-use assets		372,634	81,991
Buildings		219,098	236,553
Land under reclamation		186,442	463,745
Electrical fittings		420	519
		<u>1,078,701</u>	<u>1,073,793</u>

The title deeds of land under reclamation of the Group with a carrying amount of **RM186,442,000** (2022 : RM463,745,000) are still being processed by the relevant authorities.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

	2023 RM'000	2022 RM'000
Company		
Cost		
At 1 January	21,158	18,838
Addition	427	2,320
At 31 December	<u>21,585</u>	<u>21,158</u>
Accumulated depreciation		
At 1 January	97	93
Depreciation for the year	100	4
At 31 December 2023	<u>197</u>	<u>97</u>
Carrying amount	<u>21,388</u>	<u>21,061</u>
Included in the above are :		
Freehold land	14,963	14,963
Buildings	6,425	77
Construction-in-progress	-	6,021
	<u>21,388</u>	<u>21,061</u>

Investment properties of the Group and the Company comprise a number of commercial properties and vacant land that are leased out or held for capital appreciation.

6.1 Security - Group

Carrying amounts of investment properties pledged to the banks as securities for the secured term loans and revolving credit of the Group (see Note 18) are as follows :

	2023 RM'000	2022 RM'000
Freehold land	150,372	143,322
Buildings	129,865	145,288
	<u>280,237</u>	<u>288,610</u>

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

6.2 Lease income and direct operating expenses

The following are other income and expenses recognised in profit or loss in respect of investment properties :

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Lease income	80,549	77,065	2,678	2,643
Direct operating expenses of investment properties :				
- non-income generating	3,448	1,013	300	286
- income generating	25,878	23,299	165	157

6.3 Maturity of operating lease payments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Less than one year	60,994	59,999	2,945	2,385
One to two years	46,385	36,611	2,679	-
Two to three years	28,496	27,585	410	-
Three to four years	12,054	18,955	-	-
Four to five years	9,104	11,577	-	-
More than five years	12,557	7,746	-	-
Total undiscounted lease payments	169,590	162,473	6,034	2,385

6.4 Impairment loss

During the financial year, the carrying amounts of investment properties of the Group of RM195,242,000 were assessed to be higher (2022 : lower) than their fair value less cost to sell of RM177,847,000. The impairment loss of **RM17,395,000** (2022 : impairment loss reversal of RM4,909,000) was recognised in other operating expenses (2022 : other operating income) of the Group.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

6.5 Fair value information

Fair value of investment properties are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Group				
Freehold land	-	-	1,572,802	1,572,802
Right-of-use assets	-	-	1,206,324	1,206,324
Buildings	-	-	529,434	529,434
	-	-	3,308,560	3,308,560
Company				
Freehold land	-	-	303,800	303,800
Buildings	-	-	47,351	47,351
	-	-	351,151	351,151
2022				
Group				
Freehold land	-	-	1,335,902	1,335,902
Right-of-use assets	-	-	922,617	922,617
Buildings	-	-	568,548	568,548
	-	-	2,827,067	2,827,067
Company				
Freehold land	-	-	303,800	303,800
Buildings	-	-	400	400
	-	-	304,200	304,200

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

6.5 Fair value information (cont'd)

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the investment property. The valuation techniques used in the determination of fair values within Level 3 are as follows:

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
<p>i) Comparison method of valuation</p> <p>This approach entails comparing the property with similar properties that were sold. The characteristics, merits and demerits of these properties are noted and appropriate adjustments thereof are then made to arrive at the value of the investment properties.</p>	<p>Average price per square meter (RM151 - RM121,477) (2022 : RM151 - RM120,270)</p>	<p>The estimated fair value would increase/(decrease) if the price per square meter is higher/(lower).</p>
<p>ii) Discounted cash flows</p> <p>The valuation method considers the present value of net cash flows to be generated from the property, taking into account expected rental growth rate, void periods, occupancy rate, lease incentive costs such as rent-free periods and other costs not paid by tenants. The expected net cash flows are discounted using risk-adjusted discount rates. Among other factors, the discount rate estimation considers the quality of a building and its location (prime vs secondary), tenant credit quality and lease terms.</p>	<p>Expected market rental growth is 0% - 5.75% (2022 : 0% - 3.42%)</p> <p>Risk adjusted discount rate is 5.00% - 11.88% (2022 : 5.75% -12.15%)</p>	<p>The estimated fair value would increase/(decrease) if expected market rental growth were higher/(lower); or risk-adjusted discount rate were lower/(higher).</p>

Valuation processes applied by the Group for Level 3 fair value

The fair value of investment properties is based on the estimates of market value by Directors using either discounted cash flows or recent transaction prices around the vicinity.

Highest and best use

Investment properties comprise a number of commercial properties and vacant land. The Directors have determined the current uses of these investment properties as their highest and best use.

NOTES TO THE FINANCIAL STATEMENTS

6. Investment properties (cont'd)

6.6 Material accounting policy information

Investment properties are measured initially and subsequently at cost less any accumulated depreciation and any accumulated impairment losses.

7. Interests in subsidiaries - Company

	Note	2023 RM'000	2022 RM'000
Unquoted shares, at cost		1,700,095	883,587
Amount due from subsidiaries	7.1	189,170	195,924
Less :			
Impairment losses		(96,593)	(86,943)
		1,792,672	992,568

Details of the subsidiaries are listed under Note 37.

7.1 Amount due from subsidiaries

The amount due from subsidiaries is regarded as net interests in subsidiaries. This amount is unsecured, with no fixed terms of repayment and is subject to interest at the rates ranging from **3.42% to 4.38%** (2022 : 2.38% to 3.96%) per annum.

7.2 Key sources of estimation uncertainties

The Company determines whether there is impairment on interests in subsidiaries when indicators of impairment were identified. The recoverable amount is estimated based on the higher of fair value less cost to sell and the value in use. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from its subsidiaries and also to apply a suitable discount rate in order to calculate the present value of those cash flows.

7.3 Impairment loss

During the financial year, the Company capitalised an amount due from a subsidiary of RM10,000,000 into redeemable preference shares, out of which RM9,650,000 continued to be recognised as impairment loss. The recoverable amount of the said subsidiary assessed using the fair value less cost to sell method remained at approximately RM350,000.

In the previous financial year, the Company reversed an impairment loss of RM6,025,000 on amount due from subsidiaries following the repayment of advances by the subsidiary.

NOTES TO THE FINANCIAL STATEMENTS

7. Interests in subsidiaries - Company (cont'd) Non-controlling interests in subsidiaries

The Company's subsidiaries that have material non-controlling interests ("NCI") are as follows :

	2023		Melaka		PT		PT		PT		PT	
	RM'000	%	Gunung Maras Lestari	Gunungsawit Binallestari	Pratama Palm Abadi	Medical Centre Sdn. Bhd.	Straits Medical Centre Sdn. Bhd.	Boon Siew (M) Sdn. Bhd.	Teck See Plastic Sdn. Bhd.	PT Surya Agro Persada	RM'000	RM'000
NCI percentage of ownership interest and voting interest	7.50%	7.50%	10.00%	10.00%	48.32%	49.00%	40.00%	10.00%				
Carrying amount of NCI	72,912	52,809	(22,303)	85,514	159,981	160,918	(18,800)					
Profit/(Loss) allocated to NCI	28,097	14,451	236	17,423	(1,575)	5,651	4,464					
Summarised financial information before intra-group elimination												
As at 31 December												
Non-current assets	76,244	64,212	250,173	248,875	394,545	102,618	107,199					
Current assets	1,040,943	675,370	60,223	45,249	1,972	121,787	11,226					
Non-current liabilities	(13,825)	(8,566)	(1,866)	(4,132)	-	-	(782)					
Current liabilities	(109,920)	(9,249)	(514,143)	(114,402)	(25)	(5,622)	(306,165)					
Net assets/(liabilities)	993,442	721,767	(205,613)	175,590	396,492	218,783	(188,522)					

NOTES TO THE FINANCIAL STATEMENTS

7. Interests in subsidiaries - Company (cont'd)

Non-controlling interests in subsidiaries (cont'd)

	2023						
	PT Gunung Maras Lestari RM'000	PT Gunungsawit Binalestari RM'000	PT Pratama Palm Abadi RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	PT Surya Agro Persada RM'000
Year ended 31 December							
Revenue	213,221	158,473	130,193	111,705	99	14,870	20,135
Profit/(Loss) for the year	58,793	41,364	(40,394)	35,780	(3,215)	8,155	(10,929)
Total comprehensive income/ (expense) for the year	108,783	77,694	(49,246)	35,780	(3,215)	8,155	(20,754)
Cash flows from operating activities	(115,823)	34,226	43,437	18,720	(2,110)	16,400	72,528
Cash flows from investing activities	17,178	(27,245)	(10,155)	(7,866)	2,183	(44,810)	(6,027)
Cash flows from financing activities	(76,877)	(98,563)	(20,020)	(4,482)	-	(10,008)	(67,854)
Net (decrease)/increase in cash and cash equivalents	(175,522)	(91,582)	13,262	6,372	73	(38,418)	(1,353)
Dividend paid to NCI	-	-	-	-	-	4,001	-

NOTES TO THE FINANCIAL STATEMENTS

7. Interests in subsidiaries - Company (cont'd)

Non-controlling interests in subsidiaries (cont'd)

	2022						
	PT Gunung Maras Lestari	PT Gunung Binalestari	Selasih Permata Sdn. Bhd.	Melaka Straits Medical Centre Sdn. Bhd.	Oriental Boon Siew (M) Sdn. Bhd.	Teck See Plastic Sdn. Bhd.	PT Surya Agro Persada
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
NCI percentage of ownership interest and voting interest	53.29%	53.29%	49.50%	48.32%	49.00%	40.00%	54.55%
Carrying amount of NCI	459,975	333,776	70,846	68,091	161,556	159,187	(91,215)
Profit/(Loss) allocated to NCI	58,068	36,198	4,052	1,327	(478)	5,507	1,328
Summarised financial information before intra-group elimination							
As at 31 December							
Non-current assets	48,554	50,607	67,698	226,267	395,058	101,742	91,312
Current assets	939,955	617,164	76,021	33,143	4,804	126,295	20,135
Non-current liabilities	(11,874)	(8,767)	-	(4,530)	-	-	(645)
Current liabilities	(92,152)	(14,992)	(595)	(115,070)	(155)	(7,408)	(278,537)
Net assets/(liabilities)	884,483	644,012	143,124	139,810	399,707	220,629	(167,735)

NOTES TO THE FINANCIAL STATEMENTS

7. Interests in subsidiaries - Company (cont'd)

Non-controlling interests in subsidiaries (cont'd)

	2022						
	PT Gunung Maras Lestari RM'000	PT Gunungsawit Binalestari RM'000	Selasih Permata Sdn. Bhd. RM'000	Melaka Straits Medical Centre Sdn. Bhd. RM'000	Oriental Boon Siew (M) Sdn. Bhd. RM'000	Teck See Plastic Sdn. Bhd. RM'000	PT Surya Agro Persada RM'000
Year ended 31 December							
Revenue	264,737	152,946	1,686	88,076	118	34,717	16,150
Profit/(Loss) for the year	108,295	67,561	8,185	2,469	(976)	8,709	2,847
Total comprehensive income/ (expense) for the year	76,878	44,757	8,185	2,469	(976)	8,709	7,114
Cash flows from operating activities	(15,823)	39,481	3,940	10,601	(649)	13,686	310
Cash flows from investing activities	5,504	159	1,686	(2,533)	(62)	(5,078)	(5,179)
Cash flows from financing activities	(566)	-	(60,000)	(5,311)	-	(10,145)	2,463
Net (decrease)/increase in cash and cash equivalents	(10,885)	39,640	(54,374)	2,757	(711)	(1,537)	(2,406)
Dividend paid to NCI	-	-	29,700	-	-	4,001	-

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates

	2023 RM'000	2022 RM'000
Group		
Unquoted shares, at cost	78,658	78,018
Share of post-acquisition reserves	561,390	553,598
	<u>640,048</u>	<u>631,616</u>
Company		
Unquoted shares, at cost	<u>14,451</u>	<u>16,294</u>

Details of associates :

	Group's effective interest		Principal place of business/ Country of incorporation	Principal activities/ Nature of the relationship
	2023 %	2022 %		
Incorporated in Malaysia :				
Southern Perak Plantations Sdn. Berhad	-	39.5	Malaysia	Production and sale of oil palm fruits, palm oil and kernel (became a wholly-owned subsidiary on 27 September 2023, see Note 34.1)
Hitachi Construction Machinery (Malaysia) Sdn. Bhd.	30.0	30.0	Malaysia	Sale of construction machinery, attachments and spare parts and renting of machinery
Boon Siew Honda Sdn. Bhd.	49.0	49.0	Malaysia	Manufacture, assembly and sale of motorcycles
Chainferry Development Sdn. Berhad	33.4	33.4	Malaysia	Property development
Penang Wellesley Realty Sdn. Berhad	39.8	39.8	Malaysia	Property development
Penang Amusements Company Sdn. Berhad	25.0	25.0	Malaysia	Operation of a bowling alley

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Details of associates (cont'd):

	Group's effective interest		Principal place of business/ Country of incorporation	Principal activities/ Nature of the relationship
	2023	2022		
	%	%		
<i>Held through a subsidiary of the Company, Boon Siew (Borneo) Sendirian Berhad</i>				
BSFB Motorcycles Sdn. Bhd.	29.7	-	Malaysia	Trading of motorbikes, accessories and spare parts and investment holding (invested since 28 July 2023, see Note 35.3)
<i>Held through a subsidiary of the Company, Teck See Plastic Sdn. Bhd.</i>				
Hicom-Teck See Manufacturing Malaysia Sdn. Bhd.	29.4	29.4	Malaysia	Manufacture of thermo plastic and thermo setting products
Incorporated in Singapore :				
<i>Held through a subsidiary of the Company, Kah Motor Company Sdn Berhad</i>				
Singapore Safety Driving Centre Ltd	27.5	27.5	Singapore	Operation of a driving school
B.S. Kah Pte. Ltd	40.0	40.0	Singapore	Property management
Bukit Batok Driving Centre Ltd	21.9	21.9	Singapore	Operation of a driving school

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Details of associates (cont'd):

	Group's effective interest		Principal place of business/ Country of incorporation	Principal activities/ Nature of the relationship
	2023	2022		
	%	%		
Incorporated in Thailand :				
<i>Held through a subsidiary of the Company, Teck See Plastic Sdn. Bhd.</i>				
Kasai Teck See Co., Ltd.	15.0	15.0	Thailand	Manufacture and sale of parts, mould and automotive equipment including automotive interior parts
Incorporated in the Republic of Indonesia :				
<i>Held through subsidiaries of the Company, Teck See Plastic Sdn. Bhd. and Oriental International (Mauritius) Pte. Ltd.</i>				
P.T. Kasai Teck See Indonesia	30.9	30.9	Indonesia	Manufacture and distribution of plastic articles and products in automotive and electrical sectors

The accounting year end of all the associates is 31 December except for Hitachi Construction Machinery (Malaysia) Sdn. Bhd. and Boon Siew Honda Sdn. Bhd. which have accounting year end of 31 March.

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

The following table summarises the information of the Group's material associates, adjusted for any differences in accounting policies and reconciles the information to the carrying amount of the Group's interests in the associates.

Group	Hicom-Teck See	Bukit Batok	Hitachi	Singapore
	Manufacturing Malaysia Sdn. Bhd. RM'000	Driving Centre Ltd RM'000	Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Safety Driving Centre Ltd RM'000
Summarised financial information				
As at 31 December 2023				
Non-current assets	255,007	30,381	162,152	190,591
Current assets	181,624	429,150	258,384	219,779
Non-current liabilities	(38,301)	(2,670)	-	-
Current liabilities	(237,025)	(83,040)	(227,273)	(39,299)
Net assets	161,305	373,821	193,263	371,071
Year ended 31 December 2023				
Profit from continuing operations	11,867	30,151	14,833	18,498
Other comprehensive (expense)/income	-	(655)	-	11,760
Total comprehensive income	11,867	29,496	14,833	30,258
<i>Included in the total comprehensive income is :</i>				
Revenue	741,804	147,499	404,788	99,271

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Group	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd. RM'000	Bukit Batok Driving Centre Ltd RM'000	Hitachi Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Boon Siew Honda Sdn. Bhd. RM'000	Singapore Safety Driving Centre Ltd RM'000	Other individually immaterial associates RM'000	Total RM'000
Reconciliation of net assets to carrying amount As at 31 December 2023							
Group's share of net assets	47,424	81,792	57,979	238,138	102,045	111,546	638,924
Goodwill	-	-	-	-	-	1,124	1,124
Carrying amount in the statement of financial position	47,424	81,792	57,979	238,138	102,045	112,670	640,048
Group's share of results Year ended 31 December 2023							
Group's share of profit from continuing operations	3,489	6,597	4,450	15,720	5,087	13,835	49,178
Group's share of other comprehensive (expense)/ income	-	(143)	-	-	3,234	-	3,091
Group's share of total comprehensive income	3,489	6,454	4,450	15,720	8,321	13,835	52,269
Other information							
Dividend received by the Group for the year ended 31 December 2023	-	1,507	784	-	1,799	-	1,799

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Group	Hicom-Teck See Manufacturing Malaysia Sdn. Bhd. RM'000	Bukit Batok Driving Centre Ltd RM'000	Southern Perak Plantations Sdn. Berhad RM'000	Hitachi Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Boon Siew Honda Sdn. Bhd. RM'000	Singapore Safety Driving Centre Ltd RM'000
Summarised financial information						
As at 31 December 2022						
Non-current assets	264,596	31,900	78,421	112,113	145,977	179,542
Current assets	189,258	375,491	51,109	224,204	691,749	173,013
Non-current liabilities	(51,447)	(2,300)	(9,570)	-	-	-
Current liabilities	(245,114)	(75,508)	(3,796)	(158,507)	(383,813)	(26,021)
Net assets	157,293	329,583	116,164	177,810	453,913	326,534
Year ended 31 December 2022						
Profit from continuing operations	19,078	21,193	47,949	4,940	63,088	24,829
Other comprehensive (expense)/income	(75)	(301)	-	-	-	1,955
Total comprehensive income	19,003	20,892	47,949	4,940	63,088	26,784
<i>Included in the total comprehensive income is :</i>						
Revenue	841,523	124,207	73,741	370,092	1,945,044	88,262

NOTES TO THE FINANCIAL STATEMENTS

8. Investments in associates (cont'd)

Group	Hicom-Teck See	Bukit Batok	Southern Perak	Hitachi	Boon Siew	Singapore	Other	Total
	Manufacturing Malaysia Sdn. Bhd. RM'000	Driving Centre Ltd RM'000	Plantations Sdn. Berhad RM'000	Construction Machinery (Malaysia) Sdn. Bhd. RM'000	Honda Sdn. Bhd. RM'000	Safety Driving Centre Ltd RM'000	individually immaterial associates RM'000	
Reconciliation of net assets to carrying amount								
As at 31 December 2022								
Group's share of net assets	46,244	72,113	45,885	53,343	222,417	89,797	97,438	627,237
Goodwill	-	-	3,255	-	-	-	1,124	4,379
Carrying amount in the statement of financial position	46,244	72,113	49,140	53,343	222,417	89,797	98,562	631,616
Group's share of profit from continuing operations	5,609	4,637	18,940	1,482	30,913	6,828	5,104	73,513
Group's share of other comprehensive (expense)/income	(22)	(66)	-	-	-	538	-	450
Group's share of total comprehensive income	5,587	4,571	18,940	1,482	30,913	7,366	5,104	73,963
Other information								
Dividend received by the Group for the year ended 31 December 2022	-	1,417	41,132	784	18,669	802		

8.1 Material accounting policy information

Investments in associates are measured in the Company's statement of financial position at cost less any impairment losses.

NOTES TO THE FINANCIAL STATEMENTS

9. Other investments

Group	Unquoted shares RM'000	Quoted shares RM'000	Quoted bonds RM'000	Quoted unit trusts and REITS RM'000	Unit trust money market funds RM'000	Fixed deposits RM'000	Others RM'000	Total RM'000
2023								
Non-current								
Fair value through other comprehensive income	343,956	137,791	-	10,412	-	-	-	492,159
Amortised cost	-	-	4,581	-	-	12,297	1,142	18,020
	343,956	137,791	4,581	10,412	-	12,297	1,142	510,179
Current								
Amortised cost	-	-	280,386	-	-	2,363,023	-	2,643,409
Fair value through profit or loss	-	-	-	-	79,920	-	-	79,920
	-	-	280,386	-	79,920	2,363,023	-	2,723,329
	343,956	137,791	284,967	10,412	79,920	2,375,320	1,142	3,233,508
								Note 9.1
Company								
2023								
Non-current								
Fair value through other comprehensive income	325,535	-	-	-	-	-	-	325,535

NOTES TO THE FINANCIAL STATEMENTS

9. Other investments (cont'd)

Group	Unquoted shares RM'000	Quoted shares RM'000	Quoted bonds RM'000	Quoted unit trusts and REITS RM'000	Unit trust money market funds RM'000	Fixed deposits RM'000	Others RM'000	Total RM'000
2022								
Non-current								
Fair value through other comprehensive income	183,748	170,319	-	9,271	-	-	-	363,338
Amortised cost	-	-	20,156	-	-	11,478	1,112	32,746
	183,748	170,319	20,156	9,271	-	11,478	1,112	396,084
Current								
Amortised cost	-	-	28,541	-	-	1,968,140	-	1,996,681
Fair value through profit or loss	-	-	-	-	72,646	-	-	72,646
	-	-	28,541	-	72,646	1,968,140	-	2,069,327
	183,748	170,319	48,697	9,271	72,646	1,979,618	1,112	2,465,411
								Note 9.1
Company								
2022								
Non-current								
Fair value through other comprehensive income	158,984	-	-	-	-	-	-	158,984

NOTES TO THE FINANCIAL STATEMENTS

9. Other investments (cont'd)

9.1 Fixed deposits placed with licensed banks

Included in the fixed deposits placed with licensed banks of the Group is an amount of **RM343,010,000** (2022 : RM279,902,000) which is pledged for banking/financing facilities granted to certain subsidiaries (see Note 18).

9.2 Key sources of estimation uncertainties

The unquoted shares of the Group are measured at fair value. The fair value is estimated using valuation model based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the unquoted shares.

9.3 Equity investments designated at fair value through other comprehensive income

The Group designated all equity securities, categorised by business sectors as shown below, as fair value through other comprehensive income because the Group intends to hold its equity securities for long-term strategic purposes.

	Fair value at 31 December 2023 RM'000	Dividend income recognised during 2023 RM'000	Fair value at 31 December 2022 RM'000	Dividend income recognised during 2022 RM'000
Group				
Consumer products	343,368	66,068	183,149	34,828
Financial services	41,951	3,417	75,526	3,453
Property	75,960	2,152	76,499	1,653
Others	30,880	2,160	28,164	1,223
	492,159	73,797	363,338	41,157
Company				
Consumer products	325,235	64,500	158,722	32,025
Others	300	76	262	76
	325,535	64,576	158,984	32,101

NOTES TO THE FINANCIAL STATEMENTS

9. Other investments (cont'd)

9.3 Equity investments designated at fair value through other comprehensive income (cont'd)

During the financial year, the Group disposed of the following investments which are carried at fair value through other comprehensive income because they are no longer in line with the Group's strategy.

	Fair value at derecognition	Cumulative loss on disposal	Dividend income recognised during the year
	RM'000	RM'000	RM'000
2023			
Financial services	15,632	(12,363)	834
2022			
Consumer products	6,888	(6,049)	-
Others	104,531	(1,968)	-
	111,419	(8,017)	-

9.4 Material accounting policy information

(a) Equity investments not held for trading

At initial recognition, the Group irrevocably elects to present subsequent changes in the fair value of the investments in other comprehensive income. This election is made on an investment-by-investment basis.

(b) Deposits with licensed banks

The Group classifies deposits with licensed banks not held for working capital purposes that have a maturity of more than three months as other investments.



NOTES TO THE FINANCIAL STATEMENTS

10. **Deferred tax assets/(liabilities) - Group**
Recognised deferred tax assets/(liabilities)

Deferred tax assets/(liabilities) are attributable to the following :

	Assets		Liabilities		Net	
	2023	2022	2023	2022	2023	2022
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	21,999	21,326	(123,050)	(64,002)	(101,051)	(42,676)
Right-of-use of assets	-	-	(58,834)	(5,291)	(58,834)	(5,291)
Investment properties	39,874	-	-	-	39,874	-
Fair value of biological assets	-	-	(8,318)	(12,721)	(8,318)	(12,721)
Provisions	14,235	10,865	(349)	(178)	13,886	10,687
Capital allowances carry-forwards	21,351	28,325	-	-	21,351	28,325
Tax losses carry-forwards	26,249	14,013	-	-	26,249	14,013
Unutilised investment tax allowances	29,129	2,774	-	-	29,129	2,774
Lease liabilities	5,798	3,993	-	-	5,798	3,993
Others	10,646	7,527	-	-	10,646	7,527
Assets classified as held for sale	46,590	-	-	(10,299)	46,590	(10,299)
	215,871	88,823	(190,551)	(92,491)	25,320	(3,668)
Set-off of tax	(32,328)	(35,265)	32,328	35,265	-	-
Net tax assets/(liabilities)	183,543	53,558	(158,223)	(57,226)	25,320	(3,668)
Non-current	136,953	53,558	(158,223)	(57,226)	-	-
Current	46,590	-	-	-	-	-
Net tax assets/(liabilities)	183,543	53,558	(158,223)	(57,226)		

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) - Group (cont'd)

The components and movements of deferred tax assets/(liabilities) are as follows :

	At 31		At 31		Recognised in other comprehensive income RM'000	Recognised in profit or loss RM'000	Recognised in other comprehensive income combinations RM'000	Arising from business combinations RM'000	At 31 December 2023 RM'000
	1 January 2022	Exchange differences	1 January 2023	Exchange differences					
Property, plant and equipment	(27,974)	(311)	(42,676)	58	(7,057)	-	(51,376)	(101,051)	
Right-of-use assets	(5,411)	-	(5,291)	-	263	-	(53,806)	(58,834)	
Investment properties	-	-	-	-	39,874	-	-	39,874	
Fair value of biological assets	(11,372)	-	(12,721)	-	4,403	-	-	(8,318)	
Provisions	6,757	(286)	10,687	273	2,749	177	-	13,886	
Capital allowances									
carry-forwards	27,194	-	28,325	-	(6,974)	-	-	21,351	
Tax losses carry-forwards	11,149	(82)	14,013	318	11,918	-	-	26,249	
Unutilised investment tax allowances	2,668	-	2,774	-	26,355	-	-	29,129	
Lease liabilities	4,884	-	3,993	-	1,805	-	-	5,798	
Others	8,040	234	7,527	(385)	3,504	-	-	10,646	
Assets classified as held for sale	58,655	2,293	(10,299)	(508)	57,397	-	-	46,590	
	74,590	1,848	(3,668)	(244)	134,237	177	(105,182)	25,320	

Note 25

Note 25

Note 26

Note 34

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) - Group (cont'd)

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items (stated at gross and net):

	Gross		Unrecognised deferred tax assets at applicable statutory tax rates	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax losses carry-forwards				
- Expiring not more than five years (see Note (a) below)	260,440	349,208	57,297	76,826
- Expiring not more than ten years (see Note (b) below)	52,462	114,413	12,591	27,459
	312,902	463,621	69,888	104,285
Unutilised reinvestment allowances (see Note (b) below)	11,326	11,326	2,718	2,718
Capital allowances carry-forwards (see Note (c) below)	8,925	3,708	2,142	890
Unutilised investment tax allowances (see Note (c) below)	36,911	1,246	8,859	299
Taxable temporary differences	(5,373)	(1,379)	(1,290)	(331)
Provisions	694	381	167	91
Others	3	15	1	4
	365,388	478,918	82,485	107,956

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) - Group (cont'd)

Unrecognised deferred tax assets (cont'd)

- (a) Tax losses carry-forwards of the Indonesian subsidiaries are subject to a 5-year time limit under the tax legislations of Indonesia.

The tax losses carry-forwards will expire in the following years of assessment under the tax legislations of Indonesia :

	Gross		Unrecognised deferred tax assets at applicable statutory tax rate	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Expire in YA2023	-	136,269	-	29,979
Expire in YA2024	49,977	49,977	10,995	10,995
Expire in YA2025	144,364	144,364	31,760	31,760
Expire in YA2026	250	250	55	55
Expire in YA2027	18,348	18,348	4,037	4,037
Expire in YA2028	47,501	-	10,450	-
	260,440	349,208	57,297	76,826
Expired during the year	133,393	27,764	29,346	6,108

- (b) These tax losses carry-forwards relate to Malaysian subsidiaries and are subject to a 10-year time limit under the tax legislations of Malaysia. Unutilised reinvestment allowances can only be carried forward up to 7 consecutive years of assessment after the expiry/end of the qualifying period.

The tax losses carry-forwards and reinvestment allowances will expire in the following years of assessment under the tax legislations of Malaysia :

	Gross		Unrecognised deferred tax assets at applicable statutory tax rate	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Tax losses carry-forwards				
Expire in YA2028	46,162	96,354	11,079	23,125
Expire in YA2029	363	363	87	87
Expire in YA2030	449	7,104	108	1,705
Expire in YA2031	3,270	9,351	785	2,244
Expire in YA2032	1,241	1,241	298	298
Expire in YA2033	977	-	234	-
	52,462	114,413	12,591	27,459
Reinvestment allowances				
Expire in YA2025	11,326	11,326	2,718	2,718

NOTES TO THE FINANCIAL STATEMENTS

10. Deferred tax assets/(liabilities) - Group (cont'd)

Unrecognised deferred tax assets (cont'd)

- (c) Capital allowances carry-forwards and unutilised investment tax allowances do not expire under the respective countries' tax legislations.

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

10.1 Key sources of estimation uncertainties

Assumptions on generation of future taxable profits depend on management's estimates of future profits. These assumptions are subject to risks and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets recognised in the statements of financial position.

10.2 Global minimum top-up tax

As at 31 December 2023, the governments of the United Kingdom ("UK"), Australia ("AUS"), Vietnam ("VN") and Malaysia ("MY") have substantively enacted new legislation, respectively, to implement the global minimum top-up tax. The Group expects to be subjected to the top-up tax in relation to its operations in these countries. However, since the newly enacted tax legislation in these countries will only come into effect in years 2024 and 2025, respectively, there is no current tax impact for the year ended 31 December 2023.

10.3 Temporary mandatory relief from deferred tax accounting

The Group has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

11. Inventories - Group

	Note	2023 RM'000	2022 RM'000
Non-current			
Land held for property development	11.1	35,893	35,889
Current			
Manufactured inventories		79,140	105,326
Trading inventories		65,111	43,922
Work-in-progress		7,697	5,725
Raw materials		56,270	65,006
Consumable stores and spares		58,285	59,192
Completed development properties		5,407	5,847
Property development costs		2,409	2,364
Hotel stocks		1,359	1,506
		275,678	288,888
Recognised in profit or loss:			
Inventories recognised as cost of sales		3,344,902	2,876,105
Write-down to net realisable value		4,204	268

NOTES TO THE FINANCIAL STATEMENTS

11. Inventories - Group (cont'd)

11.1 Land held for property development

	2023 RM'000	2022 RM'000
Represented by :		
Freehold land	33,972	33,972
Other outgoing	1,921	1,917
	35,893	35,889

11.2 Material accounting policy information

Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is principally calculated using the first-in, first-out method except for certain inventories which are determined on a specific identification basis based on the industries in which they operate in.

12. Biological assets - Group

	2023 RM'000	2022 RM'000
Oil palm fruits ("FFB")	11,944	12,125

During the financial year, the Group has harvested approximately **686,292 tonnes** (2022 : 696,808 tonnes) of FFB. The quantities of unharvested FFB of the Group as at the reporting date are approximately **27,990 tonnes** (2022 : 27,106 tonnes).

12.1 Fair value information

Fair value of biological assets are categorised as follows:

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
2023				
Oil palm fruits	-	-	11,944	11,944
2022				
Oil palm fruits	-	-	12,125	12,125

NOTES TO THE FINANCIAL STATEMENTS

12. Biological assets - Group (cont'd)

12.1 Fair value information (cont'd)

Level 3 fair value

The following table shows a reconciliation of Level 3 fair values:

	2023 RM'000	2022 RM'000
At 1 January	12,125	15,615
Fair value change recognised in profit or loss	(1,940)	(3,020)
Addition through acquisition of a subsidiary (Note 34)	1,158	-
Exchange differences	601	(470)
At 31 December	11,944	12,125

Level 3 fair value is estimated using unobservable inputs for the biological assets. The valuation techniques used in the determination of fair values within Level 3 are as follows:

Description of valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Income approach		
This approach takes into consideration the market prices of fresh fruit bunches ("FFB"), adjusted for estimated oil content of unharvested FFB, less harvesting, transportation and other costs to sell.	Estimated oil content of unripe fruits 14% - 78% (2022 : 14% - 78%)	The estimated fair value would increase/ (decrease) if the estimated oil content of the unripe fruits is higher/(lower).

Valuation processes applied by the Group for Level 3 fair value

The fair value of biological assets is based on the Directors' estimates using the income approach.

NOTES TO THE FINANCIAL STATEMENTS

13. Trade and other receivables

	Note	2023 RM'000	2022 RM'000
Group			
Non-current			
Advances for plasma plantations	13.1	30,641	33,768
Current			
Trade			
<i>Trade receivables from contracts with customers</i>			
Third parties		382,238	285,851
Amount due from associates		5,185	10,269
		387,423	296,120
Non-trade			
Other receivables	13.2	46,933	45,844
Interest receivables		24,695	13,941
Deposits	13.3	52,317	35,819
Prepayments		9,876	14,779
Indirect tax refundable		29,688	25,393
		163,509	135,776
		550,932	431,896
Company			
Current			
Non-trade			
Amount due from subsidiaries	13.4	968	2,096
Other receivables		-	2
Deposits	13.3	44,757	28,750
Prepayments		194	185
		45,919	31,033

NOTES TO THE FINANCIAL STATEMENTS

13. Trade and other receivables (cont'd)

13.1 Advances for plasma plantations

This represents the development costs of plasma plantations, such as cost of nursery, land clearing, fertilising, maintenance and other overhead costs.

13.2 Other receivables

Included in other receivables of the Group are as follows :

- a) an amount of **RM3,689,000** (2022 : RM6,301,000) representing advance payments made for the acquisition of land;
- b) an amount of **RM13,814,000** (2022 : RM14,800,000) representing lease income receivable from investment properties.

13.3 Deposits

Included in deposits of the Group and Company is an amount of RM44,733,000 representing deposits related to the Proposed Land Acquisitions which are yet to be completed as at year end (Note 35.2 and Note 36.1). In the previous financial year, included in deposits of the Group and Company was an amount of RM28,728,000 representing deposits related to share applications which were yet to be completed as at year end.

13.4 Amount due from subsidiaries

The amount due from subsidiaries is unsecured, interest-free and repayable on demand.

14. Cash and cash equivalents

	Note	2023 RM'000	2022 RM'000
Group			
Fixed deposits with licensed banks	14.1	1,702,473	1,599,261
Cash and bank balances	14.2	610,141	1,341,667
Unit trust money market funds		338,895	159,714
		2,651,509	3,100,642
Company			
Fixed deposits with licensed banks		31,623	53,028
Cash and bank balances	14.2	9,316	58,549
Unit trust money market funds		257,828	146,435
		298,767	258,012

NOTES TO THE FINANCIAL STATEMENTS

14. Cash and cash equivalents (cont'd)

14.1 Fixed deposits with licensed banks

Included in fixed deposits with licensed banks of the Group is an amount of **RM778,643,000** (2022 : RM585,774,000) which is pledged for banking/financing facilities granted to certain subsidiaries (see Note 18).

14.2 Cash and bank balances

Included in cash and bank balances are :

- i) an amount of **RM102,307,000** (2022 : RM628,080,000) of the Group and **RM9,299,000** (2022: RM31,858,000) of the Company, which bears interest at rates ranging from **0.76% to 2.90%** (2022 : 0.64% to 2.55%) per annum and **1.30% to 2.55%** (2022: 2.55%) per annum respectively; and
- ii) an amount of **RM231,000** (2022 : RM228,000) of the Group held pursuant to Section 7A of the Housing Development (Control and Licensing) Act, 1966 and is restricted from use in other operations.

15. Assets classified as held for sale - Group

	2023	2022
	RM'000	RM'000
Assets classified as held for sale		
Property, plant and equipment	19,129	18,225
Investment properties	11,905	11,347
	31,034	29,572

On 5 January 2023, the Group exchanged on a contract for the sale of a hotel property and adjoining surplus land within the hotels and resorts segment for a total consideration of RM234,000,000 with the settlement in March 2024. Accordingly, the hotel property was classified as asset classified as held for sale as at 31 December 2023.

The carrying values of property, plant and equipment and investment properties of the disposal group are the same as their carrying values before they were reclassified to current asset.

16. Share capital - Group/Company

	2023		2022	
	Amount RM'000	Number of shares '000	Amount RM'000	Number of shares '000
Ordinary stocks, issued and fully paid with no par value classified as equity instruments	620,462	620,394	620,462	620,394

NOTES TO THE FINANCIAL STATEMENTS

16. Share capital - Group/Company (cont'd)

16.1 Ordinary stocks

The holders of ordinary stocks are entitled to receive dividends as declared from time to time, and are entitled to one vote per stock at meetings of the Company.

17. Reserves - Group/Company

17.1 Foreign currency translation reserve

The foreign currency translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

17.2 Fair value reserve

The fair value reserve comprises the cumulative net change in the fair value of equity instruments designated at fair value through other comprehensive income until the assets are derecognised or impaired.

17.3 Capital reserve

The capital reserve comprises the surplus on sale of land and building and long-term investments.

17.4 Treasury stocks

Treasury stocks comprise cost of acquisition of the Company's own shares. As at 31 December 2023, the Group held **31,808** (2022 : 31,808) of the Company's own shares. Treasury stocks have no rights to voting, dividends and participation in distribution.

NOTES TO THE FINANCIAL STATEMENTS

18. Borrowings

	2023 RM'000	2022 RM'000
Group		
Non-current		
Secured :		
Term loans	213,121	175,613
Unsecured :		
Revolving credit	703,350	-
Hire purchase financing	1,112	506
	<u>917,583</u>	<u>176,119</u>
Current		
Secured :		
Revolving credit	1,378,561	1,327,481
Term loans	15,209	52,279
	<u>1,393,770</u>	<u>1,379,760</u>
Unsecured :		
Revolving credit	365,408	262,649
Bankers' acceptances	58,324	35,877
	<u>423,732</u>	<u>298,526</u>
Hire purchase financing	824	510
	<u>1,818,326</u>	<u>1,678,796</u>
	<u>2,735,909</u>	<u>1,854,915</u>
Company		
Non-current		
Unsecured :		
Revolving credit	703,350	-
Current		
Unsecured :		
Revolving credit	72,650	-
	<u>776,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

18. Borrowings (cont'd)

18.1 Security

The secured bank borrowings are secured by way of the Group's fixed deposits (see Note 9 and Note 14), right-of-use assets (see Note 4) with a carrying amount of **RM9,299,000** (2022: RM9,410,000), and investment properties (see Note 6) of **RM280,237,000** (2022 : RM288,610,000).

19. Retirement benefits - Group

The Group provides defined post-employment benefits for its qualifying employees in plantation companies in accordance with Indonesian Labor Law No.13/2003.

Movements in the net defined benefit liability

	2023 RM'000	2022 RM'000
Balance at 1 January	23,790	26,235
Included in profit or loss		
Current service cost	3,822	3,000
Interest cost	1,839	1,557
Past service cost/(credit)	1,298	(3,365)
	6,959	1,192
Included in other comprehensive income		
Remeasurement loss/(gain)		
- Actuarial loss/(gain) arising from change in financial assumptions	804	(1,630)
Benefits paid	(1,734)	(1,146)
Exchange differences	1,364	(861)
Balance at 31 December	31,183	23,790

Actuarial assumptions

The cost of providing post-employment benefits is calculated by an independent actuary. The actuarial valuation was carried out using the following key assumptions :

	2023	2022
Discount rate	6.75% per annum	7.25% per annum
Future salary incremental rate	8.00% - 10.00% per annum	8.00% - 10.00% per annum

NOTES TO THE FINANCIAL STATEMENTS

19. Retirement benefits - Group (cont'd)

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below :

	2023		2022	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Discount rate (1% movement)	(2,415)	2,737	(1,806)	2,039
Future salary incremental rate (1% movement)	2,909	(2,593)	2,166	(1,938)

20. Contract liabilities - Group

	2023 RM'000	2022 RM'000
Non-current	39,570	48,202
Current	13,109	18,846
	52,679	67,048

The contract liabilities primarily relate to the advance consideration received from customers, which revenue is recognised over time. The contract liabilities are expected to be recognised as revenue over a period of 5 years.

	Free servicing RM'000	Extended warranty RM'000	Total RM'000
At 1 January 2022	40,092	34,995	75,087
Revenue deferred during the year	34,989	1,598	36,587
Amounts recognised as revenue during the year	(36,047)	(13,171)	(49,218)
Exchange differences	2,451	2,141	4,592
At 31 December 2022/1 January 2023	41,485	25,563	67,048
Revenue deferred during the year	26,804	3,146	29,950
Amounts recognised as revenue during the year	(30,383)	(18,129)	(48,512)
Exchange differences	2,595	1,598	4,193
At 31 December 2023	40,501	12,178	52,679

Contract liabilities represent deferred income relating to extended warranty and free servicing for motor vehicles sold.

NOTES TO THE FINANCIAL STATEMENTS

21. Trade and other payables

Group	Note	2023 RM'000	2022 RM'000
Trade			
Trade payables		181,264	155,958
Deposits received from customers		10,669	2,770
		191,933	158,728
Non-trade			
Amount due to associates	21.1	4,992	2,867
Other payables		156,224	120,245
Accrued expenses		63,705	52,298
		224,921	175,410
		416,854	334,138
Company			
Non-trade			
Other payables		667	465
Accrued expenses		445	370
		1,112	835

21.1 Amount due to associates

The amount due to associates is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Revenue from contracts with customers	4,021,305	3,618,871	-	-
Other revenue				
- Interest income from financial assets at amortised cost	161,449	70,464	9,148	9,137
- Dividend income	74,499	41,321	326,304	228,182
- Lease income from investment properties	80,549	77,065	2,678	2,643
- Others	18,266	19,331	917	841
	334,763	208,181	339,047	240,803
Total revenue	4,356,068	3,827,052	339,047	240,803

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.1 Disaggregation of revenue

Group	Reportable segments							Total RM'000
	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	
2023								
Primary geographical markets								
- Malaysia	1,471,962	286,292	9,870	70,590	-	479,506	116,293	2,434,513
- Singapore	603,393	-	38,324	-	-	-	-	641,717
- Indonesia	-	-	-	720,049	-	-	-	720,049
- Australia	-	-	64,532	-	-	-	-	64,532
- Others	61,124	1,785	96,634	-	-	951	-	160,494
	2,136,479	288,077	209,360	790,639	-	480,457	116,293	4,021,305
Major products and service lines								
Sale of cars and accessories	1,563,410	-	-	-	-	-	-	1,563,410
Car services	184,095	-	-	-	-	-	-	184,095
Commission income	20,998	-	-	-	-	90	-	21,088
Sale of automotive manufacturing products	367,976	-	-	-	-	-	-	367,976
Sale of plastic products	-	288,077	-	-	-	-	-	288,077
Hotel services	-	-	209,360	-	-	-	-	209,360
FFB, crude palm oil and palm kernel	-	-	-	790,639	-	-	-	790,639
Sale of building material products	-	-	-	-	-	398,523	-	398,523
Sale of ready-mixed concrete and quarry products	-	-	-	-	-	81,844	-	81,844
Healthcare services	-	-	-	-	-	-	116,293	116,293
	2,136,479	288,077	209,360	790,639	-	480,457	116,293	4,021,305

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.1 Disaggregation of revenue (cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Reportable segments			Investment properties and trading of building material products RM'000	Healthcare RM'000	Total RM'000
					Investment holding RM'000	Investment holding RM'000	Investment holding RM'000			
Group										
2023										
Timing and recognition										
- At a point in time	1,995,561	282,765	-	790,639	-	-	480,457	5,583	3,555,005	
- Over time	140,918	5,312	209,360	-	-	-	-	110,710	466,300	
	2,136,479	288,077	209,360	790,639	-	-	480,457	116,293	4,021,305	
Revenue from contracts with customers	2,136,479	288,077	209,360	790,639	-	-	480,457	116,293	4,021,305	
Other revenue										
- Interest income	91,746	5,517	19,655	36,377	4,502	4,502	3,122	530	161,449	
- Dividend income	6,484	-	-	1,568	66,257	66,257	11	179	74,499	
- Lease income	14,832	5,569	36,577	1,129	1,034	1,034	20,043	1,365	80,549	
- Others	15,071	-	2,279	-	916	916	-	-	18,266	
Total revenue	2,264,612	299,163	267,871	829,713	72,709	72,709	503,633	118,367	4,356,068	

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd) 22.1 Disaggregation of revenue (cont'd)

	Reportable segments							Total RM'000
	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	
Group								
2022								
Primary geographical markets								
- Malaysia	1,231,338	240,834	9,242	78,097	-	402,759	92,889	2,055,159
- Singapore	562,109	1,613	24,675	-	-	-	-	588,397
- Indonesia	-	38	-	773,557	-	-	-	773,595
- Australia	-	2,324	46,987	-	-	-	-	49,311
- Others	37,289	10,941	102,788	-	-	1,391	-	152,409
	1,830,736	255,750	183,692	851,654	-	404,150	92,889	3,618,871
Major products and service lines								
Sale of cars and accessories	1,352,399	-	-	-	-	-	-	1,352,399
Car services	170,777	-	-	-	-	-	-	170,777
Commission income	20,473	-	-	-	-	249	-	20,722
Sale of automotive manufacturing products	287,087	-	-	-	-	-	-	287,087
Sale of plastic products	-	255,750	-	-	-	-	-	255,750
Hotel services	-	-	183,692	-	-	-	-	183,692
FFB, crude palm oil and palm kernel	-	-	-	851,654	-	-	-	851,654
Sale of building material products	-	-	-	-	-	330,127	-	330,127
Sale of ready-mixed concrete and quarry products	-	-	-	-	-	73,774	-	73,774
Healthcare services	-	-	-	-	-	-	92,889	92,889
	1,830,736	255,750	183,692	851,654	-	404,150	92,889	3,618,871

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.1 Disaggregation of revenue (cont'd)

	Reportable segments							Total RM'000
	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	
Group								
2022								
Timing and recognition								
- At a point in time	1,717,278	250,148	-	851,654	-	404,150	5,315	3,228,545
- Over time	113,458	5,602	183,692	-	-	-	87,574	390,326
	1,830,736	255,750	183,692	851,654	-	404,150	92,889	3,618,871
Revenue from contracts with customers	1,830,736	255,750	183,692	851,654	-	404,150	92,889	3,618,871
Other revenue								
- Interest income	25,954	3,380	5,811	29,154	4,176	1,727	262	70,464
- Dividend income	4,291	-	-	2,803	34,116	10	101	41,321
- Lease income	13,288	5,529	36,664	887	762	18,764	1,171	77,065
- Others	17,142	-	1,349	-	840	-	-	19,331
	1,891,411	264,659	227,516	884,498	39,894	424,651	94,423	3,827,052
Total revenue	1,891,411	264,659	227,516	884,498	39,894	424,651	94,423	3,827,052

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.2 Nature of goods and services

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Automotive and related products - Cars and accessories	Revenue is recognised when goods are delivered to the customer and all criteria for acceptance have been satisfied. Certain sales of new cars come with standard warranty of three years and extended warranty of two years. The extended warranty is accounted for as a separate performance obligation (PO). Certain sales of new cars are given free service package which is also accounted for as a separate PO. A portion of the transaction price is allocated to these POs based on the relative stand-alone selling prices. The amount allocated to the POs is deferred in the statement of financial position as "contract liabilities" and is recognised as "service revenue" over the extended warranty period for extended warranty and free service package.	Advance payment is required before the delivery for the sales of new cars and used cars that do not have hire-purchase financing. For the sale of parts and accessories, payment is due when goods are delivered to the customers.	Not applicable.	Not applicable.	Certain sales of new cars come with warranty of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Automotive and related products (cont'd)					
- Car services	Revenue is recognised when service is performed. For sale of extended warranty and servicing package, consideration received is deferred in the statement of financial position as "contract liabilities" and is recognised as revenue over the extended warranty or service period.	Payment is due upon sale of extended warranty and servicing package or when services are performed to the customers.	Not applicable.	Not applicable.	Not applicable.
- Commission income	Revenue is recognised when commission becomes receivable.	Payment is due when commission becomes receivable.	Not applicable.	Not applicable.	Not applicable.
- Automotive manufacturing products	Revenue is recognised when goods are delivered and accepted by the customers at their premises.	Credit period of 60 days from invoice month.	Not applicable.	The Group allows returns of defect goods only for exchange with new goods (i.e. no cash refunds are offered).	Assurance warranties of 3 years are given to customers.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Plastic products					
- Plastic products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customers at their premises. Revenue is recognised over time as and when costs are incurred when the goods have no alternative use and the Group has enforceable rights to payment for the work performed.	Credit period of 60 days from invoice date.	Not applicable.	Not applicable.	Warranties of 2 years or 300,000 shots, whichever comes first, apply to new molds. Not applicable for other plastic products.
Hotels and resorts					
- Hotel services	Revenue is recognised when services are rendered over time.	Payment on departure or within 30 - 45 days if on account.	Not applicable.	Not applicable.	Not applicable.
Plantation					
- FFB, crude palm oil and palm kernel	Revenue is recognised when the goods are delivered and accepted by the customers at their premises.	Cash term.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Investment properties and trading of building material products - Building material products	Revenue is recognised upon satisfaction of performance obligations and is recognised at a point in time.	Credit period of 60 - 90 days based on invoice date.	Not applicable.	Not applicable.	Not applicable.
- Ready-mixed concrete and quarry products	Revenue is recognised at a point in time when the goods are delivered and accepted by the customer at their premises.	Credit period of 60 - 90 days based on invoice date.	For sale of ready-mixed concrete, the expected value method is used to predict the payment discounts based on historical trends.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.2 Nature of goods and services (cont'd)

Nature of goods or services	Timing of recognition or method used to recognise revenue	Significant payment terms	Variable element in consideration	Obligation for returns or refunds	Warranty
Healthcare - Healthcare services	Revenue is recognised during the period the obligations to provide healthcare services are satisfied. The performance obligations for in-patient services are generally satisfied over a period of average 3 days, and revenue is recognised as and when a healthcare service is being performed. The performance obligations for outpatient and daycare services are generally satisfied over a period of less than one day.	Cash or credit terms typically within 30 - 60 days, in line with market practice without any financing component.	Not applicable.	Not applicable.	Not applicable.

NOTES TO THE FINANCIAL STATEMENTS

22. Revenue (cont'd)

22.3 Transaction price allocated to the remaining performance obligations

The following table shows revenue from performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date. The disclosure is only providing information of contracts that have a duration of more than one year.

2023

	2024 RM'000	2025 RM'000	2026 and onwards RM'000	Total RM'000
Car services	13,108	18,757	20,813	52,678

2022

	2023 RM'000	2024 RM'000	2025 and onwards RM'000	Total RM'000
Car services	18,845	22,018	26,185	67,048

The Group applies the following practical expedients:

- exemption on disclosure of information on remaining performance obligations that have original expected duration of one year or less.
- exemption not to adjust the promised amount of consideration for the effects of a significant financing component when the period between the transfer of a promised goods or service to a customer and when the customer pays for that goods or service is one year or less.

22.4 Significant judgements and estimation uncertainty

Judgements were used to estimate the allocation of "stand-alone" selling price of providing these warranty and servicing. The "stand-alone" selling price of extended warranty is estimated based on the Group's estimates from past experience and future expectation, and an assessment of the probability of an outflow for the extended warranty performance obligations. Meanwhile, "stand-alone" selling price of free servicing is estimated based on the market value of such services according to the Group's price list.

23. Finance costs

	2023 RM'000	2022 RM'000
Group		
Interest expense on financial liabilities that are not at fair value through profit or loss	113,565	41,465
Interest expense on lease liabilities	1,172	1,102
	<u>114,737</u>	<u>42,567</u>

NOTES TO THE FINANCIAL STATEMENTS

23. Finance costs (cont'd)

	2023 RM'000	2022 RM'000
Group		
Recognised in profit or loss	94,093	40,420
Capitalised on qualifying assets:		
- property, plant and equipment (Note 3.1)	20,644	2,147
	114,737	42,567
Company		
Interest expense on financial liabilities that are not at fair value through profit or loss	8,206	-
Recognised in profit or loss	8,206	-

24. Profit before tax

Profit before tax is arrived at after charging/(crediting) :

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Auditors' remuneration				
Audit fees				
- KPMG PLT Malaysia				
- current year	1,047	950	270	240
- prior year	22	68	2	20
- Overseas affiliates of KPMG PLT Malaysia				
- current year	898	780	-	-
- prior year	74	8	-	-
- Other auditors				
- current year	1,942	1,562	-	-
- prior year	169	10	-	-
Non-audit fees				
- KPMG PLT Malaysia	7	7	7	7
- Local affiliates of KPMG PLT Malaysia				
- current year	557	322	112	118
- prior year	12	19	-	-
- Overseas affiliates of KPMG PLT Malaysia				
- current year	339	218	-	-
- prior year	44	(1)	-	-
- Other auditors				
- current year	302	249	265	161
- prior year	17	1	10	-

NOTES TO THE FINANCIAL STATEMENTS

24. Profit before tax (cont'd)

Profit before tax is arrived at after charging/(crediting) (cont'd) :

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Material expenses/(income)				
Directors' remunerations				
Directors of the Company :				
- fees				
- current year	1,531	1,572	979	1,050
- prior year	-	25	-	-
- remuneration and other expenses				
- current year	20,697	23,656	525	578
- prior year	126	(256)	-	-
- benefits-in-kind	1,510	36	-	-
Past Directors of the Company :				
- fees	89	-	89	-
- other expenses	64	-	64	-
Assets written off				
- property, plant and equipment	2,563	142	-	-
- right-of-use assets	3	-	-	-
- investment properties	712	-	-	-
Impairment loss/(Reversal of impairment loss) on :				
- property, plant and equipment	22,248	6,578	-	-
- investment properties	17,395	(4,909)	-	-
- interests in subsidiaries	-	-	-	(6,025)
Gain on disposal of :				
- property, plant and equipment	(2,302)	(3,829)	(24)	(1)
- right-of-use assets	(7)	(6)	-	-
- investment properties	-	(15)	-	-
- asset classified as held for sale	-	(211,983)	-	-
- debt instruments at amortised cost	(477)	(732)	-	-
(Gain)/Loss on liquidation of :				
- a subsidiary	(3,097)	41	-	-
- an associate	-	443	-	(1,245)
Gain on remeasurement of non-controlling interest previously held in an associate (Note 34.1)	(116,397)	-	-	-
Gain from a bargain purchase on step acquisition of an associate (Note 34.1)	(102,372)	-	-	-
Fair value change from financial assets designated at FVTPL	-	25	-	-
(Gain)/Loss on foreign exchange (net) :				
- Unrealised	(3,620)	43,374	1	(1)
- Realised	(7,537)	(129,408)	-	(25)
Bad debts written off (net)	1,271	1,726	-	-
Staff costs (Note 24.1)	491,426	433,807	3,382	3,075
Government grants (Note 24.2)	(334)	(1,600)	-	-

NOTES TO THE FINANCIAL STATEMENTS

24. Profit before tax (cont'd)

Profit before tax is arrived at after charging/(crediting) (cont'd) :

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net (gain)/loss on impairment of financial instruments				
Financial assets at amortised cost	(222)	149	-	-
Expenses arising from leases				
Expenses relating to short-term leases	5,664	4,119	70	68
Expenses relating to leases of low value assets	216	299	4	4

24.1 Included in staff costs of the Group and of the Company is an amount of **RM29,532,000** (2022 : RM27,129,000) and **RM462,000** (2022 : RM420,000) respectively representing contributions made to the Employees' Provident Fund.

24.2 The government grants represent the total grants received by the Group, as wage subsidies to retain local employees during the approved period of economic uncertainties brought about by the Coronavirus (COVID-19) outbreak.

25. Tax expense

Recognised in profit or loss

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Income tax expense on continuing operations	59,615	182,176	2,819	2,807
Share of tax of equity accounted associates	8,679	20,609	-	-
Total income tax expense	68,294	202,785	2,819	2,807

NOTES TO THE FINANCIAL STATEMENTS

25. Tax expense (cont'd)

Major components of tax expense include :

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Current tax expense				
Malaysian - current year	64,983	19,070	2,821	2,808
- prior years	(466)	222	(2)	(1)
	64,517	19,292	2,819	2,807
Overseas - current year	125,684	77,430	-	-
- prior years	3,651	5,706	-	-
	129,335	83,136	-	-
Total current tax	193,852	102,428	2,819	2,807
Deferred tax expense				
Origination and reversal of temporary differences	(134,060)	79,143	-	-
Prior year	(177)	605	-	-
Total deferred tax	(134,237)	79,748	-	-
	59,615	182,176	2,819	2,807
Share of tax of equity accounted associates	8,679	20,609	-	-
Total tax expense	68,294	202,785	2,819	2,807

NOTES TO THE FINANCIAL STATEMENTS

25. Tax expense (cont'd)

Reconciliation of tax expense

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Profit for the year	559,887	638,048	325,747	241,552
Total tax expense	68,294	202,785	2,819	2,807
Profit excluding tax	628,181	840,833	328,566	244,359
Income tax at Malaysian tax rate of 24%	150,764	201,800	78,856	58,646
Effect of tax rates in foreign jurisdictions **	(15,091)	(1,126)	-	-
Non-deductible expenses	33,369	30,879	4,050	84
Income not subject to tax	(72,479)	(26,138)	(80,077)	(55,921)
Increase/(Decrease) in deferred tax assets not recognised	3,875	(10,602)	-	-
Investment tax allowance claimed during the year	(34,917)	-	-	-
Others	(235)	1,439	(8)	(1)
Under/(Over) provision in prior years	3,008	6,533	(2)	(1)
	68,294	202,785	2,819	2,807

** The tax rates in several foreign jurisdictions are different from that of the Malaysian tax rate as the subsidiaries operate in foreign tax jurisdictions with lower or higher tax rates as the case may be.

25.1 Judgements and estimation uncertainty

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for tax based on estimates of assessment of the tax liability due. The Group also recognises certain tax recoverable for which the Group believes that there is reasonable basis for recognition. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions and tax recoverable balance in the financial year in which such determination is made.

NOTES TO THE FINANCIAL STATEMENTS

	2023		2022	
	Before tax RM'000	Tax expense RM'000	Before tax RM'000	Tax expense RM'000
26. Other comprehensive income/(expense) - Group				
Items that will not be reclassified subsequently to profit or loss				
Remeasurement of defined benefit liability	(804)	177	1,630	(358)
Net change in fair value of equity instruments designated at fair value through other comprehensive income	157,486	-	(121,746)	-
	156,682	177	(120,116)	(358)
				1,272
				(121,746)
				(120,474)
Items that are or may be reclassified subsequently to profit or loss				
Foreign currency translation differences for foreign operations	285,523	-	75,901	-
- Gain arising during the year				75,901
Foreign currency translation differences realised on liquidation of a subsidiary	2,409	-	-	-
	287,932	-	75,901	-
				75,901
	444,614	177	(44,215)	(358)
				(44,573)
Share of other comprehensive income of equity accounted associates		3,091		450
				450
				(44,123)

NOTES TO THE FINANCIAL STATEMENTS

27. Basic earnings per ordinary stock

The basic earnings per ordinary stock have been calculated based on the profit attributable to the stockholders of the Company and the number of stocks in issue of **620,361,830** (2022 : 620,361,830), after deducting the treasury stocks of **31,808** (2022 : 31,808).

28. Dividends

Dividends recognised by the Group and the Company are :

	Sen per share	Total amount RM'000	Date of payment
2023			
In respect of financial year 2023			
- First interim single tier dividend	20	124,072	16 November 2023
In respect of financial year 2022			
- Final single tier dividend	20	124,072	13 July 2023
		<u>248,144</u>	
2022			
In respect of financial year 2022			
- First interim single tier dividend	20	124,072	17 November 2022
In respect of financial year 2021			
- Second interim single tier dividend	20	124,072	29 March 2022
- Final single tier dividend	10	62,036	14 July 2022
		<u>310,180</u>	

A final single tier dividend of 20 sen per ordinary stock has been recommended by the Directors in respect of the year ended 31 December 2023, subject to approval of the stockholders at the forthcoming Annual General Meeting.

The financial statements do not reflect the final single tier dividend in relation to the financial year ended 31 December 2023, which will be accounted for as an appropriation of retained earnings in the year ending 31 December 2024.

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments

For management purposes, the Group is organised into business units based on their products and services, and has the following main reportable segments :

<i>Automotive and related products</i>	Retailer and distributor of motor vehicles; manufacture of engines, seats and other related parts as well as traders of spare parts, accessories and related component parts
<i>Plastic products</i>	Manufacture, assembly and distribution of plastic component parts; manufacture of plastic technical and industrial goods and equipment
<i>Hotels and resorts</i>	Hotelier
<i>Plantation</i>	Cultivation of oil palm
<i>Investment holding</i>	Investment in shares and bonds, letting of properties and leasing companies
<i>Investment properties and trading of building material products</i>	<ul style="list-style-type: none"> a) Property development; b) manufacture of wire netting, wire mesh, barbed wire, weld mesh, nails and building materials; c) distributor of cement and manufacturer and dealer of concrete products; and
<i>Healthcare</i>	Medical centre, nursing college and integrated lifestyle retail pharmacy

Except as indicated above, no operating segment has been aggregated to form the above reportable operating segments.

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 financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	Total segments RM'000	Reconciliation/ Elimination RM'000	Note	Total per consolidated financial statements RM'000
2023											
Revenue from external customers	2,264,612	299,163	267,871	829,713	72,709	503,633	118,367	4,356,068	-		4,356,068
Inter-segment revenue	1,770	114	1	-	21,162	63	-	23,110	(23,110)	A	-
Total revenue	2,266,382	299,277	267,872	829,713	93,871	503,696	118,367	4,379,178	(23,110)		4,356,068
Results											
Interest income	91,746	5,517	19,655	36,377	4,502	3,122	530	161,449	-		161,449
Dividend income	6,484	-	-	1,568	66,257	11	179	74,499	-		74,499
Depreciation and amortisation	39,501	19,300	25,412	73,467	392	10,018	8,341	176,431	-		176,431
Share of results of associates	11,787	10,513	-	737	25,209	932	-	49,178	-		49,178
Impairment loss on non-financial assets	563	-	17,938	3,747	-	17,395	-	39,643	-		39,643
Other non-cash expenses	7,788	14	978	24,582	8,410	1,790	46	43,608	-	B	43,608
Segment profit	184,155	32,729	44,991	124,129	277,177	(16,034)	17,270	664,417	(44,915)	C	619,502
Assets											
Investments in associates	185,233	131,772	-	15,859	340,164	(32,980)	-	640,048	-		640,048
Additions to non-current assets	139,911	11,660	3,672	98,323	15,222	15,175	8,214	292,177	-	D	292,177
Segment assets	3,462,913	350,692	1,268,018	3,489,952	839,750	1,143,049	240,478	10,794,852	862,185	E	11,657,037

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (cont'd)

	Automotive and related products RM'000	Plastic products RM'000	Hotels and resorts RM'000	Plantation RM'000	Investment holding RM'000	Investment properties and trading of building material products RM'000	Healthcare RM'000	Total segments RM'000	Reconciliation/ Elimination RM'000	Note	Total per consolidated financial statements RM'000
2022											
Revenue from external customers	1,891,411	264,659	227,516	884,498	39,894	424,651	94,423	3,827,052	-	-	3,827,052
Inter-segment revenue	583	431	-	-	19,407	126	8	20,555	(20,555)	A	-
Total revenue	1,891,994	265,090	227,516	884,498	59,301	424,777	94,431	3,847,607	(20,555)		3,827,052
Results											
Interest income	25,954	3,380	5,811	29,154	4,176	1,727	262	70,464	-	-	70,464
Dividend income	4,291	-	-	2,803	34,116	10	101	41,321	-	-	41,321
Depreciation and amortisation	32,721	13,490	31,280	59,968	755	9,852	6,828	154,894	-	-	154,894
Share of results of associates	11,463	8,293	-	5,454	41,795	6,508	-	73,513	-	-	73,513
Impairment loss on non-financial assets	1,121	-	-	5,457	-	-	-	6,578	-	-	6,578
Reversal of impairment loss on non-financial assets	-	-	-	-	-	(4,909)	-	(4,909)	-	-	(4,909)
Other non-cash expenses	17,569	-	1,686	34,233	10,602	1,982	3	66,075	-	B	66,075
Segment profit	83,966	20,869	248,507	343,448	72,048	10,082	8,211	787,131	33,093	C	820,224
Assets											
Investments in associates	162,838	124,693	-	15,257	313,750	15,078	-	631,616	-	-	631,616
Additions to non-current assets	60,203	22,530	3,792	68,341	2,424	3,198	5,526	166,014	-	D	166,014
Segment assets	3,325,985	334,723	1,196,007	2,874,981	624,182	1,120,399	228,758	9,705,035	697,955	E	10,402,990

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements

- A Inter-segment revenue are eliminated on consolidation.
- B Other material non-cash expenses consist of the following items as presented in the respective notes to the financial statements :

	Note	2023 RM'000	2022 RM'000
Assets written off :			
- property, plant and equipment	24	2,563	142
- right-of-use assets	24	3	-
- investment properties	24	712	-
Write-down of inventories, gross		4,204	1,057
Bad and doubtful debts, gross		1,271	1,875
Unrealised loss on foreign exchange, gross		27,698	61,626
Loss on disposal of :			
- property, plant and equipment, gross		-	158
- debt instruments at amortised cost		198	-
Fair value change from financial asset designated at FVTPL	24	-	25
Provision for retirement benefits	19	6,959	1,192
		<u>43,608</u>	<u>66,075</u>

- C The following items are added to/(deducted from) segment profit to arrive at "profit before tax" presented in the consolidated statement of comprehensive income :

	2023 RM'000	2022 RM'000
Share of profit after tax of equity accounted associates	49,178	73,513
Interest expense	(94,093)	(40,420)
	<u>(44,915)</u>	<u>33,093</u>

NOTES TO THE FINANCIAL STATEMENTS

29. Operating segments (cont'd)

D Additions to non-current asset other than financial instruments and deferred tax assets consist of :

	Note	2023 RM'000	2022 RM'000
Property, plant and equipment	3	162,737	131,748
Right-of-use assets	4	112,246	30,238
Intangible assets	5	99	1,154
Investment properties	6	17,091	2,872
Land held for property development		4	2
		<u>292,177</u>	<u>166,014</u>

E The following items are added to segment assets to arrive at total assets reported in the consolidated statement of financial position :

	2023 RM'000	2022 RM'000
Investments in associates	640,048	631,616
Current tax assets	38,594	12,781
Deferred tax assets	183,543	53,558
	<u>862,185</u>	<u>697,955</u>

Geographical information

Revenue and non-current assets information are based on the geographical location of customers and assets respectively. The amounts of non-current assets do not include investments in associates, other investments and deferred tax assets. Geographical information for revenue is as disclosed in Note 22.1.

	Malaysia RM'000	Singapore RM'000	Indonesia RM'000	Australia RM'000	Others RM'000	Consolidated RM'000
2023						
Non-current assets by location of assets	<u>1,889,848</u>	<u>316,123</u>	<u>982,030</u>	<u>451,404</u>	<u>400,842</u>	<u>4,040,247</u>
2022						
Non-current assets by location of assets	<u>1,384,455</u>	<u>211,564</u>	<u>921,029</u>	<u>460,429</u>	<u>399,024</u>	<u>3,376,501</u>

Major customers

There are no customers with revenue equal to or more than 10% of the Group's total revenue.

NOTES TO THE FINANCIAL STATEMENTS

30. Commitments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Property, plant and equipment - contracted but not provided for	<u>72,357</u>	<u>88,464</u>	<u>-</u>	<u>1,872</u>

31. Related parties

Significant related party transactions

Significant transactions with related parties other than those disclosed elsewhere in the financial statements are as follows :

a) With subsidiaries

	Company	
	2023 RM'000	2022 RM'000
i) Lease income	2,603	2,568
ii) Interest income	7,435	6,218
iii) Guarantee fee income	489	510
iv) Dividend income	<u>260,161</u>	<u>161,383</u>

b) With associates

	Group	
	2023 RM'000	2022 RM'000
i) Sale of goods	45,157	53,907
ii) Purchase of goods	23,329	12,121
iii) Dividend income	<u>7,735</u>	<u>66,249</u>

	Company	
	2023 RM'000	2022 RM'000
i) Dividend income	<u>1,048</u>	<u>34,638</u>

NOTES TO THE FINANCIAL STATEMENTS

31. Related parties (cont'd)

Significant related party transactions (cont'd)

- c) With Boon Siew Sdn Berhad ("BSSB") Group of companies. BSSB holds a 44.3% interest in the Company and presumed to exercise significant influence over the Company. The subsidiaries, direct and indirect associates of BSSB are referred as Boon Siew Group of companies.

	Group	
	2023	2022
	RM'000	RM'000
i) Commission receivable in respect of advertising, marketing and hotel reservation services	1,258	1,493
ii) Sale of goods and services	900	1,319
iii) Purchase of goods	2,078	2,057
iv) Lease income	3,527	3,388
v) Lease payments	882	865
vi) Acquisition of shares	<u>802,258</u>	<u>-</u>

- d) With a company in which a Director has a substantial financial interest

	Group	
	2023	2022
	RM'000	RM'000
i) Sale of goods	<u>-</u>	<u>26</u>

- e) There were no transactions with the Directors and key management personnel other than the remuneration package paid to them in accordance with the terms and conditions of their appointment as disclosed in Note 24.

The Directors of the Company are of the opinion that the above transactions were based on terms which have been established on a negotiated basis.

The significant non-trade balances with related parties at end of reporting period are as disclosed in Note 13 and Note 21 to the financial statements.

32. Financial instruments

32.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Amortised cost ("AC");
- (b) Fair value through other comprehensive income ("FVOCI") - equity instruments designated upon initial recognition; and
- (c) Fair value through profit or loss ("FVTPL").

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	FVOCI RM'000	FVTPL RM'000
2023				
Financial assets				
Group				
Other investments	3,233,508	2,661,429	492,159	79,920
Trade and other receivables (excluding advances for plasma plantations, prepayments and indirect tax refundable)	511,368	511,368	-	-
Cash and cash equivalents	2,651,509	2,651,509	-	-
	6,396,385	5,824,306	492,159	79,920
Company				
Other investments	325,535	-	325,535	-
Trade and other receivables (excluding prepayments)	45,725	45,725	-	-
Cash and cash equivalents	298,767	298,767	-	-
	670,027	344,492	325,535	-
			Carrying amount RM'000	AC RM'000
2023				
Financial liabilities				
Group				
Borrowings			2,735,909	2,735,909
Trade and other payables			416,854	416,854
			3,152,763	3,152,763
Company				
Borrowings			776,000	776,000
Trade and other payables			1,112	1,112
			777,112	777,112

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.1 Categories of financial instruments (cont'd)

	Carrying amount RM'000	AC RM'000	FVOCI RM'000	FVTPL RM'000
2022				
Financial assets				
Group				
Other investments	2,465,411	2,029,427	363,338	72,646
Trade and other receivables (excluding advances for plasma plantations, prepayments and indirect tax refundable)	391,724	391,724	-	-
Cash and cash equivalents	3,100,642	3,100,642	-	-
	<u>5,957,777</u>	<u>5,521,793</u>	<u>363,338</u>	<u>72,646</u>
Company				
Other investments	158,984	-	158,984	-
Trade and other receivables (excluding prepayments)	30,848	30,848	-	-
Cash and cash equivalents	258,012	258,012	-	-
	<u>447,844</u>	<u>288,860</u>	<u>158,984</u>	<u>-</u>
			Carrying amount RM'000	AC RM'000
2022				
Financial Liabilities				
Group				
Borrowings			1,854,915	1,854,915
Trade and other payables			334,138	334,138
			<u>2,189,053</u>	<u>2,189,053</u>
Company				
Trade and other payables			<u>835</u>	<u>835</u>

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.2 Net gains and losses arising from financial instruments

	Group		Company	
	2023 RM'000	2022 RM'000	2023 RM'000	2022 RM'000
Net gains/(losses) on :				
Recognised in profit or loss:				
Financial assets measured at amortised cost	159,142	71,368	16,660	9,163
Fair value through profit or loss	-	(25)	-	-
Equity instruments designated at fair value through other comprehensive income	73,797	41,321	64,576	32,161
Financial liabilities measured at amortised cost	(73,727)	43,567	(8,206)	-
	159,212	156,231	73,030	41,324
Recognised in other comprehensive income:				
Equity instruments designated at fair value through other comprehensive income	157,486	(121,746)	166,551	(99,251)
	157,486	(121,746)	166,551	(99,251)
	316,698	34,485	239,581	(57,927)

32.3 Financial risk management

The Group and the Company have exposures to the following risks from their use of financial instruments :

- Credit risk
- Liquidity risk
- Market risk

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk

Credit risk is the risk of a financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group's exposure to credit risk arises principally from the individual characteristic of each customer and investment in debt securities. The Company's exposure to credit risk arises principally from loans and advances to subsidiaries and financial guarantees given to banks for credit facilities granted to subsidiaries.

Trade receivables

Risk management objectives, policies and processes for managing the risk

The Group controls its credit risk by the application of credit approvals, limits and monitoring procedures. Credit evaluations are performed on all customers requiring credit over a certain amount and strictly limiting the Group's associations to business partners with high credit worthiness. Trade receivables are monitored on an ongoing basis.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the maximum exposure to credit risk arising from receivables is represented by the carrying amounts in the statements of financial position.

Management has taken reasonable steps to ascertain that receivables that are neither past due nor impaired are measured at their realisable values. A significant portion of these receivables are regular customers that have been transacting with the Group. The Group uses ageing analysis to monitor the credit quality of the receivables.

Concentration of credit risk

The exposure of credit risk for trade receivables as at the end of the reporting period by geographic region is as follows:

	Group	
	2023	2022
	RM'000	RM'000
Domestic	341,918	255,049
Singapore	21,168	13,995
Indonesia	15,150	22,267
Australia	2,230	1,529
Others	6,957	3,280
	387,423	296,120

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses

In managing credit risk of trade receivables, the Group manages its debtors and takes appropriate actions (including but not limited to legal actions) to recover long overdue balances. Generally, trade receivables will pay within 90 days.

The Group adopts the simplified approach and uses an allowance matrix to measure ECLs of trade receivables for all segments. Consistent with the debt recovery process, invoices which are past due 90 days will be considered as credit impaired.

Loss rates are based on actual credit loss experience over the past five years. The Group also considers differences between (a) economic conditions during the period over which the historic data has been collected, (b) current conditions and (c) the Group's view of economic conditions over the expected lives of the receivables. Nevertheless, the Group believes that these factors are immaterial for the purpose of impairment calculation for the year.

The following table provides information about the exposure to credit risk and ECLs for trade receivables:

	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
Group			
2023			
Not past due	345,245	-	345,245
Past due < 3 months	38,336	-	38,336
	383,581	-	383,581
Credit impaired			
Past due 3-6 months	2,274	(11)	2,263
Past due 6-12 months	2,880	(1,631)	1,249
Past due more than 1 year	1,370	(1,040)	330
	390,105	(2,682)	387,423

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

The following table provides information about the exposure to credit risk and ECLs for trade receivables: (cont'd)

Group	Gross carrying amount RM'000	Loss allowances RM'000	Net balance RM'000
2022			
Not past due	259,924	-	259,924
Past due < 3 months	33,257	-	33,257
	293,181	-	293,181
Credit impaired			
Past due 3-6 months	1,504	-	1,504
Past due 6-12 months	1,653	(341)	1,312
Past due more than 1 year	2,825	(2,702)	123
	299,163	(3,043)	296,120

The movements in the allowance for impairment losses of receivables during the financial year are as follows:

	Group	
	2023 RM'000	2022 RM'000
At 1 January	3,043	7,180
Impairment loss allowance	-	498
Impairment loss reversed	(222)	(349)
Amounts written off	(140)	(4,289)
Exchange differences	1	3
At 31 December	2,682	3,043

The allowance account in respect of receivables is used to record impairment losses. Unless the Group is satisfied that recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Trade receivables (cont'd)

Recognition and measurement of impairment losses (cont'd)

Cash and cash equivalents and deposits with licensed banks

The cash and cash equivalents and deposits 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. In addition, some of the bank balances are insured by government agencies. Consequently, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Other receivables

Credit risks on other receivables are mainly arising from lease income and interest receivables. The Group regarded these to have low credit risks.

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.

As at the end of the reporting period, the Group and the Company are of the view that the loss allowance is not material and hence, it is not provided for.

Investment in debt securities

At the end of the reporting period, the Group only invested in high quality infrastructure bonds which are guaranteed by governments. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

There is no history of default on these bonds and there are no indicators that these bonds may default. The Group is of the view that the loss allowance is not material and hence, it is not provided for.

Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured financial guarantees to banks in respect of banking facilities granted to certain subsidiaries. The Company monitors the ability of the subsidiaries to service their loans on an individual basis.

Exposure to credit risk, credit quality and collateral

The maximum exposure to credit risk amounts to **RM175.4 million** (2022 : RM147.3 million) representing the outstanding banking facilities and **RM11.3 million** (2022 : RM5.5 million) representing the outstanding balance for the supply of goods and services to the subsidiaries as at the end of the reporting period.

The financial guarantees are provided as credit enhancements of borrowings and trade facilities provided to the subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Financial guarantees (cont'd)

Recognition and measurement of impairment loss

The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. The Company considers a financial guarantee to be credit impaired when:

- The subsidiary is unlikely to repay its credit obligation to the bank in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' funds.

The Company determines the probability of default of the guaranteed loans individually using internal information available.

As at the end of the reporting period, the Company is of the view that the loss allowance is not material and hence, it is not provided for.

Inter-company loans and advances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the ability of the subsidiaries to repay the loans and advances on an individual basis.

Exposure to credit risk, credit quality and collateral

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.

Loans and advances provided are not secured by any collateral or supported by any other credit enhancements.

Recognition and measurement of impairment loss

Generally, the Company considers loans and advances to subsidiaries as those with low credit risk. The Company assumes that there is a significant increase in credit risk when a subsidiary's financial position deteriorates significantly. As the Company is able to determine the timing of payments of the subsidiaries' loans and advances when they are payable, the Company considers the loans and advances to be in default when the subsidiaries are not able to pay when demanded. The Company considers a subsidiary's loan or advance to be credit impaired when:

- The subsidiary is unlikely to repay its loan or advance to the Company in full; or
- The subsidiary is continuously loss making and is having a deficit shareholders' funds.

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

The following table provides information about the exposure to credit risk and ECLs for subsidiaries' loans and advances as at 31 December.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.4 Credit risk (cont'd)

Inter-company loans and advances (cont'd)

Recognition and measurement of impairment loss (cont'd)

Company	Gross carrying amount RM'000	Impairment loss allowances RM'000	Net balance RM'000
2023			
Low credit risk	968	-	968
2022			
Low credit risk	2,096	-	2,096
Credit impaired	9,650	(9,650)	-
	11,746	(9,650)	2,096

There is no movement in the allowance for impairment losses during the financial year.

32.5 Liquidity risk

Liquidity risk is the risk that the Group and the Company will not be able to meet their financial obligations as they fall due. The Group's and the Company's exposures to liquidity risk arise principally from their various payables, loans and borrowings.

The Group and the Company actively manage their debt maturity profile, operating cash flows and the availability of funding to ascertain that all funding needs are met. As part of its overall prudent liquidity management, the Group endeavours to maintain sufficient level of cash or cash convertible investments to meet its working capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.5 Liquidity risk (cont'd)

Maturity analysis

The table below summarises the maturity profile of the Group's and Company's financial liabilities as at the end of the reporting period based on undiscounted contractual payments:

2023	Group	Carrying amount RM'000	Contractual interest rate/ Coupon/ Discount rate per annum %	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
	<i>Non-derivative financial liabilities</i>							
	Secured term loans	228,330	3.04 - 6.07	240,777	16,458	16,440	207,879	-
	Secured revolving credit	1,378,561	0.77 - 4.96	1,427,360	1,427,360	-	-	-
	Unsecured revolving credit	1,068,758	4.10 - 4.95	1,190,748	409,188	130,255	651,305	-
	Unsecured bankers' acceptances	58,324	3.91 - 4.36	58,324	58,324	-	-	-
	Hire purchase financing	1,936	4.29 - 7.51	2,105	924	935	246	-
	Lease liabilities	24,960	2.33 - 6.15	29,302	7,261	6,088	7,593	8,360
	Trade and other payables	416,854	-	416,854	416,854	-	-	-
		3,177,723		3,365,470	2,336,369	153,718	867,023	8,360
	Company							
	<i>Non-derivative financial liabilities</i>							
	Unsecured revolving credit	776,000	4.21 - 4.40	892,656	106,673	133,013	652,970	-
	Trade and other payables	1,112	-	1,112	1,112	-	-	-
	Corporate guarantees	-	-	186,704	186,704	-	-	-
		777,112		1,080,472	294,489	133,013	652,970	-



NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.5 Liquidity risk (cont'd)

Maturity analysis (cont'd)

2022	Group	Contractual interest rate/ Coupon/ Discount rate per annum %	Carrying amount RM'000	Contractual cash flows RM'000	Under 1 year RM'000	1-2 years RM'000	2-5 years RM'000	More than 5 years RM'000
	<i>Non-derivative financial liabilities</i>							
	Secured term loans	2.60 - 6.08	227,892	240,958	55,184	13,062	96,928	75,784
	Secured revolving credit	0.77 - 5.19	1,327,481	1,368,230	1,368,230	-	-	-
	Unsecured revolving credit	3.82 - 4.89	262,649	275,324	275,324	-	-	-
	Unsecured bankers' acceptances	3.69 - 4.27	35,877	35,877	35,877	-	-	-
	Hire purchase financing	5.31	1,016	1,086	555	531	-	-
	Lease liabilities	2.33 - 6.15	27,367	32,493	6,438	6,946	8,477	10,632
	Trade and other payables	-	334,138	334,138	334,138	-	-	-
			<u>2,216,420</u>	<u>2,288,106</u>	<u>2,075,746</u>	<u>20,539</u>	<u>105,405</u>	<u>86,416</u>
	Company							
	<i>Non-derivative financial liabilities</i>							
	Trade and other payables	-	835	835	835	-	-	-
	Corporate guarantees	-	-	152,821	152,821	-	-	-
			<u>835</u>	<u>153,656</u>	<u>153,656</u>	<u>-</u>	<u>-</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices will affect the Group's financial position or cash flows.

32.6.1 Currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of Group entities. The currencies giving rise to this risk are primarily U.S. Dollar, Australian Dollar, New Zealand Dollar, Japanese Yen, Singapore Dollar and Great Britain Pound.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.1 Currency risk (cont'd)

Exposure to foreign currency risk

The Group's exposure to foreign currency (a currency which is other than the functional currency of the Group entities) risk, based on carrying amounts as at the end of the reporting period is as follows:

2023	Group	US	Japanese	Australian	Singapore	Great Britain	New Zealand
		Dollar	Yen	Dollar	Dollar	Pound	Dollar
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Other financial assets	19,068	-	-	-	-	-
	Trade and other receivables	2,329	268	-	-	38	-
	Borrowings	-	(531,582)	-	(1,356,493)	-	-
	Trade and other payables	(31,920)	(4,122)	-	-	-	-
	Cash and bank balances	416,665	19,792	177	117,891	3,384	2
	Exposure in the statement of financial position	406,142	(515,644)	177	(1,238,602)	3,422	2
	Company						
	Cash and bank balances	4	2	2	2	-	-
	Exposure in the statement of financial position	4	2	2	2	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.1 Currency risk (cont'd)

Exposure to foreign currency risk (cont'd)

2022	Group	US	Japanese	Australian	Singapore	Great Britain	New Zealand
		Dollar	Yen	Dollar	Dollar	Pound	Dollar
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
	Other financial assets	48,335	-	-	-	-	-
	Trade and other receivables	2,142	347	219	-	312	12
	Borrowings	-	(706,685)	-	(1,102,344)	-	-
	Trade and other payables	(15,358)	(8,980)	-	-	-	-
	Cash and bank balances	340,659	46,939	39,754	175,285	32,176	40,788
	Exposure in the statement of financial position	375,778	(668,379)	39,973	(927,059)	32,488	40,800
	Company						
	Cash and bank balances	1	52	-	-	-	-
	Exposure in the statement of financial position	1	52	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.1 Currency risk (cont'd)

Currency risk sensitivity analysis

A 5% (2022: 5%) strengthening of the Ringgit Malaysia ("RM") against the following currencies at the end of the reporting period would have increased/(decreased) the pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

	Profit or loss	
	2023 RM'000	2022 RM'000
Group		
US Dollar	(20,307)	(18,789)
Japanese Yen	25,782	33,419
Australian Dollar	(9)	(1,999)
Singapore Dollar	61,930	46,353
Great Britain Pound	(171)	(1,624)
New Zealand Dollar	-	(2,040)
	<hr/>	<hr/>
Company		
Japanese Yen	-	(3)
	<hr/>	<hr/>

A 5% (2022: 5%) weakening of RM against the above currencies at the end of the reporting period would have had equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remained constant.

32.6.2 Interest rate risk

The Group's investments in fixed rate borrowings are exposed to a risk of change in their fair values due to changes in interest rates. The Group's variable rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Investments in equity securities and short term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk is the risks that the value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's income and operating cash flows are substantially independent of changes in market interest rates. The Group's and the Company's interest-earning financial assets are mainly short term in nature and are mostly placed in fixed deposits.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-earning and interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period is as follows:

	Group RM'000	Company RM'000
2023		
Fixed rate instruments		
Financial assets		
- Quoted bonds	284,967	-
- Fixed deposits	4,077,793	31,623
- Bank balances	102,307	9,299
	4,465,067	40,922
Financial liabilities		
- Bankers' acceptances	58,324	-
- Lease liabilities	24,960	-
- Hire purchase financing	1,936	-
	85,220	-
Floating rate instruments		
Financial assets		
- Unit trust money market funds	418,815	257,828
Financial liabilities		
- Other borrowings	2,675,649	776,000

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.2 Interest rate risk (cont'd)

Exposure to interest rate risk (cont'd)

	Group RM'000	Company RM'000
2022		
Fixed rate instruments		
Financial assets		
- Quoted bonds	48,697	-
- Fixed deposits	3,578,879	53,028
- Bank balances	628,080	31,858
	<u>4,255,656</u>	<u>84,886</u>
Financial liabilities		
- Bankers' acceptances	35,877	-
- Lease liabilities	27,367	-
- Hire purchase financing	1,016	-
	<u>64,260</u>	<u>-</u>
Floating rate instruments		
Financial assets		
- Unit trust money market funds	<u>232,360</u>	<u>146,435</u>
Financial liabilities		
- Other borrowings	<u>1,818,022</u>	<u>-</u>

Interest rate risk sensitivity analysis

(a) *Fair value sensitivity analysis for fixed rate instruments*

The Group and the Company do not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

(b) *Cash flow sensitivity analysis for variable rate instruments*

A change of 50 basis points (bp) in interest rates at the end of the reporting period would have increased/(decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remained constant.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.2 Interest rate risk (cont'd)

Interest rate risk sensitivity analysis (cont'd)

(b) *Cash flow sensitivity analysis for variable rate instruments (cont'd)*

	Profit or loss	
	50bp increase RM'000	50bp decrease RM'000
2023		
Group		
Floating rate instruments		
- Unit trust money market funds	2,094	(2,094)
- Other borrowings	<u>(13,378)</u>	<u>13,378</u>
Company		
Floating rate instruments		
- Unit trust money market funds	1,289	(1,289)
- Other borrowings	<u>(3,880)</u>	<u>3,880</u>
2022		
Group		
Floating rate instruments		
- Unit trust money market funds	1,162	(1,162)
- Other borrowings	<u>(9,090)</u>	<u>9,090</u>
Company		
Floating rate instruments		
- Unit trust money market funds	<u>732</u>	<u>(732)</u>



NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.6 Market risk (cont'd)

32.6.3 Other price risk

Equity price risk arises from the Group's and the Company's investments in equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group and the Company monitor the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all buy and sell decisions are approved by the Group Executive Directors, as appropriate.

Equity price risk sensitivity analysis

This analysis assumes that all other variables remain constant and the Group's equity investments moved in correlation with the respective stock exchange market index which the investments are listed in.

A **10%** (2022 : 10%) strengthening in all the stock exchange market index at the end of the reporting period would have increased equity of the Group and the Company by **RM49,216,000** (2022 : RM36,334,000) and **RM32,554,000** (2022 : RM15,898,000) respectively. A **10%** (2022 : 10%) weakening in the stock exchange index would have had equal but opposite effect on equity respectively.

32.7 Fair value information

The carrying amounts of cash and cash equivalents, deposits with licensed banks, short term receivables and payables and short term borrowings reasonably approximate their fair values due to the relatively short term nature of these financial instruments.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed, together with their fair values and carrying amounts shown in the statements of financial position.

2023	Group	Fair value of financial instruments carried at fair value				Fair value of financial instruments not carried at fair value				Total fair value	Carrying amount
		Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Financial assets											
	Quoted shares	137,791	-	-	137,791	-	-	-	-	137,791	137,791
	Unquoted shares	-	-	343,956	343,956	-	-	-	-	343,956	343,956
	Quoted bonds	-	-	-	-	284,967	-	-	284,967	284,967	284,967
	Quoted unit trusts and REITS	6,435	3,977	-	10,412	-	-	-	-	10,412	10,412
		144,226	3,977	343,956	492,159	284,967	-	-	284,967	777,126	777,126
Financial liabilities											
	Term loans	-	-	-	-	-	-	228,330	228,330	228,330	228,330
	Hire purchase financing	-	-	-	-	-	-	1,837	1,837	1,837	1,936
		-	-	-	-	-	-	230,167	230,167	230,167	230,266
Company											
Financial assets											
	Unquoted shares	-	-	325,535	325,535	-	-	-	-	325,535	325,535

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

2022	Group	Fair value of financial instruments carried at fair value			Fair value of financial instruments not carried at fair value			Total fair value	Carrying amount	
		Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000	Level 1 RM'000	Level 2 RM'000			Level 3 RM'000
Financial assets										
	Quoted shares	170,319	-	-	170,319	-	-	-	170,319	170,319
	Unquoted shares	-	-	183,748	183,748	-	-	-	183,748	183,748
	Quoted bonds	-	-	-	-	48,239	-	-	48,239	48,697
	Quoted unit trusts and REITS	5,476	3,795	-	9,271	-	-	-	9,271	9,271
		175,795	3,795	183,748	363,338	48,239	-	-	411,577	412,035
Financial liabilities										
	Term loans	-	-	-	-	-	-	227,892	227,892	227,892
	Hire purchase financing	-	-	-	-	-	-	928	928	1,016
		-	-	-	-	-	-	228,820	228,820	228,908
Company										
Financial assets										
	Unquoted shares	-	-	158,984	158,984	-	-	-	158,984	158,984

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

Policy on transfer between levels

The fair value of an asset to be transferred between levels is determined as of the date of the event or change in circumstances that caused the transfer.

Level 1 fair value

Level 1 fair value is derived from quoted price (unadjusted) in active markets for identical financial assets or liabilities that the entity can access at the measurement date.

Level 2 fair value

Level 2 fair value is estimated using inputs other than quoted prices included within Level 1 that are observable for the financial assets or liabilities, either directly or indirectly.

Non-derivative financial liabilities

Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the end of the reporting period. For other borrowings, the market rate of interest is determined by reference to similar borrowings arrangements.

Transfers between Level 1 and Level 2 fair values

There has been no transfer between Level 1 and Level 2 fair values during the financial year.

Level 3 fair value

Level 3 fair value is estimated using unobservable inputs for the financial assets and liabilities.

The following table shows the valuation techniques used in the determination of fair values within Level 3, as well as the key unobservable inputs used in the valuation models.

(a) Financial instruments carried at fair value

Type	Description of valuation technique and inputs used	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Unquoted shares	The fair value of unquoted shares is based on market comparison technique. The valuation model is based on market multiples derived from quoted prices of companies comparable to the investee, adjusted for the effect of the non-marketability of the unquoted shares.	Adjusted market multiple of earnings (2023 : 9.07 and 2022 : 8.04 - 9.13) or net assets (2023 : 0.41 - 1.05 and 2022 : 0.36 - 0.95)	The estimated fair value would increase/ (decrease) if the adjusted market multiple were higher/(lower).

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.7 Fair value information (cont'd)

(a) Financial instruments carried at fair value (cont'd)

Sensitivity analysis

	Profit or loss		Other comprehensive income, net of tax	
	Increase RM'000	Decrease RM'000	Increase RM'000	Decrease RM'000
Group				
2023				
Adjusted market multiple (5% movement)	-	-	17,198	(17,198)
2022				
Adjusted market multiple (5% movement)	-	-	9,187	(9,187)
Company				
2023				
Adjusted market multiple (5% movement)	-	-	16,277	(16,277)
2022				
Adjusted market multiple (5% movement)	-	-	7,949	(7,949)

(b) Financial instruments not carried at fair value

Type	Description of valuation technique and inputs used
Term loans and hire purchase financing	Discounted cash flows using a rate based on the current market rate of borrowing of the respective Group entities at the reporting date.

Valuation processes applied by the Group for Level 3 fair value

Management regularly reviews significant unobservable inputs and valuation adjustments used in estimating the fair value of unquoted shares.

NOTES TO THE FINANCIAL STATEMENTS

32. Financial instruments (cont'd)

32.8 Material accounting policy information

The Group and the Company apply settlement date accounting for regular way purchase or sale of financial assets.

33. Capital management

The Group's capital is represented by total equity attributable to the stockholders of the Group as shown in the consolidated statement of financial position.

For the purpose of the Group's capital management, capital includes share capital, treasury shares, and all other equity reserves attributable to the equity holders of the parent.

The Group's objectives when managing capital are to maintain a strong capital base and safeguard the Group's ability to continue as a going concern, so as to maintain investor, creditor and market confidence and to sustain future development of the business.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholders returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected strategic investment opportunities.

There were no changes in the Group's approach to capital management during the financial year.

34. Acquisition of a subsidiary and non-controlling interests

34.1 Acquisition of a subsidiary – Southern Perak Plantations Sdn. Berhad

On 27 September 2023, the Company acquired collectively 12,100,000 ordinary shares in the Group's existing 39.50% owned associate, Southern Perak Plantations Sdn. Berhad ("SPP"), representing the balance 60.50% equity interest in SPP, for a cash consideration of RM155,327,000. Accordingly, SPP became a 100% owned subsidiary of the Company and ceased to be an associate of the Group.

In the last 3 months to 31 December 2023, the subsidiary contributed revenue of RM13,182,380 and profit after tax of RM1,634,964. If the acquisition had occurred on 1 January 2023, the Group's revenue and profit for the year would have been increased by RM23,574,996 and RM5,769,675 respectively.

NOTES TO THE FINANCIAL STATEMENTS

34. Acquisition of a subsidiary and non-controlling interests (cont'd)

34.1 Acquisition of a subsidiary – Southern Perak Plantations Sdn. Berhad (cont'd)

The following summarises the major classes of consideration transferred, and the recognised amounts of assets acquired and liabilities assumed at the acquisition date :

Fair value of identifiable assets acquired and liabilities assumed at the date of acquisition

	2023 RM'000
Property, plant and equipment	215,888
Right-of-use assets	265,805
Inventories	4,304
Trade and other receivables	2,139
Biological assets	1,158
Current tax assets	4,525
Cash and cash equivalents	45,268
Deferred tax liabilities	(105,182)
Trade and other payables	(7,956)
Total identifiable net assets	<u>425,949</u>

Net cash outflow arising from acquisition of a subsidiary

	2023 RM'000
Purchase consideration settled in cash and cash equivalents	(155,327)
Cash and cash equivalents acquired	45,268
Net cash outflow on acquisition	<u>(110,059)</u>

Bargain purchase

Bargain purchase was recognised as a result of the acquisition as follows :

	2023 RM'000
Total consideration transferred	155,327
Fair value of existing interest in the acquiree	168,250
Fair value of identifiable net assets	(425,949)
Bargain purchase	<u>(102,372)</u>

NOTES TO THE FINANCIAL STATEMENTS

34. Acquisition of a subsidiary and non-controlling interests (cont'd)

34.1 Acquisition of a subsidiary – Southern Perak Plantations Sdn. Berhad (cont'd)

Bargain purchase (cont'd)

The remeasurement to fair value of the Group's existing 39.50% interest in the acquiree resulted in a gain of RM116,397,000 (RM168,250,000 less RM51,853,000 carrying value of equity-accounted investee at acquisition date), which has been recognised in other operating income in the consolidated statement of profit or loss and other comprehensive income.

Acquisition-related costs

The Company incurred acquisition-related costs of RM466,000 related to stamping fees for shares transfer. The stamping fees have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

34.2 Acquisition of non-controlling interests – Selasih Permata Sdn. Bhd.

On 22 September 2023, the Company acquired an additional 49.5% interest in Selasih Permata Sdn. Bhd. ("SPSB") for RM646,931,000 in cash, increasing its ownership from 50.5% to 100%. The carrying amount of SPSB's net assets in the Group's financial statements on the date of acquisition was RM960,729,000. The Group recognised a decrease in non-controlling interests of RM877,631,000 and an increase in retained earnings of RM230,700,000.

The following summarises the effect of changes in the equity interest in SPSB that is attributable to owners of the Company :

	2023
	RM'000
Equity interest at 1 January 2023	792,099
Effect of increase in Group's ownership interest	877,631
Share of total comprehensive income, net of tax	13,971
Equity interest at 31 December 2023	1,683,701

Aquisition - related costs

The Company incurred acquisition - related costs of RM1,941,000 related to stamping fee for shares transfer. The stamping fees have been included in other operating expenses in the Group's consolidated statement of profit or loss and other comprehensive income.

34.3 Acquisition of non-controlling interests – Oriental Boon Siew (Mauritius) Pte. Ltd.

On 22 September 2023, the Company acquired an additional 49.5% interest in Oriental Boon Siew (Mauritius) Pte. Ltd. ("OBSM") for RM1 in cash, increasing its ownership from 50.5% to 100%. The carrying amount of OBSM's net liabilities in the Group's financial statements on the date of acquisition was RM264,274,000. The Group recognised an increase in non-controlling interests of RM217,851,000 and a decrease in retained earnings of RM217,851,000.

NOTES TO THE FINANCIAL STATEMENTS

34. Acquisition of a subsidiary and non-controlling interests (cont'd)

34.3 Acquisition of non-controlling interests – Oriental Boon Siew (Mauritius) Pte. Ltd. (cont'd)

The following summarises the effect of changes in the equity interest in OBSM that is attributable to owners of the Company :

	2023
	RM'000
Equity interest at 1 January 2023	(219,286)
Effect of decrease in Group's ownership interest	(217,851)
Share of total comprehensive expense, net of tax	(135,663)
Equity interest at 31 December 2023	<u>(572,800)</u>

34.4 Material accounting policy information

(a) Acquisitions of non-controlling interests

The Group accounts for all changes in its ownership interest in a subsidiary that do not result in a loss of control as equity transactions between the Group and its non-controlling interest holders. Any difference between the Group's share of net assets/(liabilities) before and after the change, and any consideration received or paid, is adjusted to or against Group reserves.

35. Significant events during the financial year

35.1 Armstrong Component Parts (Vietnam) Co., Ltd ("ACPV"), a wholly-owned subsidiary of Armstrong Auto Parts Sdn Berhad which in turn is 94.8% owned by the Company had on 6 February 2017 submitted the notice of voluntary dissolution and termination of activities to the Vietnamese tax authority. ACPV was involved in the manufacturing of automotive parts before cessation of its business operations in November 2014. The liquidation has been completed on 20 February 2023. Accordingly, the Group deconsolidated ACPV and derecognised its related assets and liabilities.

	RM'000
Other receivables, deposits and prepayments	51
Cash and bank balances	15
Other payables and accruals	(62)
Net identifiable assets	<u>4</u>
Less : Non-controlling interests	(5,510)
Add : Transfer from foreign currency translation reserve	2,409
: Gain on liquidation	3,097
Consideration received	<u>-</u>
Less : Cash and cash equivalents	(15)
Net cash outflow on liquidation	<u>(15)</u>

NOTES TO THE FINANCIAL STATEMENTS

35. Significant events during the financial year (cont'd)

35.2 The Company had on 12 January 2023 entered into the following :

- (i) supplemental share sale agreement with BSSB in relation to the Proposed SPSB Acquisition;
- (ii) supplemental share sale agreement with BSSB in relation to the Proposed OBS(M) Acquisition;
- (iii) supplemental share sale agreement with BSSB, BSD and LBS in relation to the Proposed SPP Acquisition;
- (iv) supplemental sale and purchase agreement with BESB in relation to the Proposed Bukit Langkap Estate Acquisition;
- (v) supplemental sale and purchase agreement with BESB in relation to the Proposed Bentong Estate Acquisition; and
- (vi) supplemental sale and purchase agreement with BESB in relation to the Proposed Thye Group Estate Acquisition.

The supplemental agreements were executed to facilitate SPSB Real Property Gains Tax ("RPGT") retention terms and the extension of cut-off dates of the agreements dated 13 October 2022.

Save for the above amendments, all other terms and conditions in the agreements dated 13 October 2022 remain valid, in full force and effect.

The Proposed Shares Acquisitions are subject to the following approvals being obtained from:

- (i) the non-interested stockholders of the Company at an extraordinary general meeting ("EGM") to be convened; and
- (ii) any other relevant authorities/parties, if required.

Whilst the Proposed Land Acquisitions are subject to the following approvals being obtained from:

- (i) the non-interested stockholders of the Company at an EGM to be convened;
- (ii) the Estate Land Board in relation to the transfer of the plantation properties under the Proposed Land Acquisitions by BESB; and
- (iii) any other relevant authorities/parties, if required.

Further to the announcement on 12 January 2023, the Company had on 12 April 2023 entered into the following:-

- (i) second supplemental share sale agreement with BSSB in relation to the Proposed SPSB Acquisition;
- (ii) second supplemental share sale agreement with BSSB in relation to the Proposed OBS(M) Acquisition;
- (iii) second supplemental share sale agreement with BSSB, BSD and LBS in relation to the Proposed SPP Acquisition;
- (iv) second supplemental sale and purchase agreement with BESB in relation to the Proposed Bukit Langkap Estate Acquisition;
- (v) second supplemental sale and purchase agreement with BESB in relation to the Proposed Bentong Estate Acquisition; and
- (vi) second supplemental sale and purchase agreement with BESB in relation to the Proposed Thye Group Estate Acquisition.

The Second Supplemental agreements were executed to facilitate the further extension of the cut-off date for the Supplemental agreements to 31 August 2023, or such other date as provided in the relevant agreement or as may be mutually agreed between the parties. This is to cater for and accord sufficient time for the relevant parties to fulfil the condition precedents set out in the agreements (which were signed on 13 October 2022), including, amongst others, obtaining the approval of the stockholders of the Company for the Proposals at an EGM to be convened.



NOTES TO THE FINANCIAL STATEMENTS

35. Significant events during the financial year (cont'd)

35.2 (cont'd)

Save for the amendments made in relation to the SPSB RPGT Retention Amount as set out in the Second Announcement and the extension of the Cut-Off Date as set out in the Second Supplemental agreements, all other terms and conditions in the agreements dated 13 October 2022 remain valid, in full force and effect.

On the corporate proposal updates on the acquisitions with related parties for cash consideration of approximately RM1.2 billion, the Circular dated 15 August 2023 in relation to the Proposals had been despatched to stockholders on 15 August 2023 and the Proposals were approved by stockholders during the EGM held on 30 August 2023 in respect of the Proposals.

The Company had on 30 August 2023 entered into the following:

- (i) third supplemental sale and purchase agreement with SPP and BESB in relation to the Proposed Bukit Langkap Estate Acquisition;
- (ii) third supplemental sale and purchase agreement with SPP and BESB in relation to the Proposed Bentong Estate Acquisition; and
- (iii) third supplemental sale and purchase agreement with SPP and BESB in relation to the Proposed Thye Group Estate Acquisition.

The third supplemental agreements were executed to facilitate the further extension of the cut-off date for the second supplemental agreements to 30 October 2023, or such other date as provided in the relevant agreement or as may be mutually agreed between the parties. This was to cater for and accord sufficient time for the relevant parties to fulfil the conditions precedent set out in the agreements in relation to the Proposed Land Acquisitions (which were signed on 13 October 2022), including, amongst others, that the Proposed SPP Acquisition being completed in accordance with the terms and conditions contained in the agreement and the Company becoming the sole shareholder of the entire issued share capital of SPP.

The Proposed Shares Acquisitions were completed on 22 September 2023 and on 27 September 2023 following the settlement of the balance of purchase consideration for the Proposed SPSB Acquisition, Proposed OBS(M) Acquisition and Proposed SPP Acquisition totalling RM773.53 million. Accordingly, the Company became the sole shareholder of the entire issued share capital of SPSB, OBS(M) and SPP. See Note 34 for further details.

For developments regarding the Proposed Land Acquisitions, refer to Note 36 for further details.

- 35.3 Boon Siew (Borneo) Sendirian Berhad ("BSB"), is a 99% owned subsidiary of Kah Motor Company Sdn. Berhad, which in turn is a wholly-owned subsidiary of the Company. BSB had on 28 July 2023 invested in an associate, BSFB Motorcycles Sdn. Bhd. ("BSFB") for a total cash consideration of RM300,000, which comprised 300,000 ordinary shares, representing 29.7% equity interest in BSFB. The intended principal activities of BSFB are trading of motorbikes, accessories and spare parts and investment holding.
- 35.4 The Company had on 22 November 2023 incorporated a subsidiary named Bayview International Hotels Pte. Ltd., as a wholly-owned subsidiary of Bayview International Sdn. Bhd. The initial issued share capital is 1 ordinary share at an issue price of SGD1. The intended principal activity of Bayview International Hotels Pte. Ltd. is provision of management consultancy services.

NOTES TO THE FINANCIAL STATEMENTS

36. Significant events subsequent to the financial year end

- 36.1 The Proposed Land Acquisitions namely Bukit Langkap Estate Acquisition and Thye Group Estate Acquisition were subsequently completed on 22 January 2024 following the settlement of the balance of purchase consideration totalling RM243.89 million. Meanwhile, the Bentong Estate Acquisition was completed on 16 February 2024 following the settlement of the balance of purchase consideration of RM121.44 million, hence marking the completion of the Proposals in their entirety.
- 36.2 On 1 February 2024, Kah Motor Company Sdn. Berhad, a wholly-owned subsidiary of the Company acquired an additional 1% interest in Boon Siew (Borneo) Sendirian Berhad ("BSB"), a 99% owned subsidiary, from non-controlling interests for a total purchase consideration of RM270,000 in cash. Subsequent to the acquisition, BSB became a wholly-owned subsidiary of the Company.
- 36.3 On 27 March 2024, the Company incorporated a wholly-owned subsidiary named Kah Progression Auto Sdn. Bhd. The initial issued share capital is 1 ordinary share at an issue price of RM1. The intended principal activities of Kah Progression Auto Sdn. Bhd. are retailing of motor vehicles, sale of spare parts and servicing.

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries

Name of subsidiaries and principal activities	Group's effective interest	
	2023 %	2022 %
Oriental Realty Sdn. Berhad <i>Property development and investment holding</i>	100.0	100.0
Subsidiary of Oriental Realty Sdn. Bhd.		
- Kenanga Mekar Sdn. Bhd. <i>Property development</i>	100.0	100.0
Syarikat Oriental Credit Berhad <i>Money lending and leasing</i>	100.0	100.0
Dragon Frontier Sdn. Bhd. <i>Manufacture and sale of moulds for plastic parts and plastic moulded parts for electrical, electronics and automotive industries</i>	100.0	100.0
Bayview International Sdn. Bhd. <i>Provision of advertising, marketing and central reservation services</i>	100.0	100.0
Subsidiary of Bayview International Sdn. Bhd.		
- Bayview International Hotels Pte. Ltd. # <i>Management consultancy services</i>	100.0	-
Oriental Rubber & Palm Oil Sdn. Berhad <i>Cultivation of oil palm, investment holding and letting of parking lots</i>	100.0	100.0
Subsidiary of Oriental Rubber & Palm Oil Sdn. Berhad		
- Oriental Boon Siew (M) Sdn. Bhd. <i>Land reclamation and investment holding</i>	51.0	51.0
Compounding & Colouring Sdn. Bhd. <i>Manufacture and sale of polypropylene compounds</i>	70.0	70.0
Armstrong Cycle Parts (Sdn.) Berhad * <i>Property investment holding company</i>	100.0	100.0
Kah Bintang Auto Sdn. Bhd. <i>Investment holding company, retailer of motor vehicles and trader of spare parts, accessories and related component parts, provision of after sales services and trading of used motor vehicles</i>	100.0	100.0
Subsidiary of Kah Bintang Auto Sdn. Bhd.		
- Kah Classic Auto Sdn. Bhd. <i>Retailer of motor vehicles and trader of spare parts, accessories and related component parts, and provision of after sales services</i>	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest	
	2023 %	2022 %
Star Life Pharma Sdn. Bhd. * <i>Operates as an integrated lifestyle retail pharmacy</i>	100.0	100.0
Oriental Boon Siew (Mauritius) Pte. Ltd.* <i>Investment holding and granting of loans</i>	100.0	50.5
Subsidiaries of Oriental Boon Siew (Mauritius) Pte. Ltd.		
- OAM Asia (Singapore) Pte. Ltd. # <i>Investment holding</i>	100.0	50.5
Subsidiaries of OAM Asia (Singapore) Pte. Ltd.		
- OAM (Aust) Pty. Ltd. # <i>Property investment holding</i>	100.0	50.5
- PT Surya Agro Persada * <i>Oil palm plantation</i>	90.0	45.5
- OBS (Singapore) Pte. Ltd. # <i>Investment holding and granting of loans</i>	100.0	50.5
Subsidiaries of OBS (Singapore) Pte. Ltd.		
- PT Bumi Sawit Sukses Pratama * <i>Oil palm plantation</i>	90.0	45.5
- PT Gunung Sawit Selatan Lestari * <i>Oil palm plantation</i>	90.0	45.5
- PT Pratama Palm Abadi * <i>Oil palm plantation</i>	90.0	45.5
- PT Dapo Agro Makmur * <i>Oil palm plantation</i>	90.0	45.5
- PT Sumatera Sawit Lestari * <i>Cultivation of oil palm plantation</i>	90.0	45.5
Teck See Plastic Sdn. Bhd. <i>Investment holding, letting of property, plant and equipment and manufacture and distribution of plastic articles and products</i>	60.0	60.0

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest	
	2023 %	2022 %
Subsidiaries of Teck See Plastic Sdn. Bhd.		
- Lipro Mold Engineering Sdn. Bhd. <i>Manufacture and repair of moulds, jigs and fixtures</i>	48.0	48.0
- Armstrong Industries Sdn. Bhd. <i>Investment holding company and in the designing, research and development, manufacturing, sales of plastic and automotive interior parts</i>	60.0	60.0
- Kasai Teck See (Malaysia) Sdn. Bhd. <i>Designing, research and development, manufacturing and sale of plastic and automotive interior parts</i>	37.5	37.5
Oriental Nichinan Design Engineering Sdn. Bhd. <i>Design, manufacture and sale of prototype plastic models</i>	88.0	88.0
Oriental San Industries Sdn. Bhd. <i>Letting of properties</i>	100.0	100.0
Oriental International (Mauritius) Pte. Ltd. * <i>Investment holding</i>	100.0	100.0
Subsidiary of Oriental International (Mauritius) Pte. Ltd.		
- OIM (Aust) Pty. Ltd. # <i>Property investment holding</i>	100.0	100.0
Kah Motor Company Sdn. Berhad <i>Distribution and retailing of motor vehicles and spare parts, servicing, rental and leasing of motor vehicles, investment holding as well as hotelier</i>	100.0	100.0
Subsidiaries of Kah Motor Company Sdn. Berhad		
- Boon Siew (Borneo) Sendirian Berhad * <i>Distribution of Honda motor cars and related spare parts</i>	99.0	99.0
- Ultra Green Sdn. Bhd. <i>Land reclamation and investment holding</i>	100.0	100.0
- Happy Motoring Co. Sdn. Bhd. * <i>Motor car dealer and the general repair and servicing of motor cars</i>	51.0	51.0
- Kah New Zealand Limited # <i>Provision of hotel accommodation</i>	100.0	100.0
- Kah Australia Pty Limited * <i>Property investment and hotel operation</i>	100.0	100.0
- Kah Power Products Pte. Ltd. # <i>Distribution of motor power products</i>	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest	
	2023 %	2022 %
- KM Agency Sdn. Bhd. <i>Insurance agent</i>	100.0	100.0
- Kah Agency Sdn. Bhd. <i>Insurance agent</i>	100.0	100.0
- Kingdom Properties Co. Limited <i>Investment holding</i>	100.0	100.0
Subsidiaries of Kingdom Properties Co. Limited		
- Park Suanplu Holdings Co., Ltd. * <i>Hotelier</i>	89.5	89.5
- Suanplu Bhiman Limited * <i>Investment holding</i>	79.4	79.4
- Silver Beech Operations UK Limited * <i>Managing and operating of hotel</i>	100.0	100.0
- Silver Beech Holdings Limited * <i>Investment holding</i>	100.0	100.0
Subsidiary of Silver Beech Holdings Limited		
- Silver Beech (IOM) Limited * <i>Property holding</i>	100.0	100.0
- 30 Bencoolen Pte. Ltd. # <i>Hotelier and restaurateur</i>	100.0	100.0
Armstrong Auto Parts Sdn. Berhad <i>Investment holding company and a manufacturer of automotive parts</i>	94.8	94.8
Subsidiaries of Armstrong Auto Parts Sdn. Berhad		
- Armstrong Trading & Supplies Sdn. Bhd. <i>General traders, importers and distributors of auto parts</i>	94.8	94.8
- Armstrong Component Parts (Vietnam) Co., Ltd * <i>Under members' voluntary liquidation completed on 20 February 2023</i>	-	94.8

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest	
	2023 %	2022 %
Jutajati Sdn. Bhd.* <i>Investment holding</i>	100.0	100.0
Subsidiary of Jutajati Sdn. Bhd.		
- Kwong Wah Enterprise Sdn. Bhd.* <i>Investment holding</i>	100.0	100.0
Subsidiaries of Kwong Wah Enterprise Sdn. Bhd.		
- North Malaya Engineers Trading Company Sdn. Bhd.* <i>Manufacture of steel wire, wire mesh, barbed wire, and trading of building materials and related products</i>	100.0	100.0
- Lipro Trading Sdn. Bhd.* <i>Commission agent in trading of cement</i>	100.0	100.0
- Simen Utara Sdn. Bhd. * <i>Distributor of cement, concrete products and building materials</i>	91.0	91.0
- Unique Mix (Penang) Sdn. Bhd. * <i>Manufacturer and dealer of concrete products</i>	63.7	63.7
Subsidiary of Unique Mix (Penang) Sdn. Bhd.		
- Unique Mix Sdn. Bhd. * <i>Sale and distribution of ready-mixed concrete. Ceased business operation in December 2020.</i>	63.7	63.7
North Malaya Engineers Overseas Sdn. Bhd. * <i>Investment holding</i>	100.0	100.0
Subsidiary of North Malaya Engineers Overseas Sdn. Bhd.		
- North Malaya (Xiamen) Steel Co., Ltd. * <i>Production of steel wire and its related products, and automobile spare parts</i>	100.0	100.0

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

Name of subsidiaries and principal activities (cont'd)	Group's effective interest	
	2023 %	2022 %
Selasih Permata Sdn. Bhd. <i>Investment holding</i>	100.0	50.5
Subsidiaries of Selasih Permata Sdn. Bhd.		
- PT Gunung Maras Lestari * <i>Oil palm plantation</i>	92.5	46.7
- PT Gunungsawit Binalestari * <i>Oil palm plantation</i>	92.5	46.7
- PT Oriental Kyowa Industries * <i>Dormant</i>	100.0	72.8
- Oriental Asia (Mauritius) Pte. Ltd. * <i>Investment holding, provision of consultancy and employment services and granting of loans</i>	100.0	50.5
Subsidiaries of Oriental Asia (Mauritius) Pte. Ltd.		
- Oriental Asia (Aust.) Pty. Ltd. # <i>Investment property</i>	100.0	50.5
- Selasih OAM Sdn. Bhd. <i>Investment holding</i>	100.0	50.5
Melaka Straits Medical Centre Sdn. Bhd. <i>Operate a medical centre and provision of related healthcare services</i>	51.7	51.7
Subsidiaries of Melaka Straits Medical Centre Sdn. Bhd.		
- Star Joy Sdn. Bhd. * <i>Operate day care activities for the elderly or for handicapped adults</i>	51.7	51.7
- Oriental Medical (Segamat) Sdn. Bhd. <i>Operate a medical centre and provision of related healthcare services</i>	51.7	51.7
Loh Boon Siew Education Sdn. Bhd. * <i>Investment holding</i>	70.0	70.0
Subsidiary of Loh Boon Siew Education Sdn. Bhd.		
- Nilam Healthcare Education Centre Sdn. Bhd. <i>Institution in providing nursing program</i>	70.0	70.0
Southern Perak Plantations Sdn. Berhad * <i>Production and sale of oil palm fruits, palm oil and kernel</i>	100.0	-

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

* *not audited by KPMG.*

audited by member firms of KPMG International.

All the subsidiaries are incorporated and are having principal place of businesses in Malaysia except for :

	<u>Country of incorporation/ Principal place of businesses</u>
- Kah Australia Pty. Limited	Australia
- OAM (Aust) Pty. Ltd.	Australia
- OIM (Aust.) Pty. Ltd.	Australia
- Oriental Asia (Aust.) Pty. Ltd.	Australia
- Happy Motoring Co. Sdn. Bhd.	Brunei Darussalam
- North Malaya (Xiamen) Steel Co., Ltd.	China
- Oriental Asia (Mauritius) Pte. Ltd.	Mauritius
- Oriental Boon Siew (Mauritius) Pte. Ltd.	Mauritius
- Oriental International (Mauritius) Pte. Ltd.	Mauritius
- Kah New Zealand Limited	New Zealand
- PT Bumi Sawit Sukses Pratama	Republic of Indonesia
- PT Dapo Agro Makmur	Republic of Indonesia
- PT Gunungsawit Binalestari	Republic of Indonesia
- PT Gunung Maras Lestari	Republic of Indonesia
- PT Gunung Sawit Selatan Lestari	Republic of Indonesia
- PT Oriental Kyowa Industries	Republic of Indonesia
- PT Pratama Palm Abadi	Republic of Indonesia
- PT Sumatera Sawit Lestari	Republic of Indonesia
- PT Surya Agro Persada	Republic of Indonesia
- Bayview International Hotels Pte. Ltd.	Singapore
- Kah Power Products Pte. Ltd.	Singapore

NOTES TO THE FINANCIAL STATEMENTS

37. Details of subsidiaries (cont'd)

All the subsidiaries are incorporated and are having principal place of businesses in Malaysia except for (cont'd) :

	<u>Country of incorporation/ Principal place of businesses</u>
- OAM Asia (Singapore) Pte. Ltd.	Singapore
- OBS (Singapore) Pte. Ltd.	Singapore
- 30 Bencoolen Pte. Ltd.	Singapore
- Park Suanplu Holdings Co., Ltd.	Thailand
- Suanplu Bhiman Limited	Thailand
- Silver Beech Holdings Limited	United Kingdom
- Silver Beech Operations UK Limited	United Kingdom
- Silver Beech (IOM) Limited	United Kingdom
- Armstrong Component Parts (Vietnam) Co., Ltd	Vietnam



APPENDIX

Directors of the Company's subsidiaries

The list of Directors (other than Directors of the Company) who served on the Boards of the subsidiaries of the Company during the financial year until the date of the Directors Report are set out below:

Andri Boenjamin (Appointed on 14.11.2023)	Masanobu Ikegami
Baey Cheng Song (Resigned on 31.5.2023)	Michaelle Le Herissier
Chai Boon Yee	Muhammad Fateh Teh bin Abdullah (Resigned on 24.8.2023)
Chan Kuang	Muhammad Hariz bin Mohd Nadzmi
Chawarat Ittipoonswat	Ng Seng Kong
Chew Kian Hong, Michael	Nursyamimi Binti Abdullah @ Josephine Chin Swee Liang
Christopher Buhmann	Ong Chai Hong
Dato' Dr Abdul Latiff bin Awang	Ooi Soo Pheng
Dato' Lim Kean Seng, D. I. M. P.	Oon Leong Lye @ Khoo Leong Lye
Dato' Seri Loh Cheng Yean	Rizal Bin Mohd Zin (Appointed on 28.2.2024)
Dato' Syed Mohamad bin Syed Murtaza	Robert William McNab
Dato' Yeoh Soo Keng	Ronnie Lee Lye Beng
Dr Tan Hui Ling	Rose Ling Hie Ting
Eda Syukriati Binti Usman	Ruddy Samuel
Effendi Suryono (Resigned on 14.11.2023)	Satoru Iwasaki
Gan Ching Shien (Resigned on 29.2.2024)	Sharmil Shah
Georges Valery Magon	Shirley Kathreyn Yap
Hideaki Matsuya	Tan Cheng Shun (Appointed on 31.5.2023)
Jamie Darwin	Tan Hee Lan
Jason Andrew Campling	Tan Hui Ming
Karli Boenjamin	Tan Liang Chye
Kenneth Le Claire	Teo Mui Huee @ Alice
Khaw Liang Tse	Thoh Chi Gaik
Khoo Kay Jee	Timmy Ang Chiew Peng
Kim Luce	Wong Chee Choong
Lim Ee Hean	Wong Tet Look
Lim Ee Ling	Wong Yoke Kow
Lim How Ghee	Yaep Chin Yee
Lim Huck Seng	Yap Keow Seng
Ling Pak Kee	Yap Lip Yeow
Loh Nam Hooi	Yeap Tzu Tsing
Loh Wei-Lyn	Yusuf Bin Jamil
Loke Kim Hai	
Loke Poay Seng	
Loo Chin Chee	



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

In the opinion of the Directors, the financial statements set out on pages 83 to 213 are drawn up in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as of 31 December 2023 and of their financial performance and cash flows for the financial year then ended.

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

.....
Datuk Loh Kian Chong, DMSM
Director

.....
Dato' Seri Lim Su Tong, DGPN, DSPN
Director

Penang,

Date : 25 April 2024



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

I, **Wong Tet Look**, the officer primarily responsible for the financial management of Oriental Holdings Berhad, do solemnly and sincerely declare that the financial statements set out on pages 83 to 213 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the declaration to be true, and by virtue of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the abovenamed **Wong Tet Look**, NRIC: 501015-07-5255, MIA CA1586, at George Town in the State of Penang on 25 April 2024.

.....
Wong Tet Look
Group Chief Financial Officer

Before me :

Goh Suan Bee (No.P125)
Commissioner for Oaths
Penang

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U))(Incorporated in Malaysia)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Oriental Holdings Berhad, which comprise the statements of financial position as at 31 December 2023 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 year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 83 to 213.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting 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 auditors' 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 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.

1. Impairment of plantation assets including bearer plants - Group

Refer to Note 1(d) (*basis of preparation - use of estimates and judgements*) and Note 3.3.1 (*impairment loss - bearer plants*).

The key audit matter

The Group's carrying amount of bearer plants as at 31 December 2023 of RM846 million relates mainly to the plantation of subsidiaries in Indonesia. The Group regards the plantation assets of each subsidiary, including bearer plants, as a separate cash generating unit. During the financial year, there was an indication of impairment arising from the loss-making position and slow development of certain plantations. The recoverability of the carrying amount for each cash generating unit including bearer plants, is dependent on their recoverable amounts, determined using the discounted cash flows forecast and projections.

This is one of the areas that our audit focuses on because determining the level of impairment loss involved a significant degree of Directors' judgement in forecasting future cash flows and estimating the recoverable amounts of the cash generating units which are inherently uncertain.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U))(Incorporated in Malaysia)

1. Impairment of plantation assets including bearer plants - Group (cont'd)

How the matter was addressed in our audit

Our audit procedures include, among others:

- read the valuation report of the independent external valuer engaged by the Group in estimating the recoverable amounts for each cash generating unit of the affected plantations to facilitate the review of work performed by the component auditors;
- considered the audit documentation prepared by the component auditors and evaluated the results of their work and conclusions in relation to the impairment of plantation assets in the affected subsidiaries, including procedures performed as follows:
 - i) evaluated the impairment test model by comparing it against the requirements of the relevant accounting standards;
 - ii) assessed the discount rate used, by comparing the inputs used by the valuer to derive the discount rate against the relevant external sources;
 - iii) assessed significant and highly sensitive assumptions, such as the long term outlook of prices for oil palm fruits, by comparing them with internal and external sources; and
- considered the adequacy of the Group's disclosures about the key assumptions used in the estimation of the recoverable amount of the plantation assets.

2. Impairment of interests in subsidiaries - Company

Refer to Note 1(d) (*basis of preparation - use of estimates and judgements*) and Note 7.3 (*impairment loss*).

The key audit matter

As disclosed in Note 7 to the financial statements, the Company's carrying amount of interests in subsidiaries was approximately RM1,793 million as at 31 December 2023, including an amount of RM189 million due from certain subsidiaries. The Company regards net interests in each subsidiary as a separate cash generating unit. There is an indicator of impairment arising from some of the loss-making subsidiaries.

This is one of the areas that our audit focuses on because determining the level of impairment loss involved a significant degree of Directors' judgement in forecasting future cash flows and estimating the recoverable amounts of the cash generating units which are inherently uncertain.

How the matter was addressed in our audit

Our audit procedures include, among others:

- evaluated the impairment test model applied by the Company and compared it against the requirements of the relevant accounting standards;
- assessed the discount rates used by comparing these with our expectations based on our knowledge of the industry in which the subsidiaries operate;
- evaluated the Company's cash flow projections by performing retrospective assessment of the key assumptions driving the cash flow projections, in particular revenue growth and gross profit margin, to the latest internal board approved budget and plan, external market data, the historical accuracy of the Company's estimates in the previous years and our understanding of the future prospects of the subsidiaries' businesses; and
- considered the adequacy of the disclosures about the key assumptions used in the estimation of the recoverable amount of the affected cash generating units.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U))(Incorporated in Malaysia)

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 Annual Report 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 Annual Report and, in doing so, consider whether the Annual Report 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 the Annual Report, 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, IFRS Accounting 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 ability of the Group and of the Company 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:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Group and of the Company.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ORIENTAL HOLDINGS BERHAD (Registration No. 196301000446 (5286-U))(Incorporated in Malaysia)

Auditors' Responsibilities for the Audit of the Financial Statements (cont'd)

- 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 ability of the Group or of the Company 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.
- 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 gives a true and fair view.
- 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.

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, actions 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 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 auditors' 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 subsidiaries of which we have not acted as auditors are disclosed in Note 37 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.

KPMG PLT
(LLP0010081-LCA & AF 0758)
Chartered Accountants

Penang

Date : 25 April 2024

Lim Su Ling
Approval Number : 03098/12/2025 J
Chartered Accountant

TEN LARGEST PROPERTIES OF THE GROUP

AS AT 31 DECEMBER 2023

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value (RM million)
Lot No. 0039349, 0008365 and 0038002, Mukim-Hutan Melintang, District-Bagan Datuk, Perak	Oil palm plantation, crude palm oil mill with residential quarters and administrative office	3,508 (hectares)	Leasehold (99 years expiring 2118)	49	27 Sep 2023	471.8
Thistle Holborn The Kingsley Hotel Bloomsbury Way London WC1A 2SD United Kingdom	Hotel	8,027	Freehold	100	13 Feb 2012	216.7
Prabumulih I, Bingin Jungut, Mambang, Biaro Baru, Air Balui, Panai, and Ngunang Villages, Muara Lakitan, Muara Kelingi, Karang Dapo, and Sanga Desa Districts, Musi Rawas, Musi Rawas Utara and Musi Banyuasin Regencies, South Sumatera Province, Indonesia	Oil palm plantation with residential quarters and administrative office	3,962 (hectares)	Pending Hak Guna Usaha	8	18 July 2011	199.7
Lot 2051, PN 50435 PHTM : 2361 Pekan Klebang Sek. IV Melaka Tengah Melaka	Land and hospital building	75,740	Leasehold (99 years expiring 2107)	10	16 July 2008	157.4
Phase 3 Pekan Klebang Sek. IV Melaka Tengah, Melaka	Reclaimed land	335,751	Leasehold (Pending issuance of title)	-	-	133.6

TEN LARGEST PROPERTIES OF THE GROUP

AS AT 31 DECEMBER 2023

Location	Description	Land Area (sq.metres)	Tenure	Age of Building (Years)	Date of Acquisition	Net Book Value (RM million)
Rantau Serik, Lubuk Besar, Muara Kati, Batu Bandung, Kebur, Sugi Waras, Batu Raja Lama and Taba Villages, Jaya Loka, Tiang Pumpung Kepungut, Bulang Tengah Suku Ulu, Tebing Tinggi and Saling Districts, Musi Rawas and Empat Lawang Regency, South Sumatera Province, Indonesia	Oil palm plantation with residential quarters and administrative office	3,018 (hectares)	Pending Hak Guna Usaha	12	31 Jan 2011	131.3
Bangka Kota, Pangkal Buluh, Malik, Simpang Rimba and Sungai Selan Villages, Simpang Rimba, Payung and Sungai Selan Districts, Bangka Selatan and Bangka Tengah Regencies, Bangka Belitung Islands Province, Indonesia	Oil palm plantation with residential quarters and administrative office	4,140 (hectares)	Pending Hak Guna Usaha	17	17 Nov 2006	124.2
Somerset Park Suanplu No 39 Soi Suanplu South Sathorn Road Bangkok 10120 Thailand	Land and service apartment	6,555	Freehold	27	15 Sept 2011	123.0
315-319 Burwood Highway Burwood East VIC 3151 Australia	Land and service apartment	6,013	Freehold	5	20 Nov 2014	102.4
247-249 Collins Street Melbourne Victoria 3000 Australia	Office building	481	Freehold	140	23 June 2017	97.1

STOCKHOLDING STATISTICS

STOCKHOLDING STATISTICS AS AT 2 APRIL 2024

ISSUED SHARE CAPITAL	:	620,361,830 stocks (excluding 31,808 treasury stocks)
CLASS OF STOCK	:	Ordinary Stocks
VOTING RIGHTS	:	On a poll - One vote for every ordinary stock held

ANALYSIS OF STOCKHOLDINGS

<u>Size of Stockholding</u>	<u>No of Stockholders/ Depositors</u>	<u>No. of Stocks</u>	<u>% of Issued Capital</u>
1 - 99	335	10,920	0.00
100 - 1,000	1,773	1,282,170	0.21
1,001 - 10,000	4,374	18,173,215	2.93
10,001 - 100,000	1,613	49,049,084	7.91
100,001 to less than 5% of issued stocks	315	203,614,564	32.82
5% and above of issued stocks	4	348,231,877	56.13
Total	<u>8,414</u>	<u>620,361,830</u>	<u>100.00</u>

DIRECTORS' STOCKHOLDINGS AS AT 2 APRIL 2024

<u>Name of Directors</u>	<u>Direct</u>	<u>%</u>	<u>*Indirect</u>	<u>%</u>
Datuk Loh Kian Chong	1,000,000	0.16	^(a) 250,900,190	40.44
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK)	181,149	0.03	^(b) 42,396,062	6.83
Dato' Seri Lim Su Tong	2,966,906	0.48	^(b) 233,823,345	37.69
Tan Kheng Hwee	172,032	0.03	^(c) 42,234,190	6.81
Dato' Sri Datuk Wira Tan Hui Jing	-	-	^(d) 230,544,949	37.16
Mitsuharu Funase	-	-	-	-
Lee Kean Teong	7,680	0.00	-	-
Puan Nazriah Binti Shaik Alawdin	-	-	-	-
Dato' Ong Eng Bin	-	-	^(b) 53,500	0.01
Dato' Md Radzaif Bin Mohamed	-	-	-	-
Datin Loh Ean (alternate director to Dato' Robert Wong Lum Kong, DSSA, JP, CMJA (UK))	161,872	0.03	^(e) 42,415,339	6.84

Notes:

- * Deemed interested pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act, 2016, where applicable.
- (a) Deemed interested via Pacific Carnival Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd and Global Investments Ltd.
- (b) Deemed interested via spouse and/or children.
- (c) Deemed interested via Loh Cheng Yean Holdings Sdn Bhd.
- (d) Deemed interested via Pacific Carnival Sdn Bhd and Loh Gim Ean Holdings Sdn Bhd.
- (e) Deemed interested via spouse and Loh Ean Holdings Sdn Bhd.

STOCKHOLDING STATISTICS

SUBSTANTIAL STOCKHOLDERS

	Direct	%	*Indirect	%
Datuk Loh Kian Chong	1,000,000	0.16	^(a) 250,900,190	40.44
Dato' Robert Wong Lum Kong, DSSA, JP, CMJA(UK)	181,149	0.03	^(b) 42,396,062	6.83
Dato' Seri Lim Su Tong	2,966,906	0.48	^(b) 233,823,345	37.69
Dato' Sri Datuk Wira Tan Hui Jing	-	-	^(d) 230,544,949	37.16
Datin Loh Ean	161,872	0.03	^(e) 42,415,339	6.84
Dato' Seri Loh Cheng Yean	486,755	0.08	^(f) 42,691,914	6.88
Dato' Lim Kean Seng	857,683	0.14	^(g) 232,965,662	37.55
Employees Provident Fund Board	35,436,724	5.71	-	-
Lim Ee Ling	-	-	^(g) 232,965,662	37.55
Lim Ee Hean	-	-	^(g) 232,965,662	37.55
Loh Wei-Lyn	3,938,981	0.63	^(h) 239,712,888	38.64
Loh Oon Ling	-	-	⁽ⁱ⁾ 239,152,996	38.55
Loh Ean Holdings Sdn Bhd	42,234,190	6.81	-	-
Loh Cheng Yean Holdings Sdn Bhd	42,234,190	6.81	-	-
Loh Kar Bee Holdings Sdn Bhd	11,239,983	1.81	^(j) 227,913,013	36.74
Loh Phoy Yen Holdings Sdn Bhd	2,816,783	0.45	^(j) 227,913,013	36.74
Loh Gim Ean Holdings Sdn Bhd	2,631,936	0.42	^(j) 227,913,013	36.74
Pacific Carnival Sdn Bhd	227,913,013	36.74	-	-
Tan Kheng Hwee	172,032	0.03	^(c) 42,234,190	6.81
Tan Kheng Ju	86,016	0.01	^(c) 42,234,190	6.81
Tan Ju Nguan	130,560	0.02	^(c) 42,234,190	6.81
Tan Hui Ming	38,307	0.01	^(d) 230,544,949	37.16

Notes:

- * Deemed interested pursuant to Section 8(4) and Section 59(11)(c) of the Companies Act, 2016, where applicable.
- (a) Deemed interested via Pacific Carnival Sdn Bhd, Loh Kar Bee Holdings Sdn Bhd, Loh Boon Siew Holdings Sdn Bhd and Global Investments Ltd.
- (b) Deemed interested via spouse and/or children.
- (c) Deemed interested via Loh Cheng Yean Holdings Sdn Bhd.
- (d) Deemed interested via Pacific Carnival Sdn Bhd and Loh Gim Ean Holdings Sdn Bhd.
- (e) Deemed interested via spouse and Loh Ean Holdings Sdn Bhd.
- (f) Deemed interested via spouse (deceased), children and Loh Cheng Yean Holdings Sdn Bhd.
- (g) Deemed interested via Pacific Carnival Sdn Bhd, Loh Phoy Yen Holdings Sdn Bhd, United Formula Sdn Bhd, Tong Yen Sdn Bhd, Global Investments Ltd and Global Wealth Ltd.
- (h) Deemed interested via Pacific Carnival Sdn Bhd, Loh Kah Kheng Holdings Sdn Bhd and Loh Boon Siew Holdings Sdn Bhd.
- (i) Deemed interested via Pacific Carnival Sdn Bhd and Loh Kar Bee Holdings Sdn Bhd.
- (j) Deemed interested via Pacific Carnival Sdn Bhd.

STOCKHOLDING STATISTICS

THIRTY LARGEST STOCKHOLDERS AS AT 2 APRIL 2024

No.	Name	No. of Stocks	% of Issued Capital
1	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR PACIFIC CARNIVAL SDN BHD (PB)	227,913,013	36.74
2	UOB KAY HIAN NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	42,647,950	6.87
3	LOH EAN HOLDINGS SDN BHD	42,234,190	6.81
4	CITIGROUP NOMINEES (TEMPATAN) SDN BHD EMPLOYEES PROVIDENT FUND BOARD	35,436,724	5.71
5	CITIGROUP NOMINEES (ASING) SDN BHD HONDA MOTOR COMPANY LTD	25,119,424	4.05
6	CITIGROUP NOMINEES (TEMPATAN) SDN BHD LOH BOON SIEW HOLDINGS SDN BHD	11,547,194	1.86
7	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR PENANG YELLOW BUS COMPANY BERHAD (PB)	11,161,700	1.80
8	ANG TEOH CHENG & SONS SDN BHD	7,777,777	1.25
9	LOH KAR BEE HOLDINGS SDN BHD	7,200,000	1.16
10	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR KOPERNIK GLOBAL ALL-CAP FUND	4,693,800	0.76
11	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LOH KAR BEE HOLDINGS SDN BHD (PB)	4,039,983	0.65
12	LOH WEI-LYN	3,938,981	0.63
13	GOLDEN FRESH SDN BHD	3,500,000	0.56
14	CHINCHOO INVESTMENT SDN.BERHAD	3,369,960	0.54
15	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD LIM SU TONG @ LIM CHEE TONG (77-73000-227)	2,966,906	0.48
16	CIMSEC NOMINEES (ASING) SDN BHD CIMB FOR LIM YANG TAT SHERMAN (LIN YONGDA SHERMAN) (PB)	2,887,300	0.47
17	HSBC NOMINEES (ASING) SDN BHD BBH AND CO BOSTON FOR KOPERNIK GLOBAL ALL-CAP EQUITY FUND (HEPTAGON F ICAV)	2,864,100	0.46
18	KEY DEVELOPMENT SDN.BERHAD	2,730,000	0.44
19	CITIGROUP NOMINEES (ASING) SDN BHD CBNY FOR DIMENSIONAL EMERGING MARKETS VALUE FUND	2,554,379	0.41
20	SEAH YEE SHEAU	2,549,200	0.41

STOCKHOLDING STATISTICS

THIRTY LARGEST STOCKHOLDERS AS AT 2 APRIL 2024 (cont'd)

No.	Name	No. of Stocks	% of Issued Capital
21	CITIGROUP NOMINEES (ASING) SDN BHD UBS AG	2,302,847	0.37
22	ANG SENG CHIN	2,222,222	0.36
23	UOB KAY HIAN NOMINEES (ASING) SDN BHD EXEMPT AN FOR UOB KAY HIAN PTE LTD (A/C CLIENTS)	2,193,388	0.35
24	CIMB GROUP NOMINEES (TEMPATAN) SDN BHD EXEMPT AN FOR DBS BANK LTD (SFS-PB)	2,160,000	0.35
25	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LOH PHOY YEN HOLDINGS SDN BHD (PB)	1,837,136	0.30
26	CIMSEC NOMINEES (TEMPATAN) SDN BHD CIMB FOR LOH GIM EAN HOLDINGS SDN. BHD. (PB)	1,837,136	0.30
27	MALAYSIA NOMINEES (TEMPATAN) SENDIRIAN BERHAD TONG YEN SDN BHD (00-00203-000)	1,708,278	0.28
28	FOO LOKE WENG	1,550,000	0.25
29	LEE KIM LEWI	1,500,000	0.24
30	SHARIFAH INTAN BINTI S.M.AIDID	1,454,273	0.23



FORM OF PROXY

CDS Account No.:	No. of Stocks held:

I/We _____
(Full name in Block Letters and NRIC No. / Passport No. / Company No.)

of _____ and _____
(Address) (Tel. No.)

being a *member/ members of Oriental Holdings Berhad hereby appoint

Full Name (in Block Letters)	NRIC/Passport No.	E-mail Address & Mobile Phone No.	No. of Stocks	% of Stockholding

*and/or

Full Name (in Block Letters)	NRIC/Passport No.	E-mail Address & Mobile Phone No.	No. of Stocks	% of Stockholding

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-SECOND ANNUAL GENERAL MEETING of the Company to be held virtually through online streaming from broadcast venue located at Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang, Malaysia via Remote Participation and Electronic Voting ("RPEV") facilities at <https://investor.boardroomlimited.com> on Thursday, 13 June 2024 at 2.30 pm or at any adjournment thereof.

*My/our proxy is to vote on a poll as indicated below with an "X".

Resolutions	ORDINARY											
	1	2	3	4	5	6	7	8	9	10	11	
FOR												
AGAINST												

* Strike out if not applicable

Signed this _____ day of _____ 2024

Signature of Stockholder(s)/Common Seal

Notes:

- The AGM will be held entirely via RPEV facilities provided by Boardroom Share Registrars Sdn Bhd ("Boardroom") via Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Kindly refer to the Administrative Guide for the AGM in order to register, participate and vote remotely via the RPEV facilities.
- The online meeting platform is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which requires the chairman of the meeting to be present at the main venue of the meeting. Stockholders / proxies from the public **WILL NOT BE ALLOWED** to be physically present. Stockholders who wish to participate in the AGM will have to register online and attend remotely. Kindly read and follow the procedures in the Administrative Guide for the AGM in order to participate remotely.
- A proxy may but need not be a member of the Company.
- The instrument appointing a proxy must be deposited / lodged via the following ways not less than 48 hours before the time set for holding the AGM or at any adjournment thereof:
 - By hard copy form** – The Form of Proxy must be deposited with the Poll Administrator at Boardroom Share Registrars Sdn Bhd, 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor, Malaysia.
 - By electronic form** – The Form of Proxy can be electronically lodged with the Poll Administrator through Boardroom Smart Investor Portal at <https://investor.boardroomlimited.com>. Please refer to the Administrative Guide for the procedures on electronic lodgement of Form of Proxy.
- A member entitled to attend and vote is entitled to appoint not more than two (2) proxies to attend and vote in his stead. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportions of his holdings to be represented by each proxy. A proxy appointed to attend and vote at a meeting of the Company shall have the same rights as the member to speak at the meeting.
- Where a member of the Company is an authorised nominee as defined under the Securities Industries (Central Depositories) Act, 1991 ("SICDA"), it may appoint not more than two (2) proxies in respect of each securities account it holds with ordinary stocks of the Company standing to the credit of the said securities account.
- Where a member of the Company is an exempt authorised nominee which holds ordinary stocks in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there shall be no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds. An exempt authorised nominee refers to an authorised nominee defined under the SICDA which is exempted from compliance with the provisions of subsection 25A(1) of SICDA.
- If the appointer is a corporation, the Form of Proxy must be executed under the corporation's common seal or under the hand of an officer or an attorney duly authorised.
- In respect of deposited securities, only a Depositor whose name appears on the Record of Depositors on **6 June 2024** (General Meeting Record of Depositors) shall be eligible to attend the meeting or appoint a proxy to attend and/or vote on his/her behalf.

Personal Data Privacy

By registering for the remote participation and electronic voting meeting and/or submitting the instrument appointing a proxy(ies) and/or representative(s), the member of the Company has consented to the use of such data for purposes of processing and administration by the Company (or its agents); and to comply with any laws, listing rules, regulations and/or guidelines. The member agrees that he/she will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the stockholder's breach of warranty.

Fold along this line

Affix
Postage
Stamp

Boardroom Share Registrars Sdn. Bhd.

11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya,
Selangor, Malaysia

Fold along this line

ADMINISTRATIVE GUIDE FOR THE 62ND ANNUAL GENERAL MEETING

Event Name	:	OHB – 62 nd AGM
Day, Date and Time of Meeting	:	Thursday, 13 June 2024, 2.30 pm
Broadcast venue	:	Sri Mas Ballroom, Level 4, Bayview Hotel Georgetown Penang, 25A Farquhar Street, 10200 Penang (Members/ Proxies/ Corporate Representatives will not be allowed to be physically present at the Broadcast Venue)
RPEV facilities	:	Boardroom Smart Investor Portal (“BSIP”) at https://investor.boardroomlimited.com
Mode of communication	:	(1) Participate in the 62 nd AGM to vote remotely using the remote participation and electronic voting (“RPEV”) facilities via the meeting platform; (2) Type the questions in the messaging box through the meeting platform. The messaging window facility will be opened concurrently with the meeting platform, i.e. 1 hour before the commencement of 62 nd AGM, starting from 1.30 pm (Malaysia time) on Thursday, 13 June 2024.

MODE OF MEETING

Oriental Holdings Berhad (“OHB” or “the Company”) will conduct the 62nd AGM on virtual basis through live streaming and online remote voting at the broadcast venue using the RPEV Facilities.

Kindly note that it is your responsibility to ensure the stability of the internet connectivity throughout of the AGM is maintained as the quality of the live webcast and online remote voting are dependent on the bandwidth and stability of the internet connection of the participants.

The broadcast venue mentioned above is strictly for the purpose of complying with Section 327(2) of the Companies Act 2016 which stipulates that the Chairman of the meeting shall be at the main venue of the 62nd AGM. **No Stockholders/ Proxies/Corporate Representatives** from the public should be physically present nor will be admitted to the Broadcast Venue on the day of the AGM.



ADMINISTRATIVE GUIDE FOR THE 62ND ANNUAL GENERAL MEETING

PROCEDURE TO REMOTE PARTICIPATION AND VOTING VIA RPEV FACILITIES

BEFORE THE 62 nd AGM DAY	
Step 1: Register Online with BSIP	
<p><i>Note: This is a one-time registration. If you have already signed up with BSIP, you are not required to register. You may proceed to Step 2.</i></p> <p>(Only for first time BSIP users)</p> <p>(a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.</p> <p>(b) Go to BSIP website at https://investor.boardroomlimited.com</p>	
<p>Individual Account (For Shareholder & Proxy)</p>	<p>Corporate Account (For Representative of Corporate Holder or Authorised Nominees)</p>
<ul style="list-style-type: none"> • Click Register to sign up for a user account and select the correct account type "Sign up as Individual". • Complete the registration with all required information. Upload and attach your MyKad (front and back) or Passport in JPEG, PNG or PDF format. • Click Sign Up. <p><i>[Note: Please ensure that you sign-up for Individual Account if you are an appointed proxy to attend the meeting]</i></p>	<ul style="list-style-type: none"> • Click Register to sign up for a user account and select the correct account type "Sign up as Corporate Holder". • Complete the registration by providing all the required information. Upload and attach your MyKad (front and back) or Passport in JPEG, PNG or PDF format, along with the completed authorization letter. • Click Sign Up. <p><i>[Note: If you are appointed as the authorised representatives for more than one (1) company, kindly click the home button and select "Edit Profile" in order to add your representation after your BSIP account has been approved.]</i></p>
<p>(c) You will receive an email from Boardroom for email address verification. Click "Verify Email Address" from the email received to continue with the registration process.</p> <p>(d) Once your email address is verified, you will be re-directed to BSIP for verification of mobile number. Click "Request OTP Code" and an OTP code will be sent to the registered mobile number. You will need to enter the OTP code for verification and click "Enter" to complete the registration process.</p> <p>(e) Once your mobile number is verified, registration of your new BSIP account will be pending for final verification.</p> <p>(f) An e-mail will be sent to you within one (1) business day informing on the approval of your BSIP account. Once account registration completed, you can login at BSIP at https://investor.boardroomlimited.com with the email address and password that you have provided during registration to proceed with the next step.</p>	



ADMINISTRATIVE GUIDE FOR THE 62ND ANNUAL GENERAL MEETING

PROCEDURE TO REMOTE PARTICIPATION AND VOTING VIA RPEV FACILITIES (cont'd)

Step 2: Submit Request for RPEV (*applicable for individual account only*)

The registration for RPEV will open from Tuesday, 30 April 2024 at 2.30 pm until the day of the 62nd AGM on Thursday, 13 June 2024.

For Individual account only

- (a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- (b) Go to BSIP website at <https://investor.boardroomlimited.com>
- (c) Login your BSIP account with your registered email address and password.
[Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free - refer to process "Step 1: Register Online with BSIP" above.]
- (d) Click "**Meeting Event**" and select "**OHB – 62ND AGM**" from the list of companies and click "**Enter**".
- (e) Go to "**VIRTUAL**" and click on "**Register for RPEV**".
- (f) Check the box to register for RPEV and enter your 9 digits CDS account number.
- (g) Read and check the box to accept the Terms & Conditions, then click "**Register**".
- (h) You will receive a notification that your RPEV registration has been received and pending verification.
- (i) Upon system verification against the General Meeting Record of Depositors ("General Meeting ROD") as at **6 June 2024**, you will receive an email from Boardroom notifying you whether your registration has been approved or rejected.

ADMINISTRATIVE GUIDE FOR THE 62ND ANNUAL GENERAL MEETING

PROCEDURE TO REMOTE PARTICIPATION AND VOTING VIA RPEV FACILITIES (cont'd)

APPOINTMENT OF PROXY

If Members who wish to submit their Form of Proxy electronically via BSIP, please refer to the procedures for electronic lodgement of Form of Proxy as follows:

Step 3	
<p>For Individual Stockholders, Corporate Stockholders</p> <p>(a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.</p> <p>(b) Go to BSIP website at https://investor.boardroomlimited.com</p> <p>(c) Login your BSIP account with your registered email address and password. <i>[Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free - refer to process "Step 1: Register Online with BSIP" above.]</i></p> <p>(d) Click "Meeting Event" and select "OHB – 62nd AGM" from the list of companies and click "Enter".</p>	
By Shareholder and Corporate Holder	By Nominees Company
<ul style="list-style-type: none"> • Select the Company that you are representing - for Corporate Account user only. • Go to "PROXY" and click on "Submit eProxy Form". • Click on "Submit eProxy Form" • Enter your 9 digits CDS account number and number of securities held. • Select your proxy/proxies appointment – either the Chairman of the meeting or individual named proxy/proxies. • Read and accept the Terms and Conditions and click "Next". • Enter the required particulars of your proxy/proxies. • Indicate your voting instructions for each Resolution – FOR, AGAINST, ABSTAIN or DISCRETIONARY. If DISCRETIONARY is selected, your proxy/proxies will decide on your votes during poll at the meeting. • Review and confirm your proxy/proxies appointment and click "Submit". • Download or print the eProxy Form as acknowledgement. 	<ul style="list-style-type: none"> • Select the Nominees Company that you are representing. • Go to "PROXY" and click on "Submit eProxy Form". • Click on "Download Excel Template" to download. • Insert the appointment of proxy/proxies for each CDS account with the necessary data and voting instructions in the downloaded excel file template. Ensure inserted data is correct and orderly. • Proceed to upload the duly completed excel file. • Review and confirm your proxy/proxies appointment and click "Submit". • Download or print the eProxy form as acknowledgement.
<p>Please note that the closing date and time to submit your Form of Proxy is by Tuesday, 11 June 2024 at 2.30 pm.</p>	



ADMINISTRATIVE GUIDE FOR THE 62ND ANNUAL GENERAL MEETING

PROCEDURE TO REMOTE PARTICIPATION AND VOTING VIA RPEV FACILITIES (cont'd)

ON THE DAY OF THE AGM

Step 4: Login to Boardroom Meeting Portal

- (a) Open an internet browser. Latest versions of Chrome, Firefox, Safari, Edge or Opera are recommended.
- (b) Go to BSIP website at <https://investor.boardroomlimited.com>.
- (c) Login your BSIP account with your registered email address and password.
[Note: If you do not have an account with BSIP, please sign-up/register with BSIP for free - refer to process "Step 1: Register Online with BSIP above.]
- (d) Meeting platform will be made available at any time from 1.30 pm i.e. one hour before the commencement of the AGM at 2.30 pm on 13 June 2024.
- (e) Click into "**Meeting Event**" and go to "**OHB – 62nd AGM**" and then click "**Join Live Meeting**" to join the proceedings of the AGM remotely.
If stockholders have any question for the Chairman/Board/Management, they may use the Messaging window facility to submit their questions during the meeting. The Messaging window facility will open one (1) hour before the AGM which is from 1.30 pm on 13 June 2024.
- (f) Once the voting has opened, click on the voting icon. The resolution and voting choices will be displayed.
- (g) To vote, simply select your voting direction from the options shown on screen. A confirmation message will appear to show your vote has been received.
- (h) To change your vote, simply select another direction. If you wish to cancel your vote, please select Cancel.

Important Notes:

- (a) *The quality of the connectivity to the Virtual Meeting Portal for live webcast as well as for remote online voting is dependent on the bandwidth and the stability of the internet connection available at the location of the remote users.*
- (b) *Recommended requirement for live webcast:*
 - (i) *Browser: Latest versions of Chrome, Firefox, Edge, Safari or Opera.*
 - (ii) *Bandwidth: Minimum 9 Mbps stable speed for High Definition (HD) High Quality video quality or 12 Mbps for Extra HD (EHD) video quality.*
 - (iii) *Device with working and good quality speakers.*
- (c) *You may not be able to gain access to the AGM via the RPEV facilities if your connecting device is on network with firewall and other security filtration. Seek onsite IT/technical support if required.*

Entitlement to Participate and Vote

- Only stockholders whose names appear on the General Meeting ROD as at 6 June 2024 shall be eligible to participate at the AGM.
- If a shareholder is unable to participate at the AGM, he/she may appoint proxy/proxies, including the Chairman, to participate and vote on his/her behalf.
- If a shareholder wishes to participate in the AGM, they must not submit a Form of Proxy. A shareholder will not be allowed to participate in the meeting if they have appointed proxy/proxies.

ADMINISTRATIVE GUIDE FOR THE 62ND ANNUAL GENERAL MEETING

REVOCAION OF PROXY

If a shareholder has submitted his/her Form of Proxy prior to the AGM and subsequently decides to appoint another person or wishes to participate in the virtual AGM by himself/herself, please revoke the appointment of proxy/proxies at least **forty-eight (48) hours** before the AGM. Please find the below step for revocation on eProxy form or physical Form of Proxy:-

eProxy Form	Physical Form of Proxy
<ul style="list-style-type: none"> • Go to "Meeting Event" and select "OHB – 62nd AGM" from the list of companies and click "Enter". • Go to "PROXY" and click on "Submit Another eProxy Form". • Go to "Submitted eProxy Form List" and click "View" for the eProxy form. • Click "Cancel/Revoke" at the bottom of the eProxy form. • Click "Proceed" to confirm. 	<ul style="list-style-type: none"> • Please write in to bsr.helpdesk@boardroomlimited.com to revoke the appointment of proxy/proxies.

Upon revocation, proxy/proxies appointed earlier will not be allowed to participate at the AGM. In such event, stockholders should advise their proxy/proxies accordingly.

SUBMISSION OF QUESTIONS

Prior to the AGM

Members and proxies may submit questions before the AGM to the Chairman or the Board of Directors via BSIP at <https://investor.boardroomlimited.com> **no later than Tuesday, 11 June 2024 at 2.30 pm**. Click **"Submit Question"** after selecting **"OHB – 62nd AGM"** from **"Meeting Event"** to submit your questions.

During the AGM

If you have any questions for the Chairman or the Board of Directors, you may use the messaging window facility by clicking the messaging icon within the Boardroom Meeting Portal to submit your questions. The messaging window facility will open one (1) hour before the commencement of the AGM which is on 13 June 2024 at 1.30 pm and will remain open until such time that the Chairman announces the closure of the Q&A session. The Chairman or the Board of Directors will endeavour to address all questions received in relation to the AGM.

ENQUIRY

If you have any enquiries relating to the Boardroom Meeting Portal or proxy appointment prior to the AGM, or encounter any technical issues while participating in the virtual AGM, please contact Boardroom during office hours from Monday to Friday, 8.30 am to 5.30 pm (except for public holidays):

Boardroom Share Registrars Sdn. Bhd.

General Line : +603 7890 4700
 Fax number : +603 7890 4670
 Email : bsr.helpdesk@boardroomlimited.com

ORIENTAL HOLDINGS BERHAD

Reg. No: 196301000446 (5286-U)

1st Floor, 25B Lebuhr Farquhar, 10200 Penang, Malaysia.

 604-263 8590  604-263 7152  www.ohb.com.my