BATU KAWAN BERHAD
196501000504 (6292-U)

ANNUAL REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

Contents

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Sixtieth Annual General Meeting ("**60th AGM**") of Batu Kawan Berhad ("**BKB**" or "**Company**") will be held at Conference Hall, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan on Friday, 28 February 2025 at 2.15 p.m. for the following purposes:

AGENDA
As Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 30 September 2024 and the Reports of the Directors and Auditors thereon.

2. To re-elect the following Directors who retire by rotation in accordance with the Company's *Constitution* and who being eligible offer themselves for re-election:

   Dato' Yeoh Eng Khoon (Ordinary Resolution 1)
   Mr. Lee Yuan Zhang (Ordinary Resolution 2)
   Ms. Susan Yuen Su Min (Ordinary Resolution 3)

3. To approve the payment of Directors' fees amounting to RM1,456,071 (2023: RM1,473,322) to the Non-Executive Directors for the financial year ended 30 September 2024. (Ordinary Resolution 4)

4. To approve the payment of Directors' benefits (other than Directors' fees) for the period from this 60th AGM to the Sixty-First Annual General Meeting ("**61st AGM**") of the Company to be held in 2026. (Ordinary Resolution 5)

5. To re-appoint Messrs BDO PLT as External Auditors of the Company for the financial year ending 30 September 2025 and to authorise the Board of Directors to fix Messrs BDO PLT's remuneration. (Ordinary Resolution 6)

As Special Business:

6. To consider and, if thought fit, pass the following ordinary resolutions:

   (a) **PROPOSED RENEWAL OF AUTHORITY TO BUY BACK ITS OWN SHARES BY THE COMPANY** (Ordinary Resolution 7)

   "THAT authority be given to the Company to buy back an aggregate number of shares in the Company ("**Authority to Buy Back Shares**") as may be determined by the Directors from time to time through Bursa Malaysia Securities Berhad upon such terms and conditions as the Directors may deem fit and expedient in the best interests of the Company provided that at the time of purchase, the aggregate number of shares purchased and/or held pursuant to this resolution does not exceed ten percent (10%) of the total number of issued shares of the Company and that the maximum funds to be allocated for the Authority to Buy Back Shares shall not exceed the latest audited retained profits of the Company;

   THAT the shares purchased by the Company pursuant to Authority to Buy Back Shares may be dealt with by the Directors in all or any of the following manner:

   (i) distribute the shares as share dividends to the shareholders; or
   (ii) resell the shares or any of the shares on Bursa Malaysia Securities Berhad; or
   (iii) transfer the shares or any of the shares for the purposes of or under an employees' share scheme; or
   (iv) transfer the shares or any of the shares as purchase consideration; or
   (v) cancel the shares or any of the shares; or
   (vi) sell, transfer or otherwise use the shares for such other purposes as allowed by the *Companies Act 2016*.

AND THAT the Directors be and are hereby empowered to do all such acts and things to give full effect to the Authority to Buy Back Shares with full powers to assent to any conditions, modifications, revaluations, variations and/or amendments (if any) as may be imposed by the relevant authorities AND THAT such authority shall commence upon passing of this ordinary resolution and will expire at the conclusion of the next Annual General Meeting of the Company following the passing of this ordinary resolution or the expiry of the period within which the next Annual General Meeting is required by law to be held (unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in general meeting) but not so as to prejudice the completion of a purchase by the Company before the aforesaid expiry date and, in any event, in accordance with the provisions of the guidelines issued by Bursa Malaysia Securities Berhad or any other relevant authority."

(b) **PROPOSED RENEWAL OF SHAREHOLDERS' MANDATE FOR RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE** (Ordinary Resolution 8)

"THAT subject to the *Companies Act 2016* and Bursa Malaysia Securities Berhad's *Main Market Listing Requirements*, approval be and is hereby given to the Company and/or its subsidiaries to enter into all arrangements and/or transactions as set out in Appendix II of the Circular to Shareholders dated 31 December 2024 involving the interests of Directors, major shareholders or persons connected with Directors or major shareholders ("**Related Parties**") of the Company and/or its subsidiaries provided that such arrangements and/or transactions are:

(i) recurrent transactions of a revenue or trading nature;
(ii) necessary for the Group's day-to-day operations;
(iii) carried out in the ordinary course of business on normal commercial terms which are not more favourable to the Related Parties than those generally available to the public; and
(iv) are not to the detriment of minority shareholders,

("**Mandate**").

THAT such authority shall commence upon the passing of this ordinary resolution and shall continue to be in force until:

(i) the conclusion of the next Annual General Meeting of the Company following the Annual General Meeting at which such Mandate was passed, at which time it will lapse, unless by a resolution passed at the meeting, the authority is renewed; or
(ii) the expiration of the period within which the next Annual General Meeting after the date it is required to be held pursuant to Section 340(1) of the *Companies Act 2016* but shall not extend to such extension as may be allowed pursuant to Section 340(4) of the *Companies Act 2016*; or
(iii) revoked or varied by resolution passed by the shareholders in general meeting;

whichever is earlier.

AND THAT the Directors of the Company be authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary to give effect to the Mandate."

(c) **PROPOSED RENEWAL OF THE AUTHORITY FOR DIRECTORS TO ALLOT AND ISSUE NEW ORDINARY SHARES IN THE COMPANY ("BKB SHARES") IN RELATION TO THE DIVIDEND REINVESTMENT PLAN THAT PROVIDES THE SHAREHOLDERS OF THE COMPANY THE OPTION TO ELECT TO REINVEST THEIR CASH DIVIDEND ENTITLEMENTS IN BKB SHARES ("DIVIDEND REINVESTMENT PLAN")** (Ordinary Resolution 9)

"THAT pursuant to the Dividend Reinvestment Plan ("**DRP**") approved by the shareholders at the Annual General Meeting held on 13 February 2018 and subject to the approval of the relevant authorities (if any), approval be and is hereby given to the Company to allot and issue such number of BKB Shares pursuant to the DRP until the conclusion of the next Annual General Meeting, upon such terms and conditions and to such persons as the Directors may, in their absolute discretion, deem fit and in the best interest of the Company PROVIDED THAT the issue price of the said BKB Shares shall be fixed by the Directors at not more than ten percent (10%) discount to the adjusted five (5)-day volume weighted average market price ("**VWAMP**") of BKB shares immediately prior to the price-fixing date, which VWAMP shall be adjusted ex-dividend before applying the aforementioned discount in fixing the issue price;

AND THAT the Directors be and are hereby authorised to do all such acts and enter into all such transactions, arrangements and documents as may be necessary or expedient in order to give full effect to the DRP with full power to assent to any conditions, modifications, variations and/or amendments (if any) as may be imposed or agreed to by any relevant authorities or consequent upon the implementation of the said conditions, modifications, variations and/or amendments, as they, in their absolute discretion, deem fit and in the best interest of the Company."

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

FURTHER NOTICE IS HEREBY GIVEN THAT only members whose names appear on the General Meeting Record of Depositors or Register of Members as at 21 February 2025 shall be entitled to attend and vote at this Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and vote in his/her stead.

By Order of the Board
YAP MIOW KIEN (MAICSA 7059013) SSM PC 202008000769
GOH SWEE ENG (MIA 15953) SSM PC 202008002222
CHIEW CINDY (MAICSA 7057923) SSM PC 202008002202
(Company Secretaries)

Ipoh, Perak Darul Ridzuan, Malaysia.
31 December 2024

NOTES:

(1) APPOINTMENT OF PROXY

(a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend and vote at the same meeting on his/her behalf. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies in the instrument appointing the proxies the proportion of shareholdings to be represented by each proxy.

(b) Where the proxy form is executed by a corporation, it must be signed under its common seal or where the corporation does not have a common seal, by any two (2) of its authorised officers or under the hand of its officer or attorney duly authorised. In the case of a corporation with a single director, it shall be signed by the single director and countersigned by the company secretary of the corporation.

NOTES: (Continued)

(1) APPOINTMENT OF PROXY (Continued)

(c) Where a member of the Company is an exempt authorised nominee, as defined under the *Securities Industry (Central Depositories) Act 1991*, who holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(d) Where an exempt authorised nominee appoints two (2) or more proxies, the proportion of shareholdings to be represented by each proxy must be specified in the instrument appointing the proxies.

(e) The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by the Company not less than twenty-four (24) hours before the time appointed for the taking of the poll:

- In hardcopy form
  The original proxy form shall be deposited at the Company Share Registrar's office, Boardroom Share Registrars Sdn Bhd ("**Boardroom**"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

- Electronically
  The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at *https://investor.boardroomlimited.com*. Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at *bsr.helpdesk@boardroomlimited.com*.

(f) The power of attorney or other authority, if any, under which it is signed or a notarially certified of that power or authority, shall be deposited with Boardroom not less than twenty-four (24) hours before the time appointed for the taking of the poll.

(2) EXPLANATORY NOTES TO ORDINARY BUSINESS

(a) Audited Financial Statements for financial year ended 30 September 2024

The Audited Financial Statements are laid in accordance with Section 340(1) of the *Companies Act 2016* for discussion only and do not require members' approval. Hence, Agenda 1 will not be put forward for voting.

(b) Re-election of Directors

Dato' Yeoh Eng Khoon, Mr. Lee Yuan Zhang and Ms. Susan Yuen Su Min who retire by rotation in accordance with the Company's *Constitution* and being eligible, have offered themselves for re-election at this Annual General Meeting.

For the purpose of determining the eligibility of the Directors standing for re-election at the 60th AGM, the Board had, through its Nomination Committee, assessed the retiring Directors, and considered the following:
(i) the Directors' performance and contribution based on the Board Effectiveness Evaluation for the financial year ended 2024 results;
(ii) the Directors' level of contribution to the Board and Board Committees' deliberations;
(iii) the level of independence demonstrated by the Independent Director (i.e. Ms. Susan Yuen Su Min), and her ability to act in the best interests of the Company; and
(iv) the Directors' fitness and propriety with reference to the *Directors' Fit and Proper Policy* of the Company.

Based on the aforesaid assessment, the Board and Nomination Committee are satisfied that the retiring Directors met the following criteria required of an effective and contributing director:

- willingness and the ability to challenge and ask the right questions;
- sound character and integrity in dealing with potential conflict of interest situations;
- commitment and time to serve the Company;
- fitness and propriety;
- competent and capable; and
- past contribution and performance.

NOTES: (Continued)

(2) EXPLANATORY NOTES TO ORDINARY BUSINESS (Continued)

(b) Re-election of Directors (Continued)

The Directors standing for re-election have discharged their duties and responsibilities effectively and efficiently. Noting their positive assessments, the Board approved Nomination Committee's recommendation that the retiring Directors, Dato' Yeoh Eng Khoon, Mr. Lee Yuan Zhang and Ms. Susan Yuen Su Min, be eligible to stand for re-election at the forthcoming Annual General Meeting.

Shareholders' approval is sought for the re-elections of Dato' Yeoh Eng Khoon, Mr. Lee Yuan Zhang and Ms. Susan Yuen Su Min under Ordinary Resolutions 1, 2 and 3 respectively.

(c) Payment of Directors' Fees and Benefits

Section 230(1) of the *Companies Act 2016* provides amongst others, that the Directors' fees and any benefits payable to the Directors of the Company and its subsidiaries shall be approved at a general meeting.

The BKB Board has recommended that the Directors' fees would be held constant for three (3) years. The current annual fee for the Non-Executive Directors ("**NEDs**") was last approved by the Board of Directors in 2021 and that the fee had remained unchanged since financial year ended 2021.

In November 2024, the Remuneration Committee recommended, and the Board approved (subject to shareholders' approval at the forthcoming Annual General Meeting), an increase in the fees of the NEDs and Board Committees. The recommendation followed a review of the NEDs' remuneration, including benchmarking against selected similar-sized companies within the same industry to ensure competitiveness. The Board and Remuneration Committee also considered the increased responsibilities, expanded time commitments, and the need for fair remuneration practices to attract and retain qualified directors with the expertise needed for effective oversight. Upon shareholders' approval, the increased fees will remain constant for the next three (3) financial years (i.e FY 2024 to FY 2026). However, to ensure that the Directors' fees align with appropriate peer groups and are measured against profits and other targets set in accordance with the Company's annual budget and plans, the Remuneration Committee will review the Directors' fees annually.

The proposed fees are as set out below:

Category	Current Fees (RM per annum)	Proposed Fees (RM per annum)
Chairman of the Board	217,500	232,000
Non-Executive Board member	145,000	155,000
Audit and Risk Committee		
- Chairman	35,000	40,000
- Member	25,000	30,000
Remuneration Committee		
- Chairman	25,000	30,000
- Member	15,000	20,000
Nomination Committee		
- Chairman	25,000	30,000
- Member	15,000	20,000

NOTES: (Continued)

(2) EXPLANATORY NOTES TO ORDINARY BUSINESS (Continued)

(c) Payment of Directors' Fees and Benefits (Continued)

(i) The shareholders' approval is hereby sought under Ordinary Resolution 4 on payment of Directors' fees to the NEDs in respect of the financial year ended 2024, as set out below:

	Board (RM per annum)	Audit and Risk Committee (RM per annum)	Other Board Committees (RM per annum)
Non-Executive Chairman/ Chairman of Board Committee	232,000	40,000	30,000
NEDs / Committee Members	155,000	30,000	20,000

(ii) There is no revision to the Directors' benefits [which it is proposed under Ordinary Resolution 5 on payment of Directors' benefits (other than Directors' fees) for the period from this 60th AGM to 61st AGM of the Company to be held in 2026], as summarised in the table below:

Type of Benefit/Allowance	Amount
Meeting Allowance (Board and Committees)	RM2,000 per meeting
Overseas Travelling Allowance	RM1,000 per day
Other Benefits	Business travel, medical, insurance coverage, and other claimables and reimbursables for the purpose of enabling the Directors to perform their duties.

(d) Re-appointment of Auditors and Audit Fees

The Audit and Risk Committee had, at its meetings held in November and December 2024, assessed the suitability and independence of the External Auditors, Messrs BDO PLT, and considered:

(i) quality of Messrs BDO PLT's performance based on their reporting and deliverables;
(ii) adequacy of experience and resources provided by Messrs BDO PLT to the BKB Group; and
(iii) independence of Messrs BDO PLT and level of non-audit services rendered by Messrs BDO PLT to the Group for financial year ended 2024.

The Audit and Risk Committee deliberated on the performance and suitability of Messrs BDO PLT based on the quality of audit, competency and sufficiency of resources of Messrs BDO PLT in relation to the financial year ended 2024 audit. The Audit and Risk Committee agreed that the provision of non-audit services by Messrs BDO PLT to BKB Group for the financial year ended 2024 did not in any way impair Messrs BDO PLT's objectivity and independence as External Auditors of BKB.

Having regard to the outcome of the annual assessment of Messrs BDO PLT, the Board approved the Audit and Risk Committee's recommendation to seek shareholders' approval for Messrs BDO PLT's re-appointment at the 60th AGM and to authorise the Directors to fix Messrs BDO PLT's remuneration under Ordinary Resolution 6.

NOTES: (Continued)

(3) EXPLANATORY NOTES TO SPECIAL BUSINESS

(a) Proposed Renewal of Authority to Buy Back Shares

Ordinary Resolution 7 proposed under Item 6(a) of the Agenda, if passed, will empower the Directors to buy back the Company's own shares. This authority will expire at the next Annual General Meeting of the Company unless earlier revoked or varied by ordinary resolution of the Company at a general meeting.

(b) Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transaction of a Revenue or Trading Nature ("Proposed Shareholders' Mandate")

Ordinary Resolution 8 proposed under Item 6(b) of the Agenda, if passed, will allow the Group to enter into Recurrent Related Party Transactions of a Revenue or Trading Nature in the ordinary course of business made on normal commercial terms not more favourable to the Related Parties than those generally available to the public, and are not to the detriment of the minority shareholders.

By obtaining the approval for the Proposed Shareholders' Mandate and the renewal of the same on an annual basis, the necessity to convene separate general meetings from time to time to seek members' approval as and when such Recurrent Related Party Transactions occur is avoided which would reduce substantial administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the corporate objectives of the Group or adversely affecting the business opportunities available to the Group.

(c) Proposed Renewal of Authority for Directors to Allot and Issue BKB Shares in relation to Dividend Reinvestment Plan

The shareholders had, at the Fifty-Third Annual General Meeting held on 13 February 2018, approved the authority for the Directors to allot and issue BKB Shares in relation to DRP and such authority will expire at the conclusion of the forthcoming Annual General Meeting.

Ordinary Resolution 9 proposed under Item 6(c) of the Agenda, if passed, will give authority to the Directors to allot and issue BKB Shares pursuant to the DRP in respect of any dividends declared, and such authority shall expire at the conclusion of the next Annual General Meeting of the Company.

For Ordinary Resolutions 7 and 8 mentioned above, further information is set out in the Circular to Shareholders of the Company dated 31 December 2024 which is available on the Company's website, *www.bkawan.com.my*.

Notis Mesyuarat Agung Tahunan

NOTIS DENGAN INI DIBERIKAN bahawa Mesyuarat Agung Tahunan Batu Kawan Berhad (“**BKB**” atau “**Syarikat**”) yang Keenam Puluh (“**AGM ke-60**”) akan diadakan di Dewan Persidangan, Aras Bawah, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan pada hari Jumaat, 28 Februari 2025 pada pukul 2.15 petang untuk tujuan-tujuan yang berikut:

AGENDA
Sebagai Urusan Biasa:

1. Untuk menerima Penyata Kewangan Teraudit bagi tahun kewangan berakhir 30 September 2024 berserta Laporan Pengarah dan Juruaudit yang berkaitan dengannya.

2. Untuk memilih semula para Pengarah berikut yang akan bersara mengikut giliran selaras dengan *Perlembagaan Syarikat* dan oleh kerana layak, menawarkan diri mereka untuk dipilih semula:

   Dato’ Yeoh Eng Khoon (Resolusi Biasa 1)
   Encik Lee Yuan Zhang (Resolusi Biasa 2)
   Cik Susan Yuen Su Min (Resolusi Biasa 3)

3. Untuk meluluskan pembayaran fi Pengarah berjumlah RM1,456,071 (2023: RM1,473,322) kepada Pengarah Bukan Eksekutif bagi tahun kewangan berakhir 30 September 2024. (Resolusi Biasa 4)

4. Untuk meluluskan pembayaran faedah-faedah para Pengarah (selain daripada fi para Pengarah) bagi tempoh dari AGM ke-60 sehingga Mesyuarat Agung Tahunan Syarikat Keenam Puluh Satu (“**AGM ke-61**”) yang akan diadakan pada tahun 2026. (Resolusi Biasa 5)

5. Untuk melantik semula Tetuan BDO PLT sebagai Juruaudit Luar Syarikat bagi tahun kewangan berakhir 30 September 2025 dan untuk memberi kuasa kepada Lembaga Pengarah untuk menetapkan saraan Tetuan BDO PLT. (Resolusi Biasa 6)

Sebagai Urusan Khas:

6. Untuk mempertimbangkan dan, sekiranya difikirkan sesuai, meluluskan resolusi-resolusi biasa yang berikut:

   (a) **CADANGAN MEMPERBAHARUI KUASA UNTUK MEMBELI BALIK SYERNYA SENDIRI OLEH SYARIKAT** (Resolusi Biasa 7)

   “BAHAWA kuasa diberikan kepada Syarikat untuk membeli balik sebilangan agregat syer di dalam Syarikat (“**Kuasa untuk Membeli Balik Syer**”) sebagaimana yang ditentukan oleh para Pengarah dari semasa ke semasa melalui Bursa Malaysia Securities Berhad berdasarkan terma-terma dan syarat-syarat yang dianggap sesuai dan wajar oleh para Pengarah demi kepentingan Syarikat dengan syarat bahawa sewaktu pembelian, bilangan agregat syer yang telah dibeli dan/atau dipegang menurut resolusi ini tidak melebihi sepuluh peratus (10%) daripada jumlah bilangan syer yang diterbitkan oleh Syarikat dan dana maksima yang akan diperuntukkan bagi tujuan Kuasa Untuk Membeli Balik Syer tidak melebihi jumlah keuntungan terkumpul Syarikat terkini yang telah diaudit;

   BAHAWA syer-syer yang telah dibeli oleh Syarikat menurut Kuasa untuk Membeli Balik Syer boleh dikendalikan oleh para Pengarah mengikut semua atau mana-mana cara yang berikut:

   (i) membahagikan syer tersebut sebagai dividen kepada pemegang syer; atau
   (ii) menjual semula syer tersebut atau mana-mana bahagian daripada syer itu melalui Bursa Malaysia Securities Berhad; atau
   (iii) memindah milik syer tersebut atau mana-mana bahagian daripada syer itu bagi maksud atau di bawah suatu skim syer pekerja; atau
   (iv) memindah milik syer tersebut atau mana-mana bahagian daripada syer itu sebagai balasan pembelian; atau
   (v) membatalkan syer tersebut atau mana-mana bahagian daripada syer itu; atau
   (vi) menjual, memindah milik atau selainnya menggunakan syer itu bagi lain-lain tujuan sepertimana yang dibenarkan oleh *Akta Syarikat 2016*.

DAN BAHAWA para Pengarah adalah dan dengan ini diberi kuasa untuk melaksanakan semua tindakan dan perkara yang berkaitan untuk memberikan kesan sepenuhnya kepada Kuasa untuk Membeli Balik Syer berserta kuasa sepenuhnya untuk bersetuju kepada sebarang syarat, modifikasi, penilaian semula, variasi dan/atau pindaan (jika ada) sebagaimana yang dikuatkuasakan oleh pihak berkuasa yang berkenaan DAN BAHAWA kuasa tersebut akan bermula setelah resolusi biasa ini diluluskan dan akan berakhir pada penutup Mesyuarat Agung Tahunan Syarikat yang berikutnya, lanjutan daripada kelulusan resolusi biasa ini atau penamatan dalam tempoh dimana Mesyuarat Agung Tahunan seterusnya telah diperuntukkan di bawah undang-undang untuk diadakan (melainkan ianya dibatalkan atau diubah melalui resolusi biasa oleh para pemegang syer Syarikat di dalam mesyuarat agung) tanpa memprejudiskan penyempurnaan pembelian oleh Syarikat sebelum tarikh tamat tersebut dan, di dalam apa jua keadaan, menurut peruntukan garis panduan yang diterbitkan oleh Bursa Malaysia Securities Berhad atau mana-mana pihak berkuasa lain yang berkenaan."

(b) **CADANGAN MEMPERBAHARUI MANDAT PARA PEMEGANG SYER UNTUK TRANSAKSI BERULANG PIHAK YANG BERKAITAN BERSIFAT HASIL ATAU PERDAGANGAN** (Resolusi Biasa 8)

"BAHAWA tertakluk kepada *Akta Syarikat 2016* dan *Kehendak-Kehendak Penyeneraian Pasaran Utama* (oleh Bursa Malaysia Securities Berhad), kelulusan adalah dengan ini diberikan dan kepada Syarikat dan/atau subsidiarinya untuk memasuki semua perjanjian-perjanjian dan/atau transaksi-transaksi sepertimana yang telah dinyatakan di dalam Apendiks II di dalam Surat Pekeliling kepada para pemegang syer bertarikh 31 Disember 2024 yang melibatkan faedah-faedah para Pengarah, para pemegang syer utama Syarikat ("**Pihak-Pihak Berkaitan**") atau pihak-pihak yang berkaitan dengan para Pengarah atau para pemegang syer utama dan/atau subsidiari-subsidiari Syarikat tertakluk kepada perjanjian-perjanjian tersebut dan/atau transaksi-transaksi tersebut adalah:

(i) transaksi berkaitan yang berulang, yang bersifat hasil atau perdagangan;
(ii) keperluan untuk operasi harian Kumpulan Syarikat;
(iii) dilaksanakan di dalam urusan biasa perniagaannya di atas terma-terma komersial yang lazim yang tidak lebih menguntungkan Pihak-Pihak Berkaitan daripada yang kebiasaanya tersedia kepada pihak umum; dan
(iv) tidak menjejaskan para pemegang syer minoriti.

("**Mandat**").

BAHAWA kuasa yang diberikan akan bermula setelah kelulusan resolusi biasa ini diberikan dan akan terus berkuatkuasa sehingga:

(i) penamatan Mesyuarat Agung Tahunan Syarikat yang seterusnya selepas daripada Mesyuarat Agung Tahunan dimana Mandat tersebut telah diluluskan, di mana ianya akan tamat, melainkan melalui suatu resolusi yang diluluskan di dalam mesyuarat, kuasa tersebut akan diperbaharui; atau

(ii) apabila habisnya tempoh yang dalamnya Mesyuarat Agung Tahunan yang akan datang dikehendaki untuk diadakan selaras dengan Seksyen 340(1) *Akta Syarikat 2016* tetapi tidak sehingga suatu lanjutan masa sepertimana yang dibenarkan di bawah Seksyen 340(4) *Akta Syarikat 2016*; atau

(iii) dibatalkan atau dipinda melalui resolusi yang diluluskan oleh para pemegang syer di dalam mesyuarat agung;

yang mana terdahulu.

DAN BAHAWA para Pengarah Syarikat dengan ini diberikan kuasa untuk melengkapkan dan melaksanakan segala tindakan dan perkara (termasuk melaksanakan kesemua dokumen yang berkenaan yang mungkin diperlukan) sepertimana mereka anggap wajar atau perlu untuk membolehkan Mandat tersebut dikuatkuasakan."

(c) **CADANGAN MEMPERBAHARUI KUASA PARA PENGARAH SYARIKAT UNTUK MEMPERUNTUKKAN DAN MENERBITKAN SYER BIASA BARU SYARIKAT ("SYER BKB") BERHUBUNG DENGAN PELAN PELABURAN SEMULA DIVIDEN YANG MEMBERIKAN PARA PEMEGANG SYER SYARIKAT OPSYEN UNTUK MELABUR SEMULA DIVIDEN TUNAI MEREKA KE DALAM SYER BKB ("PELAN PELABURAN SEMULA DIVIDEN")** (Resolusi Biasa 9)

"BAHAWA menurut dengan Pelan Pelaburan Semula Dividen ("**PPSD**") yang telah diluluskan oleh para pemegang syer Syarikat pada Mesyuarat Agung Tahunan yang diadakan pada 13 Februari 2018 dan tertakluk kepada kelulusan pihak perkuasa yang berkenaan (jika ada), kelulusan adalah dan dengan ini diberikan kepada Syarikat untuk memperuntukkan dan menerbitkan sejumlah Syer BKB menurut PPSD sehingga penamatan Mesyuarat Agung Tahunan yang berikutnya, seiring dengan terma-terma dan syarat-syarat dan kepada mereka yang berkenaan, dimana menurut budi bicara mutlak para Pengarah, anggap wajar dan demi kepentingan terbaik Syarikat DENGAN SYARAT harga terbitan Syer BKB tersebut akan ditetapkan oleh para Pengarah pada kadar tidak melebihi sepuluh peratus (10%) diskaun dari nilai harga purata berwajaran volum lima (5) hari yang telah diselaraskan ("**NHPBV**") bagi Syer BKB sejurus sebelum tarikh penetapan harga, dimana NHPBV hendaklah diselaraskan secara ex-dividen sebelum diskaun tersebut digunapakai dalam penentuan harga terbitan;

"DAN BAHAWA para Pengarah adalah dan dengan ini diberi kuasa untuk melakukan segala tindakan dan melaksanakan kesemua urusniaga yang seumpamanya, urusan-urusan dan dokumen-dokumen yang mungkin diperlukan atau memanfaatkan untuk memberi kesan sepenuhnya terhadap PPSD dengan kuasa yang penuh untuk mengizinkan sebarang syarat, pengubahsuaian, variasi dan/atau pindaan, sepertimana para Pengarah, di atas budi bicara mutlaknya, anggap wajar dan demi kepentingan terbaik Syarikat."

7. Untuk melaksanakan sebarang urusan lain dimana notis yang sewajarnya telah diberikan menurut *Akta Syarikat 2016*.

DENGAN INI JUGA DIMAKLUMKAN BAHAWA hanya para pemegang syer yang namanya terkandung di dalam Rekod Pendeposit atau Daftar Anggota pada 21 Februari 2025 layak untuk hadir dan mengundi di dalam Mesyuarat Agung Tahunan ini atau melantik proksi sebagai ganti dirinya atau dalam hal sesebuah perbadanan, seorang wakil yang telah diberi kuasa untuk hadir dan mengundi bagi pihaknya.

Dengan Perintah Lembaga Pengarah
YAP MIOW KIEN (MAICSA 7059013) SSM PC 202008000769
GOH SWEE ENG (MIA 15953) SSM PC 202008002222
CHIEW CINDY (MAICSA 7057923) SSM PC 202008002202
(Setiausaha-Setiausaha Syarikat)

Ipoh, Perak Darul Ridzuan, Malaysia.
31 Disember 2024

Notis Mesyuarat Agung Tahunan (Sambungan)

NOTA-NOTA:

(1) PELANTIKAN PROKSI

(a) Pemegang syer Syarikat yang layak untuk menghadiri dan mengundi di dalam mesyuarat ini berhak untuk melantik tidak lebih dari dua (2) proksi untuk menjalankan semua atau mana-mana haknya untuk menghadiri dan mengundi di dalam mesyuarat yang sama bagi pihaknya. Seseorang proksi boleh, tetapi tidak semestinya seorang pemegang syer Syarikat. Dimana seseorang pemegang syer melantik dua (2) proksi, lantikan-lantikan tersebut adalah tidak sah melainkan pemegang syer tersebut menetapkan di dalam instrumen yang melantik proksi-proksi tersebut, nisbah pegangan-pegangan syer yang akan diwakili oleh setiap proksi.

(b) Dimana borang proksi telah dilaksanakan oleh sesebuah perbadanan, ianya perlu ditandatangani di bawah meterai syarikat atau di mana sesebuah perbadanan tidak mempunyai meterai syarikat, ia hendaklah ditandatangani oleh mana-mana dua (2) pegawai yang telah diberi kuasa atau ditandatangani oleh pegawainya atau perwakilan kuasanya. Bagi sesebuah perbadanan dengan seorang pengarah tunggal, ianya hendaklah ditandatangani oleh pengarah tunggal dan ditandatangani balas oleh setiausaha syarikat kepada perbadanan tersebut.

(c) Dimana pemegang syer syarikat adalah penama yang sah berkecuali, sepertimana yang ditafsirkan di dalam *Akta Perindustrian Sekuriti (Depositori Pusat) 1991*, yang memegang syer di dalam Syarikat untuk beberapa pemilik benefisial di dalam satu (1) akaun sekuriti ("**akaun omnibus**"), tiada had kepada jumlah proksi yang boleh dilantik oleh penama yang sah berkecuali bagi setiap akaun omnibus yang dipegang olehnya.

(d) Dimana penama yang sah berkecuali melantik dua (2) proksi atau lebih, nisbah bagi setiap pemegang syer yang akan diwakili oleh setiap proksi perlu dinyatakan di dalam instrumen yang melantik proksi-proksi tersebut.

(e) Pelantikan proksi boleh dibuat secara salinan cetak atau secara eletronik seperti yang dinyatakan di bawah dan hendaklah diterima oleh Syarikat dalam tempoh tidak kurang daripada dua puluh empat (24) jam sebelum masa yang ditetapkan untuk pengundian:

- Secara Salinan Bercetak
  Salinan asal borang proksi hendaklah diserahkan ke pejabat Pendaftar Syer Syarikat, Boardroom Share Registrars Sdn. Bhd. ("**Boardroom**"), Aras 11, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.

- Secara Elektronik
  Borang Proksi tersebut boleh diserahkan secara elektronik kepada Boardroom melalui laman web Boardroom, Boardroom Smart Investor Portal di *https://investor.boardroomlimited.com*. Sila rujuk kepada prosedur-prosedur yang telah dinyatakan di dalam Panduan Pentadbiran (*Administrative Guide*) untuk serahan tersebut. Sebagai alternatif, borang proksi tersebut boleh diemelkan kepada Boardroom di *bsr.helpdesk@boardroomlimited.com*.

(f) Surat Kuasa Wakil atau kuasa lain, sekiranya ada, dimana ianya telah ditandatangani atau disahkan oleh notari bagi kuasa itu, hendaklah diserahkan kepada Boardroom tidak kurang daripada dua puluh empat (24) jam sebelum masa yang telah ditetapkan untuk pengundian.

NOTA-NOTA: (Sambungan)

(2) NOTA-NOTA PENJELASAN MENGENAI URUSAN BIASA

(a) Penyata Kewangan Teraudit bagi tahun kewangan berakhir 30 September 2024

Penyata Kewangan Teraudit yang dibentangkan menurut kehendak Seksyen 340 (1) *Akta Syarikat 2016* adalah bertujuan untuk perbincangan sahaja dan tidak memerlukan kelulusan daripada para pemegang syer. Oleh itu, Agenda 1 tidak akan diusulkan untuk undian.

(b) Pemilihan Semula Para Pengarah

Dato' Yeoh Eng Khoon, Encik Lee Yuan Zhang dan Cik Susan Yuen Su Min yang akan bersara mengikut giliran menurut peruntukan *Perlembagaan Syarikat* dan layak, telah menawarkan diri mereka untuk dipilih semula pada Mesyuarat Agung Tahunan ini.

Bagi tujuan menentukan kelayakan para Pengarah untuk pemilihan semula pada AGM ke-60, Lembaga Pengarah, telah menilai para Pengarah yang bersara melalui Jawatankuasa Pencalonan, dan mempertimbangkan yang berikut:

(i) prestasi dan sumbangan para Pengarah berdasarkan kepada Keputusan Penilaian Kendiri Lembaga Pengarah bagi tahun kewangan berakhir 2024;
(ii) tahap sumbangan para Pengarah yang bersara kepada Lembaga Pengarah serta pertimbangan yang telah dijalankan oleh Jawatankuasa Lembaga Pengarah;
(iii) tahap kemandirian yang ditunjukkan oleh Pengarah Bebas (iaitu Cik Susan Yuen Su Min) dan keupayaannya untuk bertindak demi kepentingan terbaik Syarikat; dan
(iv) kecakapan dan integriti para Pengarah selaras dengan *Polisi Kelayakan dan Kesesuaian Pengarah Syarikat*.

Berdasarkan penilaian tersebut, Lembaga Pengarah dan Jawatankuasa Pencalonan berpuas hati bahawa para Pengarah yang bersara telah memenuhi semua kriteria yang diperlukan sebagai Pengarah yang efektif dan berkemampuan:

- ketersediaan dan keupayaan untuk mencabar serta mengemukakan soalan yang tepat;
- perwatakan yang baik dan berintegriti dalam menangani situasi yang berpotensi menjadi konflik kepentingan;
- komitmen dan masa untuk berkhidmat kepada Syarikat;
- kecakapan dan integriti;
- kompeten dan berkebolehan; dan
- sumbangan dan prestasi terdahulu.

Para Pengarah yang bersara untuk pemilihan semula telah melaksanakan tugas dan tanggungjawab mereka secara efektif dan efisyen. Dengan mengambil maklum penilaian positif mereka, Lembaga Pengarah telah meluluskan cadangan Jawatankuasa Pencalonan bahawa para Pengarah yang bersara, iaitu Dato' Yeoh Eng Khoon, Encik Lee Yuan Zhang dan Cik Susan Yuen Su Min, layak untuk mencalonkan diri dalam pemilihan semula pada Mesyuarat Agung Tahunan yang akan datang.

Kelulusan para pemegang syer adalah dipohon untuk pemilihan semula Dato' Yeoh Eng Khoon, Encik Lee Yuan Zhang dan Cik Susan Yuen Su Min dibawah Resolusi Biasa 1, 2, dan 3 yang berkenaan.

NOTA-NOTA: (Sambungan)

(2) NOTA-NOTA PENJELASAN MENGENAI URUSAN BIASA (Sambungan)

(c) Bayaran Fi dan Faedah Para Pengarah

Seksyen 230(1) *Akta Syarikat 2016* memperuntukkan antara lain, bahawa fi dan sebarang faedah yang boleh dibayar kepada para Pengarah Syarikat dan subsidiarinya perlu diluluskan di dalam mesyuarat agung.

Lembaga Pengarah BKB telah mencadangkan bahawa fi para Pengarah akan dikekalkan untuk tiga (3) tahun. Yuran tahunan semasa bagi Pengarah Bukan Eksekutif telah diluluskan oleh Lembaga Pengarah pada tahun 2021 dan yuran tersebut tidak berubah sejak tahun berakhir kewangan 2021.

Pada November 2024, Jawatankuasa Saraan telah mencadangkan, dan pihak Lembaga Pengarah telah meluluskan (tertakluk kepada kelulusan para pemegang syer di dalam Mesyuarat Agung Tahunan yang akan datang), kenaikan di dalam fi Pengarah Bukan Eksekutif dan fi bagi Lembaga Jawatankuasa. Cadangan tersebut dibuat susulan daripada penilaian imbuhan para Pengarah Bukan Eksekutif termasuk membuat perbandingan terhadap syarikat-syarikat yang bersaiz serupa terpilih di dalam industri yang sama untuk memastikan keupayaan bersaing. Pihak Lembaga Pengarah dan Jawatankuasa Saraan juga telah mengambil kira peningkatan tanggungjawab, penambahan komitmen masa, dan keperluan untuk amalan saraan yang adil bagi menarik dan mengekalkan pengarah yang berkelayakan dengan kepakaran yang diperlukan bagi pengawasan yang berkesan. Setelah mendapatkan kelulusan para pemegang syer, fi yang telah dinaikkan akan kekal tetap untuk tiga (3) tahun kewangan yang akan datang (iaitu Bagi Tahun Kewangan Berakhir 2024 sehingga 2026). Walaubagaimanapun, untuk memastikan fi Pengarah adalah selaras dengan kolompok yang setara dan diukur berdasarkan keuntungan serta sasaran-sasaran lain yang ditetapkan mengikut bajet dan rancangan tahunan Syarikat, Jawatankuasa Saraan akan menilai fi Pengarah pada setiap tahun.

Cadangan fi adalah seperti berikut:

Kategori	Fi Terkini (RM setahun)	Fi Dicadangkan (RM setahun)
Pengerusi kepada Lembaga	217,500	232,000
Ahli Lembaga Bukan Eksekutif	145,000	155,000
Jawatankuasa Risiko dan Audit		
- Pengerusi	35,000	40,000
- Ahli	25,000	30,000
Jawatankuasa Saraan		
- Pengerusi	25,000	30,000
- Ahli	15,000	20,000
Jawatankuasa Pencalonan		
- Pengerusi	25,000	30,000
- Ahli	15,000	20,000

NOTA-NOTA: (Sambungan)

(2) NOTA-NOTA PENJELASAN MENGENAI URUSAN BIASA (Sambungan)

(c) Bayaran Fi dan Faedah Para Pengarah (Sambungan)

(i) Kelulusan para pemegang syer adalah dipohon untuk Resolusi Biasa 4 mengenai bayaran fi Pengarah kepada Pengarah bukan Eksekutif bagi tahun kewangan berakhir 2024 seperti yang dinyatakan di bawah:

	Lembaga (RM setahun)	Lembaga Audit dan Risiko (RM setahun)	Lain-Lain Lembaga Jawatankuasa (RM setahun)
Pengerusi bukan Eksekutif/ Pengerusi Ahli Jawatankuasa	232,000	40,000	30,000
Pengarah bukan Eksekutif/ Ahli Jawatankuasa	155,000	30,000	20,000

(ii) Tiada pindaan kepada faedah-faedah para Pengarah [dimana ianya telah dicadangkan di bawah Resolusi Biasa 5 mengenai bayaran faedah-faedah para Pengarah (selain daripada fi Pengarah) untuk tempoh dari AGM ke-60 ini sehingga AGM ke-61 Syarikat yang akan diadakan pada 2026], seperti yang diringkaskan di dalam jadual di bawah:

Jenis Faedah/Elaun	Amaun
Elaun Mesyuarat (Lembaga dan Jawatankuasa)	RM2,000 bagi setiap mesyuarat
Elaun Perjalanan Luar Negara	RM1,000 sehari
Lain-lain Faedah	Perjalanan perniagaan, perubatan, liputan insuran, dan lain-lain tuntutan dan perbelanjaan yang boleh diganti bagi tujuan membolehkan para Pengarah untuk melaksanakan tanggungjawab mereka.

(d) Pelantikan semula Juruaudit dan Yuran Perkhidmatan Audit

Jawatankuasa Audit dan Risiko telah, pada mesyuarat-mesyuarat yang diadakan pada November dan Disember 2024, menilai kesesuaian dan kemandirian Juruaudit Luar Syarikat, Tetuan BDO PLT, dan mempertimbangkan:

(i) kualiti prestasi Tetuan BDO PLT berdasarkan laporan dan penyampaian yang diberikan;
(ii) pengalaman dan sumber yang mencukupi yang telah diberikan oleh Tetuan BDO PLT kepada Kumpulan BKB; dan
(iii) kemandirian Tetuan BDO PLT dan tahap perkhidmatan bukan audit yang telah diberikan oleh Tetuan BDO PLT kepada Kumpulan Syarikat bagi tahun kewangan berakhir 2024.

Jawatankuasa Audit dan Risiko telah berbincang mengenai prestasi dan kesesuaian Tetuan BDO PLT berdasarkan kualiti audit, kompetensi dan sumber Tetuan BDO PLT yang mencukupi berkenaan dengan audit bagi tahun berakhir kewangan 2024. Jawatankuasa Audit dan Risiko bersetuju bahawa perkhidmatan bukan audit yang disediakan oleh Tetuan BDO PLT kepada Kumpulan BKB bagi tahun kewangan berakhir 2024, tidak dalam apa acara sekalipun menjejaskan objektiviti Tetuan BDO PLT dan kemandiriannya sebagai Juruaudit Luar BKB.

Dalam mengambil kira Keputusan penilaian tahunan terhadap Tetuan BDO PLT, pihak Lembaga Pengarah dengan ini meluluskan cadangan Jawatankuasa Audit dan Risiko untuk mendapatkan kelulusan para pemegang syer untuk melantik semula Tetuan BDO PLT di AGM ke-60 dan untuk membenarkan para Pengarah untuk menetapkan saraan Tetuan BDO PLT di bawah Resolusi Biasa 6.

NOTA-NOTA: (Sambungan)

(3) NOTA PENJELASAN KEPADA URUSAN KHAS

(a) Cadangan untuk Memperbaharui Kuasa Membeli Balik Semula Syer

Resolusi Biasa 7 yang telah dicadangkan di bawah Perkara 6(a) Agenda, sekiranya diluluskan, akan memberikan kuasa kepada para Pengarah untuk membeli semula syer milik Syarikat. Kuasa ini akan tamat pada Mesyuarat Agung Tahunan yang seterusnya sekiranya tidak dibatalkan atau dipinda melalui resolusi biasa Syarikat di dalam mesyuarat agung.

(b) Cadangan Memperbaharui Mandat para Pemegang Syer untuk Transaksi Berulang Pihak Yang Berkaitan Bersifat Hasil Atau Perdagangan ("Cadangan Mandat Para Pemegang Syer")

Resolusi Biasa 8 yang telah dicadangkan di bawah Perkara 6(b) di dalam Agenda, sekiranya diluluskan, akan membenarkan Kumpulan Syarikat untuk memasuki Transaksi Berulang Pihak yang Berkaitan Bersifat Keuntungan atau Perdagangan di dalam urusan biasa perniagaan yang dibuat berdasarkan terma-terma komersial yang tidak lebih menguntungkan Pihak yang Berkaitan daripada yang biasa tersedia kepada awam, dan tidak merugikan pemegang syer minoriti.

Dengan mendapatkan kelulusan untuk Cadangan Mandat Para Pemegang Syer dan pembaharuan yang sama bagi setiap tahun, keperluan untuk mengadakan mesyuarat agung yang berasingan dari semasa ke semasa untuk mendapatkan kelulusan para pemegang syer pada bila-bila masa Transaksi Berulang Pihak yang Berkaitan terjadi adalah dielakkan dimana ianya akan mengurangkan masa pentadbiran yang banyak, kesulitan dan perbelanjaan yang berkaitan dengan penganjuran mesyuarat tersebut, tanpa menggugat objektif korporat Kumpulan atau memberi kesan buruk kepada peluang perniagaan yang tersedia untuk Kumpulan.

(c) Cadangan Memperbaharui Kuasa untuk para Pengarah memperuntukkan dan menerbitkan Syer BKB berhubung dengan Pelan Pelaburan Semula Dividen

Para pemegang syer telah, pada Mesyuarat Agung Tahunan ke-53 yang diadakan pada 13 Februari 2018, meluluskan kuasa kepada para Pengarah untuk memperuntukkan dan menerbitkan Syer BKB berkenaan dengan PPSD dan kuasa tersebut akan berakhir pada penamatan Mesyuarat Agung Tahunan yang akan datang.

Resolusi Biasa 9 yang dicadangkan di bawah Perkara 6(c) Agenda, sekiranya diluluskan, akan memberikan kuasa kepada para Pengarah untuk memperuntukkan dan menerbitkan Syer BKB selaras dengan PPSD mengenai sebarang dividen yang diisytiharkan, dan kuasa tersebut akan berakhir pada penamatan Mesyuarat Agung Tahunan yang akan datang.

Untuk Resolusi-Resolusi Biasa 7 dan 8 tersebut di atas, maklumat lanjut telah pun dinyatakan di dalam Surat Pekeliling kepada para pemegang syer Syarikat bertarikh 31 Disember 2024 yang boleh didapati di dalam laman web Syarikat, *www.bkawan.com.my*.

About Batu Kawan Berhad

Founded in December 1965 and listed on the Main Market of the Malaysian stock exchange since October 1971, Batu Kawan Berhad ("**BKB**") is an investment holding company with its principal activities structured into four (4) segments:

1 Plantation

2 Manufacturing

3 Property Development

4 Investment Holding/ Others

BKB's major investment is its 47% stake in Kuala Lumpur Kepong Berhad ("**KLK**") – a leading Malaysian plantation company. KLK's core business is Plantation, which involves the cultivation of oil palm and rubber estates, harvesting and processing the Fresh Fruit Bunches into Crude Palm Oil ("**CPO**") and Palm Kernel ("**PK**"). In addition, KLK, through its refineries and kernel crushing plants, processes CPO and PK into higher value palm-based products which are then sold in the domestic and international markets.

Through various strategic acquisitions over the years, KLK Group's landbank has expanded vastly across Malaysia, Indonesia and Liberia. Since the 1990s, KLK has diversified into resourced-based manufacturing (refinery, oleochemicals and others) and vertically integrated its upstream, midstream and downstream businesses. The KLK Group has since expanded its manufacturing operations resulting in an international oleochemicals operations which covers Malaysia, Indonesia, China, Switzerland, Germany, the Netherlands, Belgium and Italy. KLK has a Property Development division, developing townships from its own plantation land, known as Bandar Seri Coalfields in Sungai Buloh, Selangor and Caledonia in Ijok, Selangor.

Aside from Plantation and resource-based manufacturing (refinery and oleochemicals), through subsidiary companies held under its Chemical Company of Malaysia Berhad ("**CCM**"), BKB is a leading manufacturer and supplier of chlor-alkali chemicals, polymers products, sulphuric acid, sulphur derivatives, coagulants and calcium nitrate in Malaysia. CCM Group caters to the varied needs of the CCM Group's customers, and their operations are managed within two (2) business divisions, namely, Chlor-Alkali and Polymers & Chemicals ("**Polychem**").

Their operations are situated in Lahat (Perak), Kemaman (Terengganu), Pasir Gudang (Johor), Shah Alam (Selangor), Bandar Baru Bangi (Selangor) and Sendayan (Negeri Sembilan). BKB's industrial chemicals arm also operates its own fleet of tankers which specialises in chemical transport. CCM is currently the largest chlor-alkali producer in Malaysia.

BKB Group also invests in property development projects in Australia through a wholly-owned subsidiary, Caruso Australia Ventures Pty Ltd. These development projects are situated in Melbourne and Perth, and are managed by established professional Australian property developers.

CHANGES IN SHARE CAPITAL

DATE	NO. OF SHARES	NATURE OF CHANGE	CUMULATIVE NUMBER OF ISSUED SHARES
09.12.1965	3,000	Subscriber's shares	3,000
31.08.1971 to 28.01.1972	14,409,350	Issue of shares under a scheme of reconstruction	14,412,350
26.05.1972	2,142,857	Issue of shares to Glenealy Plantations (Malaya) Berhad at RM1.00 per share as consideration for the acquisition of Glenealy and Selborne Estates	16,555,207
21.06.1976	82,776,035	Bonus issue of five (5) for one (1)	99,331,242
19.02.1979	15,000,000	Bumiputera issue at RM1.10 per share	114,331,242
23.09.1980	4,168,758	Bumiputera issue at RM2.00 per share	118,500,000
30.04.1983	11,000,000	Bumiputera issue at RM2.75 per share	129,500,000
16.12.1989	64,750,000	Bonus Issue of one (1) for two (2)	194,250,000
02.04.1996	97,125,000	Bonus Issue of one (1) for two (2)	291,375,000
08.03.2007	144,576,000	Bonus Issue of one (1) for two (2)	435,951,000
24.02.2020	7,714,894	Issue of shares under Dividend Reinvestment Plan	443,665,894
04.06.2020	(44,130,431)	Cancellation of shares bought back	399,535,463

Corporate Information

BOARD OF DIRECTORS

TAN SRI DATO' SERI LEE OI HIAN
Non-Independent Non-Executive Chairman

DATO' LEE HAU HIAN
Managing Director

DATO' YEOH ENG KHOON
Non-Independent Non-Executive Director

MR. QUAH CHEK TIN
Non-Independent Non-Executive Director

DR. TUNKU ALINA BINTI RAJA MUHD ALIAS
Senior Independent Non-Executive Director

MR. LEE YUAN ZHANG
Non-Independent Non-Executive Director

MR. LIM BAN AIK
Independent Non-Executive Director

MS. SUSAN YUEN SU MIN
Independent Non-Executive Director

COMPANY SECRETARIES

- Ms. Yap Miow Kien
- Mr. Goh Swee Eng
- Ms. Chiew Cindy

REGISTERED OFFICE / PRINCIPAL PLACE OF BUSINESS

Wisma Taiko, No. 1, Jalan S.P. Seenivasagam,
30000 Ipoh, Perak Darul Ridzuan, Malaysia
Tel : 605 - 240 8000
Fax : 605 - 240 8117
Email : *cosec@bkawan.com.my*
Website : *www.bkawan.com.my*

SHARE REGISTRAR

Boardroom Share Registrars Sdn Bhd
11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim,
Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia
Tel : 603 - 7890 4700
Fax : 603 - 7890 4670
Email : *bsr.helpdesk@boardroomlimited.com*
Website : *www.boardroomlimited.com*

PLACE OF INCORPORATION AND DOMICILE

In Malaysia as a public limited liability company

STOCK EXCHANGE LISTING

Main Market of Bursa Malaysia Securities Berhad
Stock Code : 1899
Stock Name : BKAWAN

AUDITORS

BDO PLT
Chartered Accountants

PRINCIPAL BANKERS

Australia and New Zealand Banking Group Limited
CIMB Bank Berhad
HSBC Amanah Malaysia Berhad
HSBC Bank Malaysia Berhad
Malayan Banking Berhad
OCBC Al-Amin Bank Berhad
OCBC Bank (Malaysia) Berhad
RHB Bank Berhad
Standard Chartered Bank Malaysia Berhad
United Overseas Bank (Malaysia) Berhad

BOARD OF DIRECTORS

From left to right

Front Row

- **Dato' Lee Hau Hian**
  Managing Director
- **Tan Sri Dato' Seri Lee Oi Hian**
  Non-Independent Non-Executive Chairman
- **Dato' Yeoh Eng Khoon**
  Non-Independent Non-Executive Director

Back Row

- **Dr. Tunku Alina Binti Raja Muhd Alias**
  Senior Independent Non-Executive Director
- **Mr. Lim Ban Aik**
  Independent Non-Executive Director
- **Mr. Lee Yuan Zhang**
  Non-Independent Non-Executive Director
- **Mr. Quah Chek Tin**
  Non-Independent Non-Executive Director
- **Ms. Susan Yuen Su Min**
  Independent Non-Executive Director

TAN SRI DATO' SERI LEE OI HIAN

73 Age Gender

Non-Independent Non-Executive Chairman
Member of Nomination Committee

Tan Sri Lee joined the Board on 1 June 1979. He graduated with a Bachelor of Agricultural Science (Honours) degree from University of Malaya and obtained his Master of Business Administration from Harvard Business School.

Tan Sri Lee joined Kuala Lumpur Kepong Berhad ("**KLK**") in 1974 as an executive and was subsequently appointed to the KLK Board in 1985. In 1993, he was appointed as the KLK Group's Chairman/Chief Executive Officer ("**CEO**") and held the position until 2008, when he relinquished his role as Chairman, but remained as CEO of KLK Group. He was redesignated as Executive Chairman of KLK in February 2024.

Tan Sri Lee is the Executive Chairman of KLK, a company listed on the Main Market of Bursa Malaysia Securities Berhad. He serves as a member on the Board of Trustees of the Perdana Leadership Foundation, UTAR Education Foundation and Yayasan Wesley. He was formerly the Chairman of the Malaysian Palm Oil Council.

He is the brother of Dato' Lee Hau Hian [Batu Kawan Berhad ("**BKB**") Managing Director] and the uncle of Mr. Lee Yuan Zhang (a BKB Director). He is deemed connected with Wan Hin Investments Sdn Berhad which is the holding company of Arusha Enterprise Sdn Bhd, which are both major shareholders of BKB. He is also deemed interested in various related party transactions with the BKB Group.

DATO' LEE HAU HIAN

71 Age Gender

Managing Director

Dato' Lee joined the Board on 20 December 1993. He graduated with a Bachelor of Science (Economics) degree from the London School of Economics and Political Science and has a Master of Business Administration from Stanford University.

Dato' Lee is a director of KLK, the Chairman of Chemical Company of Malaysia Berhad and a director of Synthomer plc, a company listed on the London Stock Exchange. He is also the President of the Perak Chinese Maternity Association and the Chairman of Yayasan KLK. He also serves as a member on the Board of Trustees of Yayasan De La Salle and Tan Sri Lee Loy Seng Foundation.

He is the brother of Tan Sri Dato' Seri Lee Oi Hian (BKB Chairman) and the father of Mr. Lee Yuan Zhang (a BKB Director). He is deemed connected with Wan Hin Investments Sdn Berhad which is the holding company of Arusha Enterprise Sdn Bhd, which are both major shareholders of BKB. He is deemed interested in various related party transactions with the BKB Group.

Profile of Directors (Continued)

DATO' YEOH ENG KHOON

77 Age Gender

Non-Independent Non-Executive Director
Member of Remuneration Committee

Dato' Yeoh joined the Board on 24 February 2005.

He obtained his Bachelor of Arts (Honours) degree in Economics (Business Administration) from University of Malaya in 1968 and was called to the Bar of England and Wales at Lincoln's Inn in 1979.

He has previous work experience in banking, manufacturing and retail business.

He is also a director of KLK.

He has no family relationship with any Director and/or major shareholder of BKB.

MR. QUAH CHEK TIN

73 Age Gender

Non-Independent Non-Executive Director
Member of Audit and Risk Committee

Mr. Quah was appointed to the Board on 4 March 2010. He holds a Bachelor of Science (Honours) degree in Economics from the London School of Economics and Political Science and is a Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Malaysian Institute of Accountants.

He began his career with Coopers & Lybrand London, before returning to Malaysia. He joined the Genting Group in 1979 and has served in various positions within the group. He was the Executive Director of Genting Berhad as well as the Executive Director and Chief Operating Officer of Genting Malaysia Berhad prior to his retirement on 8 October 2006.

Mr. Quah is presently the Chairman of Paramount Corporation Berhad and a Director of Genting Malaysia Berhad.

He has no family relationship with any Director and/or major shareholder of BKB.

Profile of Directors (Continued)

DR. TUNKU ALINA BINTI RAJA MUHD ALIAS

61 Age Gender

Senior Independent Non-Executive Director
Chairperson of Audit and Risk Committee
Member of Remuneration Committee

Dr. Tunku Alina was appointed to the Board on 20 April 2018. She holds a Bachelor of Laws (LL.B) degree from Universiti of Malaya, a Master in Law (LL.M) (Corporate and Commercial Law) from King's College, London and a PhD in Islamic Finance, International Centre for Education in Islamic Finance. She is an Advocate and Solicitor of the High Court of Malaya and an Associate Mediator of Singapore Mediation Centre.

Dr. Tunku Alina began her career as a Legal Assistant with Skrine & Co in February 1987. After working with Skrine & Co for five (5) years, she co-founded a legal firm, Wong Lu Peen & Tunku Alina, in April 1992 and served as the Managing Partner until December 2011. She remains a Consultant to the firm.

She sits on the boards of Nestlé (Malaysia) Berhad, United Overseas Bank (Malaysia) Berhad and Inari Amertron Berhad.

She has no family relationship with any Director and/or major shareholder of BKB.

MR. LEE YUAN ZHANG

38 Age Gender

Non-Independent Non-Executive Director
Member of Audit and Risk Committee

Mr. Lee was appointed to the Board on 1 March 2021. He holds a Bachelor of Government and Economics degree from the London School of Economics and Political Science, United Kingdom.

Mr. Lee is a Senior Executive within the Plantations division of KLK. He has been with the KLK Group since 2009. Prior to his current position, Mr. Lee has held senior positions in several Indonesia and Singapore subsidiaries of KLK, including President Director of a KLK subsidiary in Jakarta. He was previously also a Manager in a KLK subsidiary in Singapore, involved in marketing and trading of palm oil refined products and related logistic services.

Mr. Lee is the Chairman of See Sen Chemical Berhad. He also sits on the boards of Chemical Company of Malaysia Berhad and M.P. Evans Group plc (a company listed on the London Stock Exchange).

He is the son of Dato' Lee Hau Hian and nephew of Tan Sri Dato' Seri Lee Oi Hian. Both Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are major shareholders of BKB.

Profile of Directors (Continued)

MR. LIM BAN AIK

50 Age Gender

Independent Non-Executive Director
Member of Audit and Risk Committee
Chairman of Remuneration Committee
Member of Nomination Committee

Mr. Lim was appointed to the Board on 1 March 2021. He graduated with a Bachelor of Commerce (Accounting & Finance) degree from Monash University, Australia.

Mr. Lim has much experience in managing companies involving in plantations, property development and investment holding where he is involved in strategic planning as well as day-to-day operations.

He is the Vice President of Malaysian Estate Owner's Association.

He has no family relationship with any Director and/or major shareholder of BKB.

MS. SUSAN YUEN SU MIN

65 Age Gender

Independent Non-Executive Director
Member of Audit and Risk Committee
Chairperson of Nomination Committee

Ms. Yuen was appointed to the Board on 1 March 2022. She graduated with a Bachelor Hons (Upper Class) Computer Science degree from University of London, United Kingdom.

Ms. Yuen has over 30 years of working experience in the banking industry and has served several banking establishments including Maybank and HSBC Malaysia. She was also previously attached to the National Bank of Abu Dhabi Malaysia Berhad ("**NBAD**") where she was the Regional CEO Asia and Country CEO Malaysia from 2014 to 2018 prior to her retirement. Prior to joining NBAD, she served as CEO of ANZ Banking Group in Hong Kong from 2008 to 2014.

Ms. Yuen serves as an Independent Director on boards of Alliance Bank Malaysia Berhad and Press Metal Aluminium Holdings Berhad. She is also a director of Chubb Insurance Malaysia Berhad, a public company.

She has no family relationship with any Director and/or major shareholder of BKB.

Additional Information:

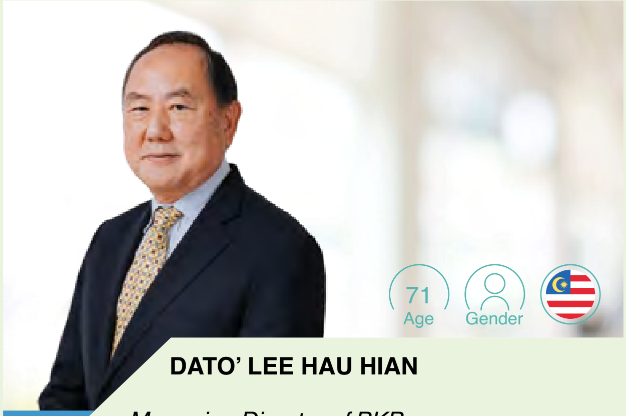
- Save as disclosed in the Profile of Directors, none of the Directors has:
  (i) any conflict of interest or potential conflict of interest with BKB; and
  (ii) any directorship in public companies and listed issuers.
- None of the Directors of BKB has been convicted of any offence (other than traffic offences) within the past five (5) years and there was no public sanction and penalty imposed by the relevant regulatory bodies during the financial year.

Profile of Key Senior Management

TAN SRI DATO' SERI LEE OI HIAN

- *Non-Independent Non-Executive Chairman of Batu Kawan Berhad ("**BKB**")*
- *Executive Chairman of Subsidiary of BKB, Kuala Lumpur Kepong Berhad ("**KLK**")*

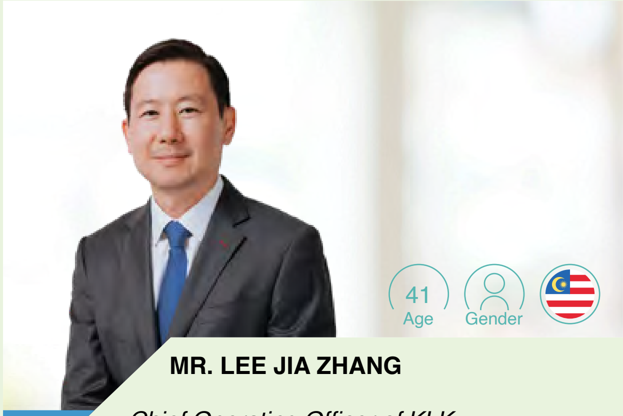
Tan Sri Lee was appointed as the Chairman/Chief Executive Officer ("**CEO**") of KLK Group in 1993 and held the position until 2008. On 1 May 2008, he relinquished his role as Chairman but remained as CEO of KLK Group. He was redesignated as Executive Chairman of KLK in February 2024. The detailed profile of Tan Sri Lee is shown in the Profile of Directors.



DATO' LEE HAU HIAN

- *Managing Director of BKB*

Dato' Lee is the Managing Director of BKB since 20 December 1993. The detailed profile of Dato' Lee is shown in the Profile of Directors.



MR. LEE JIA ZHANG

- *Chief Operating Officer of KLK*

Mr. Lee Jia Zhang was appointed to the Board of KLK on 16 May 2018.

Mr. Lee holds a Masters degree in Chemical Engineering (MEng) (Hons) from Imperial College, United Kingdom. He is a Chartered Accountant and a Member of the Institute of Chartered Accountants Scotland (ICAS). He has also completed the Accelerated Development Programme from the University of Chicago Booth School of Business (Executive Education).

He began his career with Ernst & Young LLP, United Kingdom from 2006 to 2009 and thereafter with KPMG, Kuala Lumpur in 2009 both in audit. He then joined KLK Group in 2010 and has since held various positions in the Oleochemical and Corporate divisions. He started his career in KLK as a Senior Manager and is currently KLK Group's Chief Operating Officer assisting the Executive Chairman in formulating, driving and executing operational strategies, and determining the overall strategic direction of the KLK Group.

In his capacity as KLK Group's Chief Operating Officer, Mr. Lee directs the daily conduct of the KLK Group's operations, management and administration across the KLK Group's business sectors. He also oversees several of the KLK Group's corporate functions and works with their Senior Management to create, implement and roll out operational processes, internal infrastructures, reporting systems and company policies. In addition, Mr. Lee was the CEO of the KLK Group's Oleochemical division from 1 April 2022 to 30 September 2024.

Mr. Lee is the son of Tan Sri Dato' Seri Lee Oi Hian, the nephew of Dato' Lee Hau Hian and cousin of Mr. Lee Yuan Zhang. Tan Sri Dato' Seri Lee and Dato' Lee are major shareholders of BKB.

Profile of Key Senior Management (Continued)

MR. TAN CHEE HENG

- *Managing Director of Subsidiary of BKB, Chemical Company of Malaysia Berhad (“**CCM**”)*

Mr. Tan is the Managing Director of CCM as well as some of its subsidiaries (since 2012). He possesses a Chemical Engineering degree from University of Sheffield, United Kingdom.

He has worked in the chemical, gloves and food industries for more than 22 years in various areas including supply chain, production, and operation management, both locally and regionally. Prior to joining the BKB Group, he was the Associate Director – Global Sourcing of Ansell Services (Asia) Sendirian Berhad.

He has no family relationship with any Director and/or major shareholder of BKB.

MR. PATRICK NG HONG CHUAN

- *Group Plantations Director of KLK*

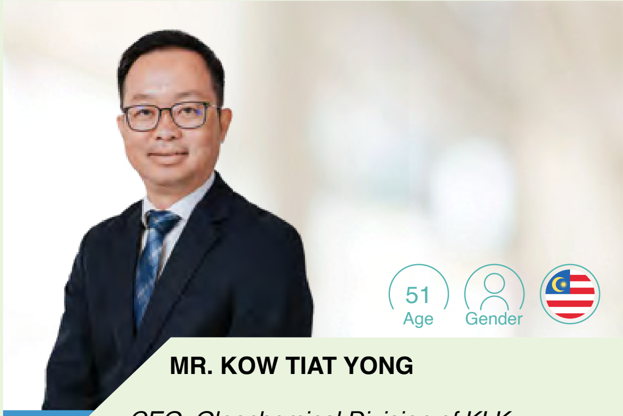
Mr. Ng holds a Bachelor of Engineering degree with Honours (Civil Engineering) from Universiti Sains Malaysia and was awarded the 2006 British-Chevening (Malaysia) Scholarship to pursue his Master of Science in Imperial College (University of London) where he graduated with Distinction in Environmental Engineering and Sustainable Development. He also completed the Harvard Business School Online Program on Leadership Principles in 2021.

He is a Graduate Member of the Institution of Engineers Malaysia, Life Member of the International Society of Oil Palm Agronomist and a Member of the Incorporated Society of Planters.

Mr. Ng was appointed as the KLK Group’s Plantations Director on 1 October 2022. Prior to his appointment, he was the President Commissioner of KLK’s subsidiaries in Indonesia. He joined KLK in May 2021 after serving as the Deputy Director of KLK’s associate, Applied Agricultural Resources Sdn. Bhd. (“**AAR**”). He was with AAR since 1998 overseeing Research and Development with emphasis on palm nutrition and agro-management practices.

He has no family relationship with any Director and/or major shareholder of BKB.

Profile of Key Senior Management (Continued)



MR. KOW TIAT YONG

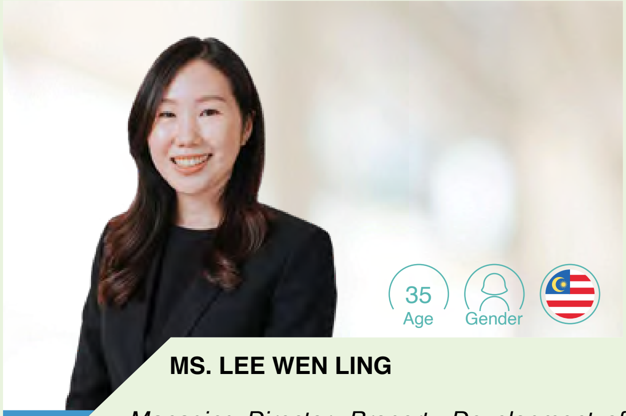
- *CEO, Oleochemical Division of KLK*

Mr. Kow graduated with a Bachelor's Degree in Chemical Engineering from Universiti Teknologi Malaysia. He joined Uniqema (M) Sdn. Bhd. in 1998 as a Production Engineer. In 2007, when KLK acquired Uniqema (M) Sdn. Bhd. [which was subsequently renamed Palm-Oleo (Klang) Sdn. Bhd.], Mr. Kow was the Production Manager.

In 2018, Mr. Kow was promoted to Managing Director of the Palm-Oleo Strategic Business Unit in KLK, where he oversaw the overall manufacturing operations and business of fatty acids and its derivatives, including soap noodles, esters and amides.

In April 2022, Mr. Kow was promoted to Deputy CEO of Oleochemical division of KLK, where he effectively managed KLK Oleochemical's business activities across Malaysia, China and Indonesia, driving substantial growth and market presence. He was promoted as the CEO of KLK Oleochemical, with effect from 1 October 2024.

He has no family relationship with any Director and/or major shareholder of BKB.



MS. LEE WEN LING

- *Managing Director, Property Development of KLK*

Ms. Lee holds a degree in Economics from the University of Bristol, United Kingdom and joined KLK's subsidiary, KLK Land Sdn Bhd ("**KLK Land**") in June 2012 as a Sales Executive. She worked her way up the ranks, and has been involved in overseeing the sales and marketing, business development, planning and implementation of KLK's property projects. She was the Deputy Managing Director of KLK Land before she was appointed as the Managing Director of KLK Land.

Ms. Lee is the daughter of Tan Sri Dato' Seri Lee Oi Hian, the niece of Dato' Lee Hau Hian and cousin of Mr. Lee Yuan Zhang. Tan Sri Dato' Seri Lee and Dato' Lee are major shareholders of BKB.

Profile of Key Senior Management (Continued)

MR. KU KOK PENG

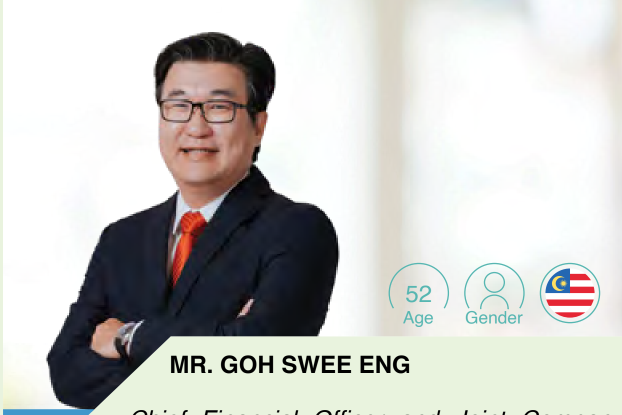
- *Chief Sustainability Officer of KLK*

Mr. Ku holds a Bachelor of Law degree from the University of London and a Certificate of Legal Practice. He completed executive programmes organised by FleishmanHillard namely the Advanced Management Programme at the China Europe International Business School and the Senior Management Programme at Babson College.

He joined KLK in March 2022 as Group Chief Sustainability Officer, overseeing KLK Group's sustainability, strategy, risk, communications, investor relations, corporate responsibility, and government relations functions.

Prior to joining KLK, Mr. Ku served as Group Chief Strategy Officer at Green Packet Berhad (October 2020 to December 2021), Partner and Executive Vice President at PEMANDU Associates (March 2017 to September 2020), and Director of Palm Oil & Rubber, Investment & Innovation for the Economic Transformation Programme at PEMANDU (August 2010 to February 2017). Earlier in his career, he was the Managing Director & Partner for Market Development, Southeast Asia at FleishmanHillard.

He has no family relationship with any Director and/or major shareholder of BKB.



MR. GOH SWEE ENG

- *Chief Financial Officer and Joint Company Secretary of BKB*

Mr. Goh holds a Bachelor of Accountancy degree from University of Putra Malaysia. He is a fellow member of the Malaysian Institute of Certified Public Accountants and the Malaysian Institute of Accountants. He joined BKB as a Chief Accountant on 16 July 2018.

Prior to joining BKB, he has more than 21 years of experience in auditing and finance functions. He began his career in PricewaterhouseCoopers, Kuala Lumpur and in later years joined the manufacturing, property development and telecommunication industries where he has held regional and senior managerial positions in finance, internal audit, corporate services and supply chain management functions.

He has no family relationship with any Director and/or major shareholder of BKB.

Additional Information:

- Save as disclosed above, none of the Key Senior Management has:
  (i) any conflict of interest or potential conflict of interest with BKB; and
  (ii) any directorship in public companies and listed issuers.
- None of the above Key Senior Management of BKB has been convicted of any offence (other than traffic offences) within the past five (5) years and there was no public sanction and penalty imposed by the relevant regulatory bodies during the financial year.

Chairman's Statement

FINANCIAL PERFORMANCE REVIEW

For the financial year ended 30 September 2024 ("**FY 2024**"), Batu Kawan Berhad ("**Company**" or "**BKB**"), including the results of its main subsidiary – Kuala Lumpur Kepong Berhad ("**KLK**"), achieved a Group pre-tax profit of RM1.24 billion against the RM1.28 billion reported last year. Revenues were lower at RM23.06 billion (FY 2023: RM24.65 billion). This year, the Group pre-tax profit included exceptional non-cash losses and an inventory write-down totalling RM366.51 million charged by KLK, which are discussed below. Excluding these losses, your Group's pre-tax profit would have been 29% higher.

After-tax profit attributable to BKB shareholders at RM298.86 million was 39% lower than last year's RM490.92 million and Group earnings per share ("**EPS**") of 76.0 sen was similarly lower than last year's 124.8 sen.

Your Board has maintained the final single-tier dividend at 40 sen per share ("**Final Dividend**") for this financial year, and including the interim dividend of 20 sen paid out in August 2024, making a total dividend payout of 60 sen (FY 2023: 60 sen) for the full year. This dividend payout would be equivalent to 79% of earnings (FY 2023: 48%).

Under the Company's share buy-back programme, a further 1,210,800 BKB shares (FY 2023: 180,900 BKB shares) were bought back during the financial year at an average price of RM19.62 per share (FY 2023: RM20.46 per share), thus increasing the number of Treasury shares held to 7,365,300.

SUBSIDIARIES' PERFORMANCE

MAIN SUBSIDIARY – KLK

KLK reported a pre-tax profit of RM1.18 billion this year (FY 2023: RM1.15 billion), driven by strong Plantation's contribution of RM1.62 billion. However this year, exceptional non-cash losses and an inventory write-down totaling RM366.51 million reduced KLK's pre-tax profit. These exceptional charges include RM315.66 million from KLK's investment in 26.89% associate, Synthomer plc, which consist of a RM135.66 million share of equity loss and a RM180.00 million impairment of this investment. Additionally, there was a RM50.85 million inventory write-down taken by KLK's hardwood flooring business. Excluding these non-cash losses and inventory write-down, KLK's pre-tax profit this year would have been 40% higher than last year. After-tax profit attributable to KLK shareholders was RM590.96 million compared to last year's RM834.26 million, with EPS of 54.3 sen (FY 2023: RM77.4 sen).

KLK's Pre-Tax Profit	**KLK's Net Profit** (after non-controlling interests)
FY 2024 **RM1.18 billion** (FY 2023: RM1.15 billion)	FY 2024 **RM590.96 million** (FY 2023: RM834.26 million)

The Plantation segment had a better year with 39% higher profit of RM1.62 billion (FY 2023: RM1.16 billion) driven by lower Crude Palm Oil ("**CPO**") production and reduced fertiliser costs. CPO sales volume of 1.33 million metric tonne ("**mt**") (FY 2023: 1.29 million mt) was 3% higher, with average CPO prices of RM3,653/mt (FY 2023: RM3,639/mt). Heavy rain disrupted some estate operations in Indonesia during the year. Thus there was only a slight increase in CPO production yield of 4.41 metric tonne per hectare ("**mt/ha**"), compared to 4.36 mt/ha last year.

SUBSIDIARIES' PERFORMANCE (Continued)

MAIN SUBSIDIARY – KLK (Continued)

Despite signs of market demand recovery towards the year-end, the Oleochemical sub-segment was challenging during the year with market weakness in Europe and China. The refining operations faced margin pressures due to overcapacity in the refining segment. Thus the Manufacturing segment's pre-tax profit dropped sharply by 64% to RM95.27 million (FY 2023: RM264.66 million) with revenue declining to RM18.02 billion (FY 2023: RM19.69 billion).

Property profit was lower at RM46.44 million (FY 2023: RM62.25 million), reflecting the recognition of profits from development phases that have lower gross margins, despite higher revenue of RM229.43 million (FY 2023: M218.11 million). At Bandar Seri Coalfields, a neighbourhood shopping mall with some 300,000 square foot net floor area is being developed to provide shopping and retail convenience to the surrounding population as part of the Coalfields Retail Park development. Another township development project is the nearby 202-acre Caledonia township in Ijok, Selangor, about 8 kilometers from Bandar Seri Coalfields.

PLANTATION SUBSIDIARIES (NON-KLK-OWNED)

On 19 December 2023, your Group's two Indonesian plantation companies – the 92%-owned PT Satu Sembilan Delapan ("**SSD**") and 90%-owned PT Tekukur Indah ("**TKI**") - were sold to KLK for a total cash consideration of RM276.55 million. SSD has 5,384 hectares of mature oil palm and a palm oil mill in Kalimantan Timur, and the adjacent TKI has 987 hectares of immature oil palm.

This strategic disposal aims to streamline the Group's plantation investments into KLK to deliver more synergistic benefits to the Group moving forward. KLK, being the managing agent for the SSD and TKI estates, possesses good knowledge of these properties and their economic potential. Their proximity to existing KLK estates in the area further adds to the attraction, prompting KLK's interest to acquire them.

INDUSTRIAL CHEMICAL SUBSIDIARIES

In FY 2024, the Industrial Chemical group of companies were restructured and reorganised so that our wholly-owned subsidiary, Chemical Company of Malaysia Berhad ("**CCM**"), become their holding so as to improve operational efficiency and to present a clearer ownership structure for better branding and market positioning. Under this exercise, the shares of Malay-Sino Chemical Industries Sendirian Berhad ("**Malay-Sino**") and See Sen Chemical Bhd ("**See Sen**") were acquired by CCM in exchange for new CCM shares.

FY 2024 was a challenging one for the CCM Group with pre-tax profits falling by 34% compared to the year before, due to weaker market demand and hence lower caustic soda sales and lower selling prices. The main profit reduction came from our chlor-alkali business under Malay-Sino and CCM Chemicals Sdn Bhd. In contrast, CCM Polymers Sdn Bhd saw its pre-tax profit doubled due to better margins from higher selling prices and lower raw material costs, while See Sen's pre-tax profit surged more than 3-fold due to lower unit production costs from cheaper hydrate and sulphur.

During the year, we completed our replacement of older electrolysers at our three (3) chlor-alkali plants with newer models which will utilise lower electricity, a major production cost component.

Chairman's Statement (Continued)

SUBSIDIARIES' PERFORMANCE (Continued)

PROPERTY INVESTMENTS

This year, your Group's property investments in Australia made a pre-tax *loss* (after interest) of RM7.93 million (FY 2023: RM2.07 million *loss*) reflecting the phases of their developments. Due to rising interest rates, the Australian property market has weakened somewhat, resulting in slower sales generally. However, we believe our property investments carry lower risks and should be more resilient due to their strategic locations and nature of development. These projects are at various stages of development, with different completion timelines, and mostly involve the development and sale of subdivided housing plots. These investments consist of equity interests ranging between 10% to 50% in ten (10) property development projects - eight (8) in Melbourne and two (2) in Perth.

OUTLOOK

With recent CPO prices have breached the RM5,000/mt level due to concerns over reduced production and the anticipated Indonesian B40 biodiesel mandate next year, the Group expects CPO prices to remain robust in the coming year. The Group's Plantation segment therefore anticipates a stronger performance for the financial year 2025, supported by stronger CPO prices.

For your Group's Manufacturing segment, we expect better results from the Oleochemical sub-segment while Industrial Chemical sub-segment is likely to remain challenging in the financial year 2025 due to ongoing price competition.

BOARD COMPOSITION

Our Director, Mr. Quah Chek Tin will be stepping down from the Board after the conclusion of the forthcoming annual general meeting on 28 February 2025. I would like to express our heartfelt gratitude for his numerous contributions to the Company over his 14 years of dedicated service. His friendship and commitment have been invaluable, and he will be dearly missed by all of us.

APPRECIATION

On your behalf, I would like to extend my heartfelt thanks and sincere appreciation to my fellow Directors, Management and all employees of the Group for their contributions and efforts during this challenging year.

Tan Sri Dato' Seri Lee Oi Hian
Chairman
9 December 2024

Group Statistics

Five-Year Group Financial Statistics

	2024 RM'000 MFRS	2023 RM'000 MFRS	2022 RM'000 MFRS	2021 RM'000 MFRS	2020 RM'000 MFRS
Revenue	**23,060,152**	24,653,397	28,223,929	20,717,928	16,078,124
Profit before taxation	**1,238,825**	1,278,700	3,445,078	3,086,006	1,264,664
Profit for the year	**757,968**	1,085,793	2,584,226	2,539,584	914,435
Profit attributable to equity holders of the Company	**298,856**	490,917	1,174,346	1,146,934	417,275
Total assets	**32,043,981**	31,907,533	32,361,608	29,869,067	22,334,826
Share capital	**507,587**	507,587	507,587	507,587	507,587
Treasury shares	**(136,919)**	(113,109)	(109,400)	(83,334)	(23,957)
Reserves	**7,004,086**	7,459,437	7,268,999	5,906,031	5,393,300
Total equity attributable to equity holders of the Company	**7,374,754**	7,853,915	7,667,186	6,330,284	5,876,930
Non-controlling interests	**8,503,620**	9,343,897	9,264,281	8,621,107	6,744,349
Total equity	**15,878,374**	17,197,812	16,931,467	14,951,391	12,621,279
Total liabilities	**16,165,607**	14,709,721	15,430,141	14,917,676	9,713,547
Total equity and liabilities	**32,043,981**	31,907,533	32,361,608	29,869,067	22,334,826
Cash & cash equivalents and Short term funds	**2,926,918**	2,836,472	3,469,520	3,782,671	4,333,636
Total borrowings	**11,736,950**	10,409,261	10,406,667	9,624,912	6,921,290
Net debt	**8,810,032**	7,572,789	6,937,147	5,842,241	2,587,654
Basic earnings per share (sen)	**76.0**	124.8	298.1	289.6	105.3
Dividend per share (sen)	**60.0**	60.0	110.0	110.0	55.0
Share price as at 30 September (RM)	**19.52**	20.18	20.00	20.80	15.06
Historical price earnings ratio (times)	**25.7**	16.2	6.7	7.2	14.3
Dividend yield (%) [1]	**3.1**	3.0	5.5	5.3	3.6
Dividend cover (times) [2]	**1.3**	2.1	2.7	2.6	1.9
Dividend payout ratio (%) [3]	**78.9**	48.1	36.9	38.0	52.2
Net assets per share attributable to equity holders of the Company (RM)	**18.80**	19.97	19.48	16.04	14.77
Return on shareholders' equity (%) [4]	**4.1**	6.3	15.3	18.1	7.1
Return on total assets (%) [5]	**2.4**	3.4	8.0	8.5	4.1
Net debt-to-equity ratio (times) [6]	**0.55**	0.44	0.41	0.39	0.21
Funds from operations ("**FFO**") net debt coverage ratio (times) [7]	**0.31**	0.29	0.57	0.50	0.68

[1] Based on Dividend per Share expressed as a percentage of BKB's Share Price as at 30 September

[2] Calculated as Basic Earnings per Share divided by Dividend per Share

[3] Based on Dividend per Share expressed as a percentage of Basic Earnings per Share

[4] Based on Profit Attributable to Equity Holders expressed as a percentage of Total Equity Attributable to Equity Holders

[5] Based on Profit for the year expressed as a percentage of Total Assets

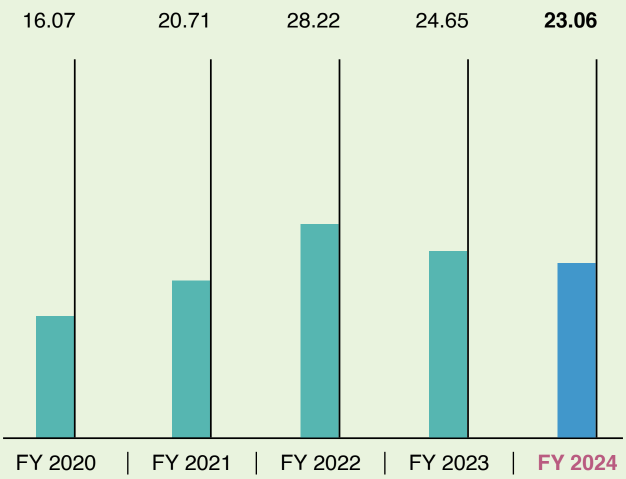
[6] Based on Net Debt (i.e. Total Borrowings less Cash & Cash Equivalents and Short Term Funds) divided by Total Equity

[7] Based on FFO (i.e. Operating Profit/(Loss) before Working Capital Changes less Tax Paid) divided by Net Debt (i.e. Total Borrowings less Cash & Cash Equivalents and Short Term funds)

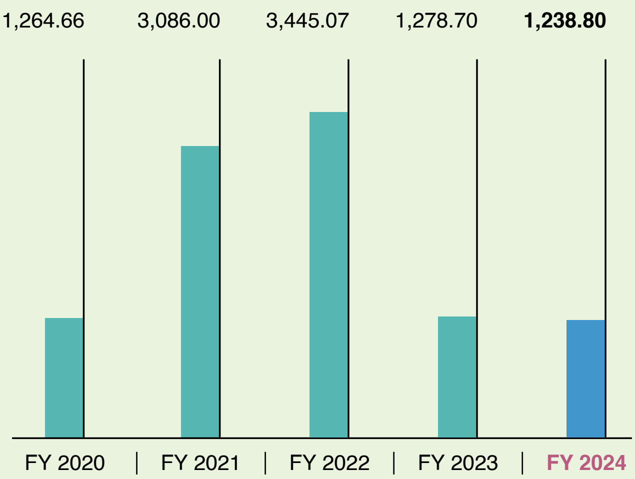
Group Statistics (Continued)

Performance at a Glance

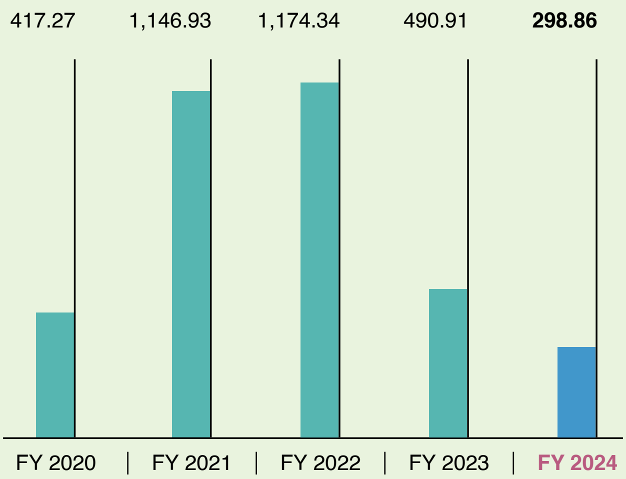
Revenue (in RM'bil)



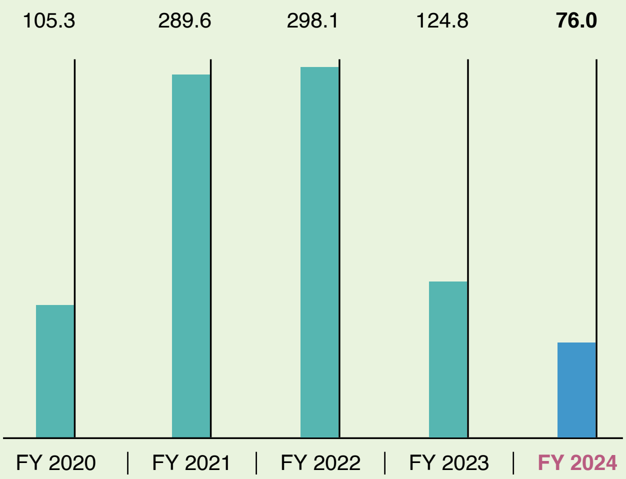
Profit Before Taxation (in RM'mil)



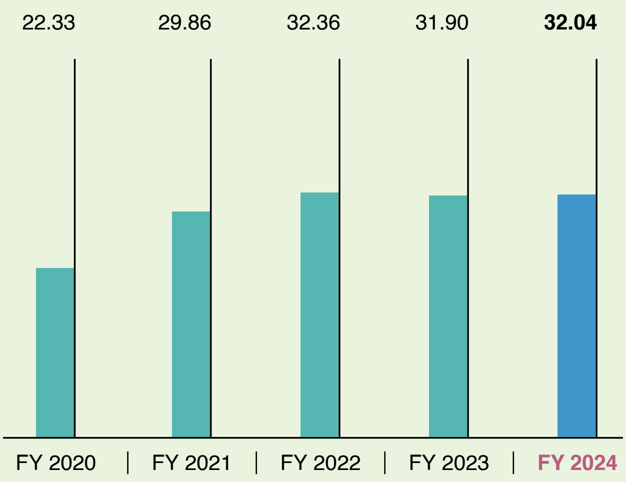
Profit Attributable to Equity Holders (in RM'mil)



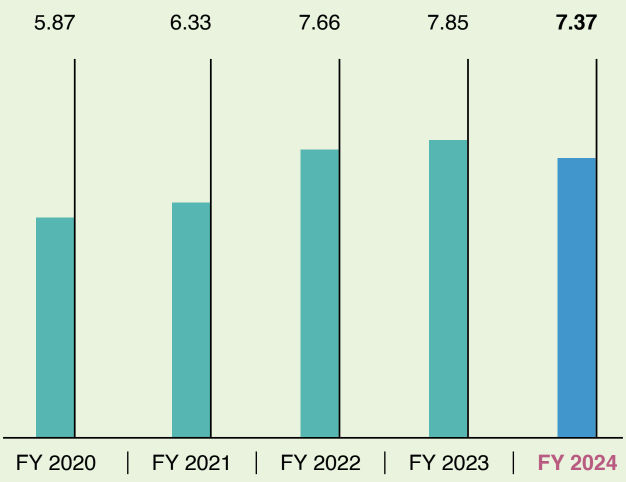
Earnings per Share (in sen)



Total Assets (in RM'bil)



Equity Attributable to Equity Holders (in RM'bil)



Group Statistics (Continued)

Five-Year Plantation Statistics

The below Five-year Plantation Statistics is a combination of Kuala Lumpur Kepong Berhad ("**KLK**") and non-KLK owned plantations. **

		2024	2023	2022	2021	2020
OIL PALM						
Fresh Fruit Bunches ("FFB") Production						
- Own estates	(mt)	**5,498,150**	5,381,160	5,111,602	4,070,230*	4,052,560
- Sold	(mt)	**128,696**	231,407	237,157	115,671	75,428
- Purchased	(mt)	**908,204**	978,317	1,028,215	905,289	827,710
- Total processed	(mt)	**6,277,658**	6,128,069	5,902,660	4,859,848	4,804,842
Weighted Average Hectarage						
- Mature	(ha)	**266,058**	261,907	258,741	189,655	183,946
- Immature	(ha)	**26,192**	30,490	35,589	37,704	28,111
Total planted area	(ha)	**292,250**	292,397	294,330	227,359	212,057
FFB Yield per Mature Hectare	(mt/ha)	**20.67**	20.55	19.76	21.46	22.03
Crude Palm Oil ("CPO") Yield per Mature Hectare	(mt/ha)	**4.41**	4.37	4.21	4.66	4.82
Mill Production						
- CPO	(mt)	**1,340,595**	1,301,257	1,256,774	1,053,729	1,049,890
- Palm Kernel ("**PK**")	(mt)	**259,266**	255,231	248,794	200,448	200,594
Oil Extraction Rate ("OER")						
- CPO	(%)	**21.36**	21.23	21.29	21.68	21.85
- PK	(%)	**4.13**	4.16	4.21	4.12	4.17
Cost of Production						
- FFB	(RM/mt ex-estate)	**362**	399	336	270	261
- CPO	(RM/mt ex-mill)	**2,040**	2,231	1,953	1,512	1,467
(excludes windfall profit levy and Sabah sales tax)						
Average Selling Prices						
- CPO	(RM/mt ex-mill)	**3,649**	3,623	4,214	3,199	2,343
- PK	(RM/mt ex-mill)	**2,110**	1,826	2,971	2,130	1,375
Average Profit per Mature Hectare	(RM)	**6,167**	4,730	8,593	7,312	3,539

* Includes one month of KLK Sawit Nusantara Berhad (formerly known as IJM Plantations Berhad) production of 99,049 mt.

** Upon the completion of disposal of BKB's plantation subsidiaries, PT Satu Sembilan Delapan ("**SSD**") and PT Tekukur Indah ("**TKI**") to KLK on 19 December 2023, FY 2024 includes SSD's and TKI's 2-month statistics in BKB's books and 10-month in KLK's books.

Group Statistics (Continued)

Five-Year Plantation Statistics (Continued)

		2024	2023	2022	2021	2020
RUBBER						
Production						
- Own estates	('000 kg)	**5,234**	5,439	6,162	8,105	10,354
Weighted Average Hectarage						
- Mature	(ha)	**6,026**	5,952	6,024	7,017	8,061
- Immature	(ha)	**966**	2,122	2,617	2,795	3,115
Total planted area	(ha)	**6,992**	8,074	8,641	9,812	11,176
Yield per Mature Hectare	(kg/ha)	**868**	914	1,023	1,155	1,284
Cost of Production	(sen/kg ex-estate)	**882**	871	693	574	476
Average Selling Prices (net of cess)	(sen/kg)	**1,002**	816	928	883	720
Average (Loss)/Profit per Mature Hectare	(RM)	**(1,133)**	(4,135)	(1,053)	1,173	(486)

Plantation Area Statement

		2024			2023		
	Age In Years	Hectares	% Under Crop	% of Total Planted Area	Hectares	% Under Crop	% of Total Planted Area
OIL PALM	4 to 9	**64,381**	**22**		67,777	23	
	10 to 18	**128,153**	**44**		120,248	41	
	19 and above	**74,372**	**25**		74,998	26	
	Mature	**266,906**	**91**	**89**	263,023	90	87
	Immature	**26,566**	**9**	**9**	30,499	10	10
	Total	**293,473**	**100**	**98**	293,522	100	97
RUBBER	6 to 10	**409**	**6**		405	5	
	11 to 15	**1,355**	**21**		1,739	22	
	16 to 20	**1,838**	**28**		1,819	23	
	21 and above	**2,036**	**31**		2,176	26	
	Mature	**5,638**	**86**	**2**	6,139	76	2
	Immature	**918**	**14**	**0**	1,921	24	1
	Total	**6,556**	**100**	**2**	8,060	100	3
TOTAL PLANTED AREA		**300,028**		**100**	301,582		100
Plantable Reserves		**17,345**			17,966		
Conservation Areas		**27,480**			25,477		
Building Sites, etc		**10,312**			10,706		
GRAND TOTAL		**355,165**			355,731		

OVERVIEW

Batu Kawan Berhad (“**BKB**” or “**Group**”) is listed on the Main Market of Bursa Malaysia Securities Berhad and through its subsidiaries, is primarily involved in plantations, manufacture of oleochemicals and industrial chemicals, property development and investment activities.

In FY 2024, the Group reported a pre-tax profit of RM1.24 billion, driven by a strong Plantation segment contribution of RM1.65 billion. However this year, the Group suffered from exceptional non-cash losses and an inventory write-down which totalled RM366.51 million charged by our main subsidiary, Kuala Lumpur Kepong Berhad (“**KLK**”). As a result, the Group’s pre-tax profit dropped by 3% against the RM1.28 billion reported last year. Excluding these losses and the inventory write-down, the Group’s pre-tax profit would have been 29% higher. Net profit attributable to shareholders was RM298.86 million, 39% down from RM490.92 million the previous year, with Group earnings per share (“**EPS**”) falling to 76.0 sen (FY 2023: 124.8 sen).

As at 30 September 2024, the Group’s total assets rose marginally to RM32.04 billion from FY 2023’s RM31.90 billion, while net assets attributable to equity holders of the Company was RM7.37 billion (FY 2023: RM7.85 billion) or 6% lower, with net assets per share at RM18.80 (FY 2023: RM19.97). Return on shareholders’ equity declined to 4.1% (FY 2023: 6.3%) owing to lower contributions from all segments except for Plantation.

The Group’s net debt-to-equity ratio stood at 0.55 times (FY 2023: 0.44 times) with approximately 59% of borrowings being long-term and at fixed interest rates, limiting exposure to interest rate fluctuations. Short-term borrowings at floating rates are primarily used for working capital.

For FY 2024, the Group declared total single-tier dividend per share of 60.0 sen (FY 2023: 60.0 sen) which would be equivalent to some 79% (FY 2023: 48%) of EPS.

FY 2024 FINANCIAL HIGHLIGHTS

Group Profit Before Tax

↓ 3%

RM 1.24b
(FY 2023: RM1.28b)

Group Revenue

↓ 6%

RM 23.06b
(FY 2023: RM24.65b)

Earnings Per Share

↓ 39%

76.0 sen
(FY 2023: 124.8 sen)

Dividends Per Share

=

60.0 sen
(FY 2023: 60.0 sen)

↑ <1%

Total Assets

RM 32.04b
(FY 2023: RM31.90b)

↓ 6%

Net Assets*

RM 7.37b
(FY 2023: RM7.85b)

↓ 6%

Net Assets Per Share*

RM18.80
(FY 2023: RM19.97)

↓ 35%

Return On Shareholders’ Equity

4.1%
(FY 2023: 6.3%)

↑ 25%

Net Debt-To-Equity Ratio

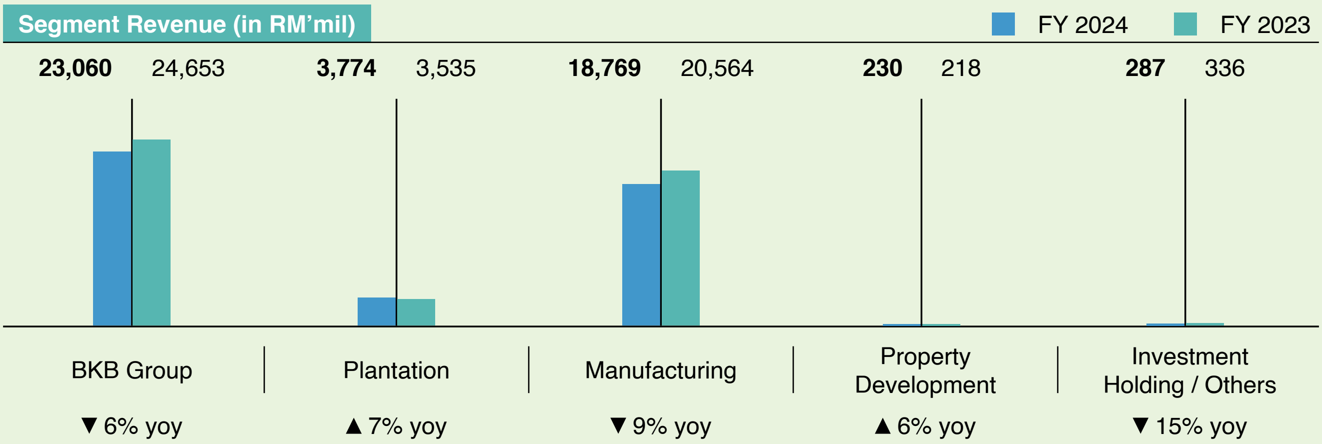
0.55 times
(FY 2023: 0.44 times)

* Refers to Net Assets attributable to equity holders of the Company

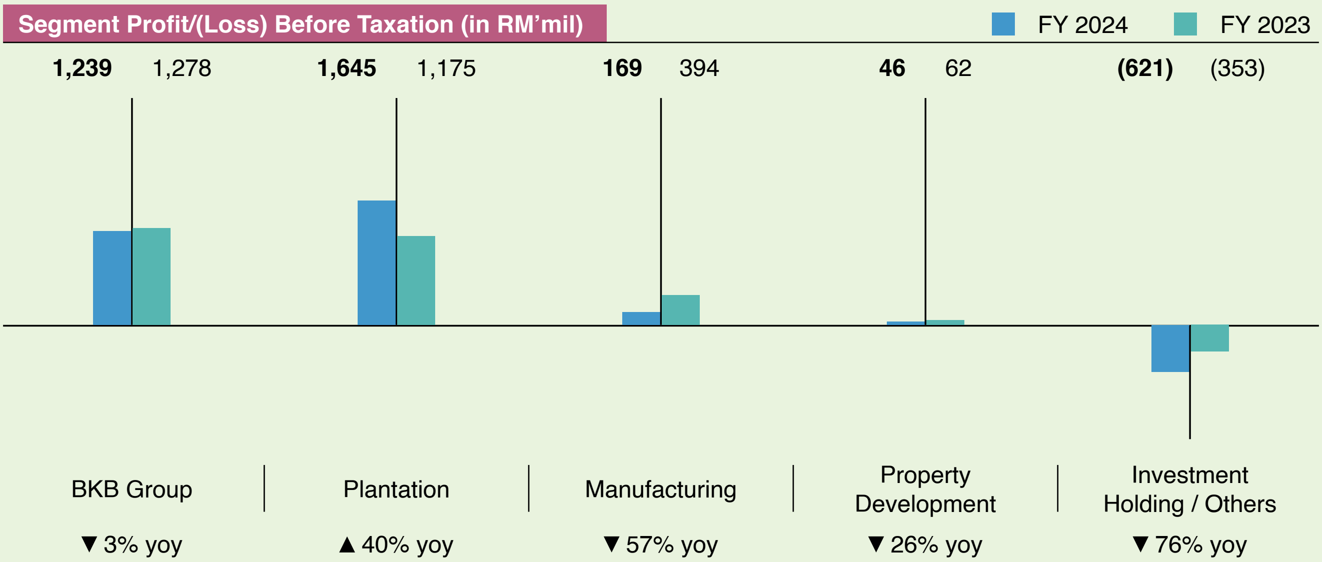
Management Discussion and Analysis (Continued)

FINANCIAL REVIEW

Segment Revenue (in RM'mil)



Segment Profit/(Loss) Before Taxation (in RM'mil)



Revenue and Profitability

For FY 2024, the Group's revenue declined 6% y-o-y to RM23.06 billion largely from reduced sales in the refineries and kernel crushing sub-segments despite higher crude palm oil ("**CPO**") and palm kernel ("**PK**") prices and sales volumes. The Group reported pre-tax profit of RM1.24 billion for FY 2024, 3% lower y-o-y, mainly due to lower contribution from Manufacturing segment (10% vs 24%) despite a strong contribution from the Plantation segment (87% vs 72%).

The pre-tax profit from our core Plantation segment, primarily from KLK, was 39% higher y-o-y at RM1.62 billion in FY 2024 as compared to RM1.17 billion in FY 2023. The segment saw a better year with CPO and PK prices averaging at RM3,653 per mt (FY 2023: RM3,639 per mt) and RM2,115 per mt (FY 2023: RM1,841 per mt) respectively. The results benefitted from lower cost of production from lower fertiliser cost.

The Group's Manufacturing segment reported a significantly lower pre-tax profit of RM168.59 million in FY 2024, 57% lower against last year's pre-tax profit of RM394.29 million. KLK's Oleochemical business units continued to struggle especially in the Europe and China markets, faced with sluggish demand. The refineries' profit margins were squeezed and unfavourably impacted by the abruptly rising CPO prices during the year. Our Industrial Chemical sub-segment, on the other hand, was mainly affected by lower caustic soda sale volumes and lower selling prices. Our chlor-alkali facility in Pasir Gudang was temporarily halted twice during the year to upgrade the electrolysers in PGW1 and PGW2. With the completion of the upgrade in the financial year, the Group's chlor-alkali division should see improvements in power consumption efficiency that would translate into higher annualised cost savings of RM3.5 million.

FINANCIAL REVIEW (Continued)

Revenue and Profitability (Continued)

The Property Development segment of KLK continues to generate profits albeit 26% lower y-o-y due to lower average project margin in its Caledonia project despite higher property sales.

Profit before Tax

Plantation segment

FY 2024
RM1.62 billion
(FY 2023: RM1.17 billion)

Manufacturing segment

FY 2024
RM168.59 million
(FY 2023: RM394.29 million)

Property Development segment

FY 2024
RM46.00 million
(FY 2023: RM62.00 million)

Borrowings and Cash Reserve

As at 30 September 2024, the Group's net debts increased to RM8.81 billion (FY 2023: RM7.57 billion) due to increased short-term borrowings for working capital financing. Accordingly, the Group's net gearing stood at 0.55 times (FY 2023: 0.44 times) as at end-September 2024. At the operating level, the Group's funds from operations ("**FFO**") net debt coverage ratio increased to 0.31 times in FY 2024 (FY 2023: 0.29 times) although total debt load increased to RM11.74 billion and the Group recording a lower net profit. Approximately 52% of borrowings (or some RM6.10 billion) are Sukuks issued by both BKB and KLK, all of which carry an AA_1/Stable rating. As KLK's various downstream capacity expansion projects are progressing well, we foresee that these spending will soon bear fruit and reduce our future debt level. We have seen KLK's Oleochemical sub-segment improving in terms of profitability and thus should positively contribute to the Group's FFO in the coming year. Going forward, BKB should be in a better leveraged position in the near term with promising prospect.

The Group is cautiously monitoring its gearing levels and will strive to maintain optimal liquidity, backed by sustainable cashflows from operations. Cash holdings (including liquid money-market funds) of some RM2.93 billion will allow the Group to take advantage of any growth opportunities and the Group is confident of its ability to support its future business growth plans and strategies.

Dividends

BKB has established a healthy dividend track record of paying annual dividends. For FY 2024, the Board has declared a final, single-tier dividend of 40 sen per share, bringing the full-year dividends to 60 sen per share (FY 2023: 60 sen per share), representing a 79% payout ratio (FY 2023: 48%).

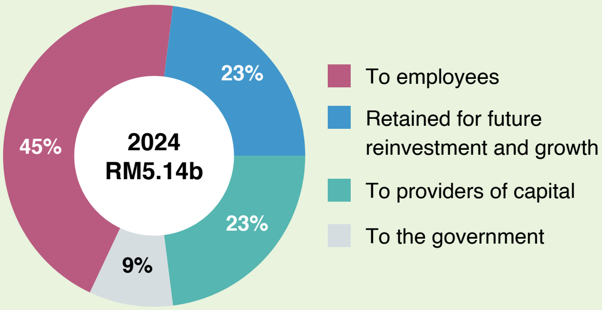
GROUP VALUE-ADDED STATEMENT

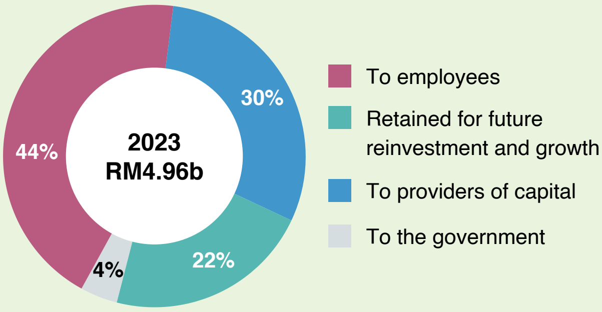
This is a measure of the value created by the Group and its distribution to stakeholders, with the balance retained for reinvestment and future growth.

	2024 RM'mil	2023 RM'mil
Value Added		
Revenue	**23,060**	24,653
Operating expenses	**(18,271)**	(20,080)
Value added from operations	**4,789**	4,573
Other operating income	**472**	577
Share of results of associates	**(118)**	(170)
Share of results of joint ventures	**(4)**	(15)
Total	**5,139**	4,965
Value Distributed		
To employees (salaries and other staff cost)	**2,308**	2,183
To government (tax expenses)	**481**	193
To providers of capital:		
- Dividends	**236**	433
- Finance cost	**473**	441
- Non-controlling interests	**459**	595
Retained for future reinvestment and growth:		
- Depreciation and amortisation	**1,119**	1,062
- Retained earnings	**63**	58
Total	**5,139**	4,965
Reconciliation		
Profit attributable to owners of the Company	**299**	491
Add:		
- Depreciation and amortisation	**1,119**	1,062
- Finance cost	**473**	441
- Staff cost	**2,308**	2,183
- Tax expensest	**481**	193
- Non-controlling interests	**459**	595
	5,139	4,965

GROUP VALUE-ADDED STATEMENT (Continued)

This is a measure of the value created by the Group and its distribution to stakeholders, with the balance retained for reinvestment and future growth. (Continued)





Tax expenses in FY 2024 were higher (9% of total value distributed) mainly due to low base effect from FY 2023's lower taxable profits and recognition of deferred tax assets relating to unutilised business losses and unabsorbed capital allowances in certain subsidiaries. Non-tax deductible expenses were higher and under-provision of prior year tax also contributed to FY 2024's higher tax expense.

Included in FY 2024's tax expense is the RM14.0 million capital gain tax arising from disposal of two Indonesian plantation subsidiaries to KLK.

Note: The Group Value-Added Statement ("**VAS**") is a supplement to and not a substitute to the Profit & Loss statement. The same data which is recorded and processed by the Group's accounting system is used in the preparation of VAS. The basic accounting concepts and principles of accounting remain the same in the preparation of this VAS.

REVIEW OF BUSINESS & OPERATIONS

Plantation

Following the disposal of its two Indonesian plantation subsidiaries held by BKB to KLK on 19 December 2023, the Group's oil palm plantations and downstream resource-based manufacturing operations are now fully-owned by KLK.

Main Subsidiary – KLK

TOTAL PLANTED AREA
300,028 ha

Oil Palm 98%

Malaysia	Indonesia	Liberia
119,215 ha	168,139 ha	6,118 ha

Rubber 2%

Malaysia
6,556 ha

REVIEW OF BUSINESS & OPERATIONS (Continued)

Plantation (Continued)

Main Subsidiary - KLK (Continued)

KLK is the third-largest listed planter in Malaysia and among the top 10 worldwide, with a sizeable planted area spanning 300,028 hectares (“**ha**”) as at 30 September 2024. KLK’s estates are geographically diversified and spread across Malaysia (Peninsular Malaysia and Sabah), Indonesia (Belitung Island, Kalimantan and Sumatra) and Liberia.

For the current financial year, KLK’s Plantation segment recovered from the prior year’s low CPO prices and high fertiliser costs though unfavourable weather conditions affected harvesting and thus impacted yields in several areas.

In FY 2024, KLK’s core Plantation segment pre-tax profit surged to RM1.62 billion (FY 2023: RM1.16 billion) mainly driven by higher CPO and PK sales volumes at some 1.33 million mt and 250,000 mt (FY 2023: 1.29 million mt and 240,000 mt) respectively, coupled with lower production cost and reduced fertiliser costs. Following two years of low yields, KLK’s FFB production level observed modest improvement despite facing weather-related challenges in some regions. This modest increase achieved through effective interventions in operational practices and from the gradual return of workers, particularly in KLK’s Peninsular Malaysia estates, where a worker-to-area ratio of 1:10 contributed significantly to harvesting efficiency. In contrast, KLK faced yield declines in its Sabah plantations which suffered from mealybug infestations while in Indonesia, several estates suffered from adverse weather conditions (rain). In addressing these challenges, KLK’s ongoing mechanisation initiatives covering in-field operations, crop evacuation, upkeep and fertiliser application aims to improve yields and help navigating the uncertainties surrounding labour availability.

KLK continues to source some 88% of its FFB from its own estates, thereby ensuring FFB quality and mill efficiency. Overall FFB yields in FY 2024 improved slightly to 20.64 mt/ha (FY 2023: 20.48 mt/ha) whereas CPO extraction rates (“**OER**”) rose to 21.36% (FY 2023: 21.29%) owing to enhanced crop quality from young trees and improved extraction efficacy.

Overall, KLK’s average profit per mature hectare for oil palm recovered to RM6,176 per hectare from FY 2023’s RM4,719 per hectare due to higher commodity prices and reduced production costs.

KLK’s Plantation Statistics

1	Weighted Average Age of Palms	**13.5** years
2	FFB Yield per Mature Hectare	**20.64** mt/ha
3	CPO Yield per Mature Hectare	**4.41** mt/ha
4	OER	**21.36**%

REVIEW OF BUSINESS & OPERATIONS (Continued)

Plantation (Continued)

Plantation Outlook

Looking forward, global oil palm production will likely be subjected to more volatile weather conditions with an anticipated transition from El Nino (drought) to La Nina (excessive rainfall) in 2025. Historically, both phenomena do not bode well for the industry apart from increasing volatility to palm oil prices. Global oilseeds production is projected to increase, driven primarily by record global soybean harvests forecasted at 400 million tonnes, compared to 390 million tonnes estimated for the current year, due to expanded planted areas, and if realised, will apply pressure on prospective palm oil prices.

In FY 2024, CPO prices strengthened to a range of RM3,400 per mt to RM3,900 per mt and the upward trend continued through the beginning of FY 2025, which trades at above RM5,000 per mt. The market reacted in anticipation of reduced global palm oil supply especially owing to Indonesia's implementation of B40 biodiesel mandate next year. For the next financial year, CPO prices are likely to be at an elevated level and will thus contribute positively to the Group's profitability.

KLK is dedicated to overcoming yield limitations by streamlining estate operations, driving productivity, and managing costs, while maintaining excellence in field practices and replanting efforts. Ground-level initiatives will focus on maximising harvesting efficiency, preserving crop quality, and ensuring the prompt collection of fruit bunches and loose fruits to reduce wastage. Minimising losses during milling remains a priority, alongside proactive measures to improve drainage systems to adapt to shifting weather and climate patterns.

REVIEW OF BUSINESS & OPERATIONS (Continued)

Manufacturing

Oleochemical

KLK's Oleochemical and other downstream facilities are situated in Malaysia, China, Europe and Indonesia. These facilities refine processed palm oil and palm kernel oil into basic oleochemical products such as fatty acids, glycerine, fatty alcohols and fatty esters, and processed further downstream into specialties such as sulphonated methyl esters, surfactants and phytonutrients. Oleochemical products are used in various areas, including home and personal health care, cosmetics, food & nutrition, flavours & fragrances, lubricants and industrial chemicals. As one of the world's leading oleochemical producers, KLK supplies to customers both domestically and in various countries around the world.

In FY 2024, the Oleochemical sub-segment's pre-tax profit doubled although revenue dropped by some 4%, supported by increased capacity at key sites, implemented strategic initiatives and stronger market conditions in sectors such as food and personal care. This recovery aligns with steady rebound in global market demand for biodegradable products and a shift towards more sustainable solutions.

FY 2024 was seen as a profit recovery year for Oleochemical, anchored by stronger growth in Malaysia and Europe while the China market remains a drag. The Malaysian operation fared better this year, fueled primarily by strong domestic economic growth and higher demand for fatty acids, glycerine and esters for household applications. However, the slowdown in property and in infrastructure investments have reduced demand for industrial application of basic oleochemicals.

Market sentiment in China remained muted with the post COVID-19 economic recovery progressing slower than anticipated. Despite the recent stimulus measures introduced by the Chinese government, the Group does not foresee immediate improvement to this market. However, we remain positive on our investment in China over the longer term. The recent investments for Taiko Palm-Oleo (Zhangjiagang) Co Ltd ("**TPOZ**") includes a new high-purity fatty acids and glycerin plant which increases the oleochemical complex's annual processing capacity to 500,000 tonnes.

After strategic restructuring exercises in FY 2023, the Europe operations improved this year with better profitability. The Düsseldorf fatty acid plant, which utilise tallow, ceased operations due to high costs of feedstock. The strategic focus on specialty products have created new growth opportunities for KLK's Emmerich and Kolb facilities in the pharmaceutical and personal care markets. These sectors, driven by increasing global demand for high-quality, sustainable ingredients, particularly in cosmetics and healthcare, are anticipated to deliver higher margins. Additionally, the completion of a new polymerized fatty acid facility at the end of FY 2024 enhances the product portfolio, which is expected to positively impact financial results in the coming years. Although the European Union ("**EU**") has decided to delay the European Union Deforestation Regulation ("**EUDR**") by 12 months, KLK Oleochemical has made progress in aligning its operations, strengthening sourcing and segregation strategies to ensure compliance, – from plantation and refinery to oleochemicals – with the EUDR.

Oleochemical Outlook

As the Group marches into FY 2025, the Oleochemical sub-segment is expected to sustain its FY 2024 momentum with the expanded production capacities. With the investments previously made anticipated to come into fruition in FY 2025, we are well-positioned to meet rising demand and fulfil needs of the markets.

The Oleochemical sub-segment will focus on high-growth markets such as India, the United States and potentially South America, where demand for sustainable products continues to rise in line with the global shift towards environmentally friendly products.

REVIEW OF BUSINESS & OPERATIONS (Continued)

Manufacturing (Continued)

Industrial Chemical

Following an internal restructuring exercise during the year, BKB's Industrial Chemical companies are now held by our wholly-owned Chemical Company of Malaysia Berhad ("**CCM**"), with our 99%-owned Malay-Sino Chemical Industries Sendirian Berhad ("**Malay-Sino**") and 61%-owned See Sen Chemical Berhad ("**See Sen**") being its direct subsidiaries. This restructuring aims to streamline BKB's Industrial Chemical operations for better operational efficiency.

The CCM Group produces a wide array of essential chemicals, including chlor-alkali chemicals (caustic soda, hydrochloric acid, liquid chlorine and sodium hypochlorite), polymer products, sulphuric acid, sulphur derivatives, coagulants, methyl chloride, ferric chloride and calcium nitrate. The applications of our products are pervasive in our daily lives, which include the manufacturing of soaps, detergents, bleaches, disinfectant, rubber gloves, pulp & paper, electronics and petrochemicals, as well as in water treatment plants.

The sub-segment has eight (8) facility sites in Peninsular Malaysia, supported by an in-house logistics arm which owns and operates some 100 units of bulk tankers and lorries to deliver our chemical products safely to customers.

This year, the CCM Group posted some 34% lower group pre-tax profit being impacted by lower caustic soda sales volumes and lower caustic soda selling prices. Cost of production was higher, partly from a longer-than-expected shutdown of one of our manufacturing plants in Pasir Gudang to facilitate upgrade of its electrolysers.

During the year, one of our chlor-alkali plants in Pasir Gudang successfully undergone remembraning and technology upgrade to improve energy efficiency of its electrolysers. Production was temporarily disrupted, however, for a longer period than anticipated. With these upgrades, the Group's chlor-alkali division would achieve higher energy savings of some RM3.5 million annually. The Group continues its commitment in taking efficiency-enhancing measures in FY 2025 such as replacement of old transformers and rectifiers.

Sales were lower this year due to reduced offtake from key customers especially from the oleochemical players. Likewise, subdued demand from the glove industry resulted in lower liquid chlorine sales apart from reduced output due to shutdowns in our Pasir Gudang chlor-alkali plants during the financial year. The chlor-alkali division also faced new competition from the entry of a new producer since the end of FY 2023.

Our polymer products primarily serve the glove industry. The Polychem division managed to successfully capitalise on the recovering glove industry through increased research and development ("**R&D**") activities to introduce practical solutions to our customers' coating needs. For the financial year under review, the division more-than-doubled its pre-tax profit this year on the back of increased sales volume and improved selling prices as well as lower raw material costs.

Despite the stiff competition from cheap smelter acid imports, our sulphuric acid manufacturing business including its derivatives, ended the year on a positive note with higher profitability than FY 2023. This can be attributable to lower production costs arising from cheaper raw material prices.

REVIEW OF BUSINESS & OPERATIONS (Continued)

Manufacturing (Continued)

Industrial Chemical Outlook

Going forward, we foresee that the sub-segment will continue to face challenges due to competition between chlor-alkali producers domestically and regionally. However, the strengthening of caustic soda selling prices for most chlor-alkali products, especially in the South East Asia region, and improving glove industry prospects will improve the Industrial Chemical earnings.

Regional caustic soda prices are anticipated to inch upwards in the near term from increased consumption from Chinese alumina refineries. However, selling prices of chlorine derivatives are expected to continue to decline amidst competition from other local producers and traders. Cost of natural gas is projected to be favourably lower with the renewal of its supply contract in FY 2025 and ICPT rates for electricity should moderate down from FY 2023's highs.

For the Polychem division, the local glove industry in Malaysia will benefit from the increased tariffs imposed on Chinese glove producers by the US. Regional players in Malaysia and Thailand should be able to grab a larger share of the global market and in turn, translates to higher sales for our polymer coating products. Our product differentiation through R&D efforts aims to better serve our customers while optimising cost with new formulations.

Property Development

Since the 1990s, KLK has been involved in Property Development. Its current Bandar Seri Coalfields ("**BSC**") project, a 1,001-acre freehold development in Sungai Buloh, Selangor, aims to develop a vibrant township with residential and commercial properties, and a retail mall. Another new 202-acre freehold township named 'Caledonia' in Ijok, Selangor, has been under development since August 2022.

While acknowledging rising construction and labour costs, the residential property market depicted resilience supported by strong economic growth in Malaysia and a stable overnight policy rate. The steady growth in the market is also sustained by the government's various efforts which includes a RM10 billion Housing Credit Guarantee Scheme for first-time homebuyers and these incentives are expected to continue to FY 2025.

For FY 2024, the Property division reported RM229.43 million in revenue, 5% higher compared to RM218.11 million in FY 2023. However, pre-tax profit decreased to RM46.44 million, 25% lower than last financial year's RM61.52 million. The weaker results were mainly due to profit recognition on development phases with tighter margins.

REVIEW OF BUSINESS & OPERATIONS (Continued)

Property Development (Continued)

In BSC, KLK believes in fostering a healthy thriving community and recently completed key upgrades to its Central Park and introduced a new BSC Football Hub. Looking ahead to FY 2025, KLK's property arm is set to launch three new phases on the back of proven successes of Jardin 1 & 2, Quinton 1 and Walden 1, with Walden 2 and Quinton 2 offering single to double-storey bungalows and superlink houses (24' x 80') respectively. The township will commission its Coalfields Retail Mall (which is at 40% completion) in FY 2026, to provide greater accessibility and convenience for residents for their everyday needs.

Meanwhile, Caledonia's 50% of Ayana 1 terrace houses welcome their new homeowners as of September 2024 while Kamelia 1, featuring 238 double-storey terrace houses, will launch in Q1 FY 2025 with prices ranging from RM596,000 to RM950,000. Following the success of Iris 1 affordable housing project, Iris 2 and 3 will be launched in FY 2026 to meet increasing interests by certain homebuyers for these Rumah Selangor Ku ("**RSKU**") units.

PROPERTY DEVELOPMENT OUTLOOK

For FY 2025, KLK Property team remains committed to bringing value-adding projects to our existing and prospective customers. KLK Land Sdn. Bhd. recently partnered with AME Industrial Park Sdn Bhd ("**AMEIP**") to jointly develop an industrial park in Ijok, Selangor, leveraging on AMEIP's proven record in industrial property development. This inaugural venture allows KLK to build on the group's portfolio diversification and drive synergies between projects within the same precinct to further enhance the value of the group's development land in that area.

Others – Australian Property Investments

BKB's property investments portfolio currently consists of ten (10) projects in Australia; eight (8) in Melbourne and two (2) in Perth.

BKB collaborates with two (2) reputable and established real estate developers in Australia, namely Satterley Property Group and Riverlee Group in its property investments. BKB's equity stakes in its Australian property development projects range from 10% to 50%, and their expected project completion dates ranging from FY 2025 to FY 2039. The current primary investments generating positive cash inflows include Botanical (Mickleham, Melbourne), Bluestone (Tarneit, Melbourne), Donnybrook (Heartford, Melbourne) and Clementine (Brookside, Perth).

For FY 2024, the Australian entities reported a combined loss before tax (after deducting loan interest) of RM7.93 million, as compared to RM2.07 million loss in prior year. The lacklustre performance was primarily due to weakened housing demand in the local market following aggressive interest rate hikes since the COVID-19 pandemic.

REVIEW OF BUSINESS & OPERATIONS (Continued)

Others – Australian Property Investments (Continued)

In New Epping (Epping, Melbourne), since the handover of Ramsay Hospital to Ramsay Health Care ("**Ramsay**") in FY 2023, the amenities in the vicinity has been enhanced by building a 307-bay car park with committed lease from Ramsay. The car park operations commenced since April 2024. Looking ahead into FY 2025, New Epping will launch its commercial hub, beginning with the leasing of the Greengate office building. The management team is actively looking out for new opportunities that add vibrancy to the neighbourhood, including attracting interests from universities as well as aged care operators.

Australian Property Investments Outlook

With the downtrend in Australia's inflation expected to linger in FY 2025, the Reserve Bank of Australia ("**RBA**") is widely anticipated to begin rate-cut exercises in the coming year. The decline in RBA rate will bolster the local property market by way of cheaper financing to prospective homebuyers and contribute positively to the median price growth of residential properties.

Melbourne's housing market is currently showing a limited price growth trajectory as at end-September 2024. The recent annual land tax hike in Melbourne has made certain property investors shunned the city which is still recovering from the aftermath of COVID-19 extensive lockdown. However, we remain cautiously optimistic on the market as the current price growth is transitory and will resume its uptrend when the city's economy regains its feet.

Perth's real estate led the nation in terms of property value growth, as evidenced by an annual 24.1% rise as at September 2024 as well as a 8.8% rise in capital gains over the same period. This uptrend is supported by comparatively affordable pricing than its peers, limited housing supply and tight rental market. The persistent supply shortages may be exacerbated in FY 2025 with the ongoing lack of skilled labour and increased construction costs continue to plague the industry. The potential interest rate cuts in mid-2025 could be a catalyst to the market, enhancing the heightened level of buyers' interest in the region.

ABOUT THIS STATEMENT

Batu Kawan Berhad ("**BKB**" or "**Company**") is pleased to present its annual Sustainability Statement ("**Statement**") for the financial year ended 30 September 2024 ("**FY 2024**"). This Statement, prepared in alignment with the Task Force on Climate-related Financial Disclosures ("**TCFD**") and Bursa Malaysia Securities Berhad ("**Bursa Malaysia**")'s sustainability reporting requirements, highlights our Group's on-going sustainability strategies and practices, initiatives and performance milestones for the reporting period from 1 October 2023 to 30 September 2024, unless stated otherwise. This Statement is designed to be read alongside BKB's FY 2024 Annual Report, as well as the relevant policies and procedure documents made available on BKB's website at *www.bkawan.com.my*.

STATEMENT REPORTING STANDARDS

Our Statement has been prepared, as best we can, in close alignment with the guidelines and framework outlined below:

Principal Guidelines of Bursa Malaysia

- *Bursa Malaysia Main Market Listing Requirements in relation to enhanced sustainability reporting framework*
- *Sustainability Reporting Guide 3rd Edition 2022*
- *TCFD recommendations*

Additional Guidelines/References

- *Global Reporting Initiative ("**GRI**") Standards*
- *The United Nations Sustainable Development Goals ("**UNSDG**")*

SCOPE OF STATEMENT

Our Statement provides an update on the Group's sustainability performance and progress within our two (2) primary business segments, namely Plantation and Manufacturing, which collectively contributes 98% of the Group's total revenue and over 99% of operating profit for FY 2024.

Plantation

All assets in our Plantation segment are held and operated by our main subsidiary - Kuala Lumpur Kepong Berhad* ("**KLK**"). Activities in the segment involves the cultivation of oil palm and rubber, as well as the subsequent activities of harvesting and processing of the crops produced.

Revenue	Operating profit
RM3.77 billion	RM1.65 billion

Planted area
300,028 hectares

**KLK is a listed company on Main Market of Bursa Malaysia and produces its own Sustainability Statement as part of its Annual Report. Full details of their sustainability initiatives and their Annual Report are available at KLK's website at www.klk.com.my.*

Manufacturing

Our Manufacturing segment mainly covers:

(1) KLK's Oleochemical, which involves the downstream processing of crude palm oil ("**CPO**") and palm kernel ("**PK**") products;

(2) KLK's Refinery and Kernel Crushing Plants ("**KCP**") which involves midstream supply of palmitic and lauric-based products for downstream activities; and

(3) BKB's Industrial Chemical, under Chemical Company of Malaysia Berhad ("**CCM**") Group, are involved in production of inorganic basic chemicals and transport of chemical products.

Revenue	Operating profit
RM18.77 billion	RM303.84 million

Production facilities

- 14 oleochemical manufacturing facilities and six (6) refineries & kernel crushing plants across Malaysia, Indonesia, Europe and China.
- Eight (8) industrial chemical's operating centres in Malaysia, with three (3) chlor-alkali plants' capacity of 195,600 dry mt.

ABOUT THIS STATEMENT (Continued)

SCOPE OF STATEMENT (Continued)

Our scope of Statement excludes the "Property Development" and "Others" segments as their impact on the Group's overall sustainability performance and progress is minimal. However, BKB aims to include any significant areas of operation that may arise in future reports.

The data in this report is derived from a mix of internal and external systems to ensure both accuracy and reliability. When estimation techniques are used, they are clearly indicated and explained to uphold transparency and integrity in our reporting. Where possible, we have included three (3) years of historical data on disclosed indicators to offer a comprehensive view of our sustainability performance over time. Unless otherwise specified, this report excludes partially owned businesses and focuses solely on material information where relevant.

BKB welcomes and encourages stakeholders to share feedback and comments on our Statement and the topics discussed by reaching out to our Sustainability team at *cosec@bkawan.com.my*.

STATEMENT OF ASSURANCE

In strengthening the credibility of this Statement, selected indicators have been subjected to an internal review by the Company's Internal Auditors and have been approved by the Company's Audit and Risk Committee.

The indicators covered by the internal review include the following:

- Scope 1 GHG emissions
- Scope 2 GHG emissions
- Anti-Bribery and Anti-Corruption practices

The boundary of the internal review includes the BKB Corporate Office and BKB Industrial Chemical Group.

KLK engages an independent third-party assurance provider to conduct limited assurance of selected indicators. Their statement of assurance can be found in their Annual Report 2024 at its website at *www.klk.com.my*.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY POLICY ("Policy")

BKB recognises that integrating sustainability practices within our businesses fosters a responsible, accountable and transparent approach in running our operations across the Group.

Our Policy statement is applicable to all Directors and employees of BKB and its subsidiaries (excluding KLK and its group of companies, as KLK being a listed company, maintains its own separate sustainability policy). This Policy serves to communicate our approach on Sustainability to business partners, customers, contractors, suppliers, trading and joint-venture partners, and other stakeholders.

OUR APPROACH TO SUSTAINABILITY (Continued)

SUSTAINABILITY POLICY ("Policy") (Continued)

Our sustainability initiatives are guided by the three (3) key pillars: **Environmental**, **Social** and **Governance** ("**ESG**"), as outlined below:

Our Purpose

A responsible, accountable and transparent approach in running our sustainable businesses.

Environmental

Protecting the environment by working towards reducing environmental impact as well as optimising resource utilisation

- Towards sustainable low carbon strategies in our operations
- Adopting a responsible value chain

Social

Being a responsible organisation and improving social progress within the geographies in which our Group operates

- Developing a diversified, equal opportunity and inclusive workforce
- Contributing to social progress and supporting communities where we operate

Governance

Pursue stable and profitable progress through good business practices

- Conducting business in an ethical manner
- Compliance with applicable laws and regulations

These commitments enhance our Group's existing policies, which already include relevant important Sustainability requirements.

SUSTAINABILITY FRAMEWORK

Our Sustainability Goal: To adopt responsible and sustainable practices in its business and operations to ultimately achieve results that are sustainable for future generations.

Our Goal Outcome	Our Focus Areas	Sustainability Matters	Alignment to UNSDGs
Environmental – Responsible Manufacturer	Climate Change	• Emissions Management • Energy Management	6 CLEAN WATER AND SANITATION 7 AFFORDABLE AND CLEAN ENERGY 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Environmental Management	• Water • Waste Management • Biodiversity	13 CLIMATE ACTION 15 LIFE ON LAND
Social – Enriching Communities	Operational Excellence ("**OpX**")	• Health & Safety (Product Quality & Safety, Product Stewardship)	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 8 DECENT WORK AND ECONOMIC GROWTH
	Employee Management	• Labour Practices & Standards (Talent Development) • Diversity	
	Community Investment	• Community/ Society	
Governance – Good Business Practices	Business Ethics & Integrity	• Anti-corruption • Data Privacy & Security • Supply Chain Management/ Traceability	As per BKB's Corporate Governance Overview Statement. 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

OUR APPROACH TO SUSTAINABILITY (Continued)

SUSTAINABILITY FRAMEWORK (Continued)

Risk Management
Refine Group's risk and stakeholder management programme

Sustainability Policies and Compliance
Maintain policies and compliance with Sustainability requirements

Sustainability Change Management and Communications
Drive culture and confidence on Group's Sustainability initiatives

Industry Engagement
Achieve industry sustainability goals through collaboration efforts

Our Group is prioritising sustainability as a core element in our management focus and business improvement initiatives, acknowledging its broader impact beyond our business. Our Sustainability Framework integrates ESG factors into our operations, aligning our business strategy and decision-making processes to promote sustainable practices while balancing our economic goals for our people and communities.

Since FY 2023, we have refined our sustainability framework to align with the *Bursa Malaysia Main Market Listing Requirements in relation to enhanced sustainability reporting framework*, specifically on Common Sustainability Matters.

We have re-categorised and re-arranged our material sustainability matters into eleven (11) Common Sustainability Matters and two (2) other sustainability matters (unique to our plantation segment), under six (6) focus areas namely, (i) Climate Change, (ii) Environmental Management, (iii) OpX, (iv) Employee Management, (v) Community Investment, and (vi) Business Ethics & Integrity, as above.

To effectively execute this strategy, BKB employs four (4) enablers:

(i) **Risk Management** - ensures that risks to stakeholders and operations are proactively identified, assessed and managed.

(ii) **Sustainability Policies and Compliance** - ensures that the Group adheres to evolving sustainability standards.

(iii) **Change Management and Communications** - drives a culture of sustainability across the Group.

(iv) **Industry Engagement** - fosters collaboration with industry peers to achieve broader sustainability goals.

These enablers ensure that BKB's sustainability strategy is robust and responsive to current and future challenges.

We aim to achieve our objectives in each focus area by addressing the concerns related to our material matters and sustainability initiatives, summarised as below:

Energy Minimisation
Reduce energy usage of natural gas, fuel and purchased electricity.

GHG Emission
Reduce greenhouse gas emissions by reducing overall energy usage in all forms.

Waste
Reduce process waste (non-hazardous & hazardous) and system waste, and apply new waste disposal technology (where applicable).

Water
Reduce overall water consumption through conservation, recycling and reuse.

Hydrogen Usage
Increase use of hydrogen as a non-carbon fuel source for energy production in operations.

Material Efficiency
Maximise the conversion of raw materials used in our products to increase material efficiency lifespan.

Product Circularity
Develop solutions to recover and recycle our products and extend the life of the materials we produce.

Social Responsibility
Corporate Social Responsibility ("**CSR**") is a key aspect of our sustainability efforts. We actively engage with the local community through various programmes in order to contribute positively to the community.

OUR APPROACH TO SUSTAINABILITY (Continued)

SUSTAINABILITY AND CLIMATE GOVERNANCE

The BKB Board of Directors ("**Board**") holds the oversight responsibility to ensure sustainable value for stakeholders through policies, objectives and strategies. The Board is supported by the Sustainability Steering Committee ("**SSC**") and the Sustainability Working Committee ("**SWC**"), which focus on sustainability matters and initiatives, as illustrated in the diagram below.

BKB BOARD OF DIRECTORS

Sustainability Steering Committee
(Senior Management Team, led by BKB Managing Director)

Sustainability Working Committee
(Key representatives from departments which are involved in monitoring the sustainability performance of the Group)

This 3-tier sustainability governance and implementation structure offers a comprehensive mechanism to effectively manage the integration of sustainability into the organisation and decision-making processes.

The Board is responsible for overseeing the sustainability and climate-related strategy. They ensure that sustainability and climate-related risks and opportunities are integrated into BKB's long-term planning. The Board sets strategic direction, vision, and core values, ensuring that business operations align with sustainability goals and stakeholder expectations. Our Board members are gaining the necessary knowledge for managing sustainability, including understanding climate-related risks and opportunities. To drive informed decision making, Board members attend ESG-related programmes conducted by Bursa Malaysia or other institutions. All BKB Directors have completed the Mandatory Accreditation Programme Part II on sustainability (a new mandatory onboarding programme by Bursa Malaysia, which Directors must complete by 1 August 2025). A complete list of training attended by BKB Directors in FY 2024 can be found in the Corporate Governance Overview Statement.

Given the importance of sustainability matters to BKB, the initiatives under the SSC are led by the BKB Managing Director, who reports directly to the Board regularly and collaborates with the SWC to oversee the implementation of sustainability-related initiatives and activities. The SSC includes Senior Management from all operating centres. Under the SSC's purview, the SWC, represented by middle Management members across our operating centres, is responsible for the day-to-day implementation of the Group's strategies and plans. Additionally, the Sustainability team acts as subject matter experts and coordinates the Group's efforts and performance, including undertaking the materiality assessment process.

We plan to establish more specific sustainability-linked key performance indicators ("**KPIs**") and integrate them into our performance evaluation scorecards to ensure group-wide accountability in driving our sustainability performance.

BKB's climate governance approach aligns with the TCFD's recommendations, ensuring that climate-related risks and opportunities are fully integrated into our corporate governance framework.

- **Board Oversight:** The Board reviews climate-related risks and opportunities, incorporating them into strategic decisions. This ensures that climate considerations are integrated in BKB's long-term objectives and that governance structures can adapt to evolving climate-related challenges.
- **Risk Management:** The Audit and Risk Committee oversees the identification, assessment, and management of climate-related risks, ensuring they are addressed within BKB's broader risk management framework. This includes evaluating the impact of climate risks on financial performance and ensuring alignment with TCFD's risk management principles.

For more information on our top priority risks and management strategies, please refer to the Statement on Risk Management and Internal Control ("**SORMIC**").

OUR APPROACH TO SUSTAINABILITY (Continued)

STAKEHOLDER ENGAGEMENT

Our Group collaborates with various internal and external stakeholders, including communities, businesses, governments, suppliers and service providers, to ensure that all stakeholders' interests within our business scope are managed, resolved, and handled responsibly and sustainably.

As in previous years, we have eight (8) key stakeholder groups that may be affected by our business operations and activities. During the year under review, we engaged with these stakeholders to discuss sustainability material matters and/or topics relevant to their interests and our operations.

These interactions help Management understand diverse perspectives better and gather feedback on the Group's business direction and strategies. This enables us to develop better long-term strategies to achieve our financial and non-financial objectives. The table below summarises our key stakeholder groups, their areas of interest, and our engagement approaches.

No.	Stakeholder Group	Area of Interest	Engagement Approach
1.	Employees	• Health, Safety and Wellness Practices • Employee Career Development and Job Satisfaction • Welfare and Remuneration	• HSE Week and Safety Briefing • Capacity-Building Programmes • Townhalls and 2024 OpX and Executive Conference • Annual Performance Appraisal • Newsletter, Email Blast and Social Media • Employee Induction • Grievance Policy
2.	Customers	• Product Quality and Safety • Customer Service • Supply Consistency and Traceability • Product Competitiveness and certification	• Site Visits and Meetings • Customer Survey • Product Handling and Training for Customers • Customer Installation Assessment
3.	Shareholders and investors	• Business Strategy • Financial Performance • Shareholders Value	• Annual General Meetings • Annual Report and Company Bursa Announcements and Corporate Governance Report • Websites
4.	Bankers and Financial Institutions	• Governance and Integrity • Business Strategy • Financial Performance • Sustainability	• Annual Report • Corporate Governance Report • Websites • Meetings and Briefings
5.	Communities and Public	• Socio-Economic Issues • Environmental Impact • Community Investment • Publicity and Corporate Branding	• Community's CSR Programmes • Sponsorship and Donations • Meetings and Dialogues
6.	Suppliers and Business Partners	• Ethical and Sustainable Procurement Practices • Supply Chain Transparency • Product Safety and Reliability • Strategic Partnership	• Supplier Survey / Audit • Supplier Quality and Performance workshop • Supplier Collaborative Initiatives • Meetings and Discussion
7.	Government, Regulatory Bodies and Industry Peers	• Regulatory Compliance • Environmental Impact • Site and Product Certification and Industry Standards • Product Quality and Safety	• Site Inspection / Compliance Audit by Local Authorities • Meetings and Dialogue Sessions • Policy Forum and Industry Memberships • World Chlorine Council
8.	Non-Governmental Organisations ("**NGOs**")	• Sustainability Related Matters • Human Rights • Environmental Conservation • Challenges Faced by the Industry	• Meetings, Engagements and Dialogues • Regular Correspondence • Collaborations and Project Partnerships • Policy and Documentation Reviews • Grievance Policy • Email Surveys

OUR APPROACH TO SUSTAINABILITY (Continued)

STAKEHOLDER ENGAGEMENT (Continued)

BKB's Industrial Chemical sub-segment, under CCM Group, successfully organised the FY 2024 OpX & Executive Conference ("**Conference**") from 25 to 28 July 2024, at Thistle Port Dickson. From inspiring keynote talks to hands-on workshops, the Conference provided an environment for knowledge sharing, learning and networking.

SUSTAINABILITY MATERIAL MATTERS

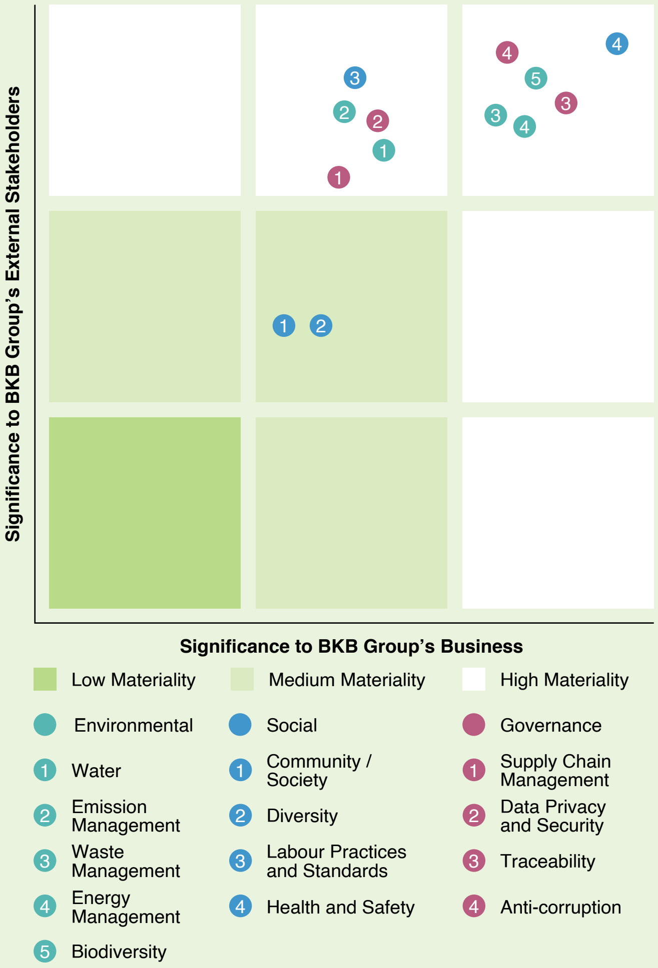
Creating long-term value requires a thorough understanding of industry trends, operational challenges, and stakeholder expectations. Consequently, we develop our strategies based on the sustainability material matters relevant to our business growth and the needs of our stakeholders. These critical issues guide our Board and SSC in shaping the organisation for sustainable long-term growth.

Materiality Assessment

Our Group's ESG Materiality Assessment aims to identify, assess, and prioritise the most significant sustainability issues affecting both our business and stakeholders. By involving internal and external stakeholders, this assessment ensures that our ESG priorities stay aligned with evolving trends, stakeholder expectations, and BKB's strategic objectives.

We aim to conduct a comprehensive materiality assessment every three (3) years, with an annual review of the relevance of our previously prioritised ESG impacts from our daily activities. This full-scale materiality assessment was carried out last year with inputs mainly from our key internal stakeholders. This process ensures that their interests and concerns, as well as those they perceive to be important to our key external stakeholders, are addressed. The identified material matters will then guide our business decisions regarding resource allocation.

Our ESG Materiality Matrix is as follows:



OUR APPROACH TO SUSTAINABILITY (Continued)

SUSTAINABILITY MATERIAL MATTERS (Continued)

Materiality Assessment (Continued)

Our Materiality Matrix helps us renew our focus on material matters, forming the basis of our report. The respective indicators facilitate the monitoring and measurement of our sustainability performance.

Our Enterprise Risk Management ("**ERM**") framework incorporates sustainability and climate-related risks alongside corporate financial and operational risks. We ensure all identified risks remain within our risk appetite through revision and monitoring by designated risk owners and the coordinator. These risks are further reviewed by the BKB Audit and Risk Committee on a quarterly basis through our Key Risk Indicators ("**KRIs**").

TCFD

BKB acknowledges the importance of addressing climate-related risks and opportunities within our broader sustainability strategy. In line with the TCFD's recommendations, we have integrated climate considerations into our governance, strategy, risk management, and performance metrics. As of FY 2024, climate change risk assessments have been carried out for KLK's operations. Below is an overview of our adherence to TCFD principles across our operations.

1 Governance:

Our governance framework ensures thorough oversight of climate-related risks and opportunities. The Board, supported by the Audit and Risk Committee and the SSC, integrates climate-related issues into our overall governance structures. For more detailed information on our governance practices, please refer to the SORMIC.

2 Strategy:

BKB's strategy manages the risks and capitalises on the opportunities presented by climate change. This includes both short-term actions and long-term planning to ensure business resilience against climate-related challenges. We have identified key areas where climate change impacts our operations and developed strategies to address these impacts.

3 Risk Management:

We take a comprehensive approach to managing climate-related risks, including both physical and transitional risks. Our risk management processes align with TCFD's recommendations, ensuring that climate risks are identified, assessed, and managed within our broader risk management framework. For more information on our risk management practices, please refer to the SORMIC.

4 Metrics and Targets:

BKB aims to report on our climate-related performance transparently. We track various metrics related to greenhouse gas emissions, energy efficiency, water usage, and more. Our performance against these metrics is detailed in the Environmental section of this Statement.

MANAGEMENT APPROACH FOR MATERIAL MATTERS

ENVIRONMENTAL

CLIMATE CHANGE

Related UNSDGs:

7 AFFORDABLE AND CLEAN ENERGY
12 RESPONSIBLE CONSUMPTION AND PRODUCTION
13 CLIMATE ACTION

Why is this important?

Climate change will have extensive effect on the environment and socio-economic related sectors, impacting water resources, agriculture and food security, human health, terrestrial ecosystems, biodiversity, and coastal zones. Delays in addressing climate change could reduce our competitive edge.

Our Group's Plantation segment will be affected by climate change through rising temperatures, unseasonal weather, floods and droughts.

Our Group's Manufacturing segment has significant energy consumption and GHG emissions, contributing to climate change impacts. Therefore, as responsible corporate citizens, we must reduce our carbon footprint while also seizing opportunities that arise during the transition to a low-carbon economy.

Meeting preset targets goes beyond regulatory compliance; it is about ensuring long-term business sustainability, mitigating operational risks, and building trust with our stakeholders, including customers, investors, and local communities.

Our approach

To address climate change, we measure and manage our environmental footprints across all our operations in the Plantation and Manufacturing segments. Our goal is to implement energy-efficient and/or energy-saving approaches to reduce energy consumption throughout our value chain, achieving cost-effectiveness and environmental benefits.

BKB Group's manufacturing plants are accredited with ISO14001:2015 on Environmental Management System. This accreditation aims to reduce environmental impacts of our activities, products and services through on-going assessments and continuous improvement. Additionally, our Group regularly educates and raises awareness among key stakeholders about the impacts of climate change and the importance of efficient resource use.

We manage our energy and emissions impacts by using technology and new equipment to implement energy-savings and cost-effective techniques in our Plantation and Manufacturing segments. We have also established dedicated task forces across KLK OLEO Asia and Europe to focus on decarbonisation efforts, including reducing Scope 1 and 2 emissions, and emissions intensity. These initiatives will help to reduce the carbon footprint and energy consumption of our processes and operations.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

CLIMATE CHANGE (Continued)

No	Initiatives	Energy & Emission Impacts
(i)	Co-generation plants	Installed combined heat and power generation units to generate electricity and use heat produced to produce steam and chilled water for plant operations, hence reducing use of fossil fuel to produce these items separately.
(ii)	Newer technology and energy efficient electrolysers and membranes	Upgrading of more energy efficient electrolysers and membranes at industrial chemical plants to reduce electricity power consumption.
(iii)	Renewable energy adoption	Construction and installation of 3.23MWp photovoltaic ("**PV**") power generation facilities at Taiko Palm-Oleo Zhangjiang ("**TPOZ**"). The expected annual electricity generation is approximately 3.25 million kW-hours, with an annual savings of 968 metric tonnes of standard coal and a reduction in CO_2 emissions by 2,026 metric tonnes. Other operating centres ("**OCs**") will gradually be installed with solar panels, starting in FY 2025.
(iv)	Biogas power plants	Capturing biogas from Palm Oil Mill Effluent ("**POME**") and converting into biogas for energy – either for self-consumption or sold back to the grid.
(v)	Carbon offsetting projects	Engaging in carbon offset projects, including exploration of Renewable Energy Credits ("**REC**")
(vi)	Filtered belt press ("**FBP**")	Dewatering sludge from palm oil mills, which reduces methane emissions from anaerobic decomposition. The resulting drier solid waste can also be repurposed for composting or as biofuel.
(vii)	Emmerich Insulating Condensate Piping Project	Insulation of parts of the system with highly efficient insulating material with a thermal conductivity of 0.041 W(m*K). The project achieved an energy saving of 1.0 tonnes of steam per hour, which corresponds to approximately €400,000 per year, and a CO_2 savings of 132 tonnes per year.

Our performance

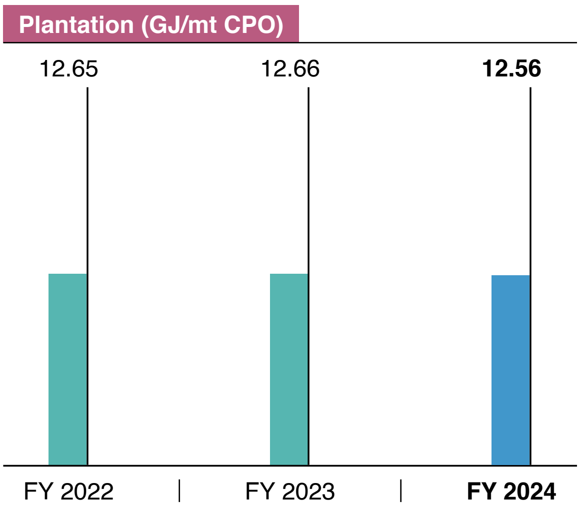
ENERGY MANAGEMENT AT PLANTATION SEGMENT

The Plantation segment has projects, both completed and in-progress, to recycle biogas from POME and convert it to energy. This segment also uses the repurposed solid waste produced during the FBP process for composting or as biofuel.

In FY 2024, KLK refined their reporting approach of energy consumption to include renewable energy consumption. To maintain consistency and accuracy, historical data for the past three (3) years has been updated, aligning previous figures with the new approach to reporting renewable energy usage.

In the current reporting period, the Plantation segment recorded higher energy efficiency of 12.56 GJ/mt CP, as compared to 12.66 GJ/mt CPO in FY 2023.

Energy Intensity



MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

CLIMATE CHANGE (Continued)

Our performance (Continued)

ENERGY MANAGEMENT AT PLANTATION SEGMENT (Continued)

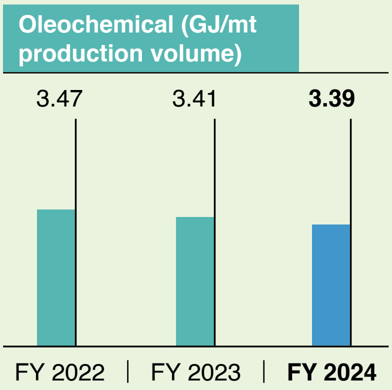
The Plantation segment has also recorded a steady increase in renewable energy generated from biogas and biomass for own operations. Renewable energy generated has increased by approximately 9.8% since FY 2022. Total renewable energy generated and consumed is presented in the table below.

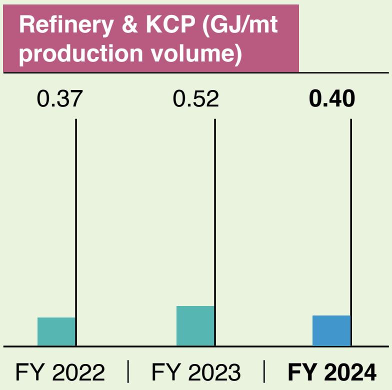
Total Renewable Energy Generated and Consumed – Plantation

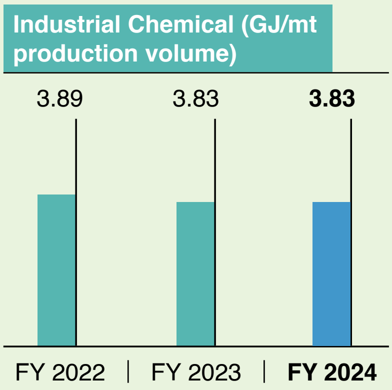
	Unit	FY 2022	FY 2023	FY 2024
(A) Total electricity & steam generated by biogas	GWh	53.64	58.67	**73.99**
(A1) Electricity generated from biogas sold to national grid	GWh	24.97	26.90	**38.93**
(A2) Electricity generated from biogas for own operation	GWh	28.67	31.77	**35.06**
(B) Total electricity generated by biomass for own operation	GWh	109.28	115.10	**116.39**
Total renewable energy generated for own operation = (A2) + (B)	**GWh**	**137.95**	**146.87**	**151.45**

ENERGY MANAGEMENT AT MANUFACTURING SEGMENT

Energy Intensity







MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

CLIMATE CHANGE (Continued)

Our performance (Continued)

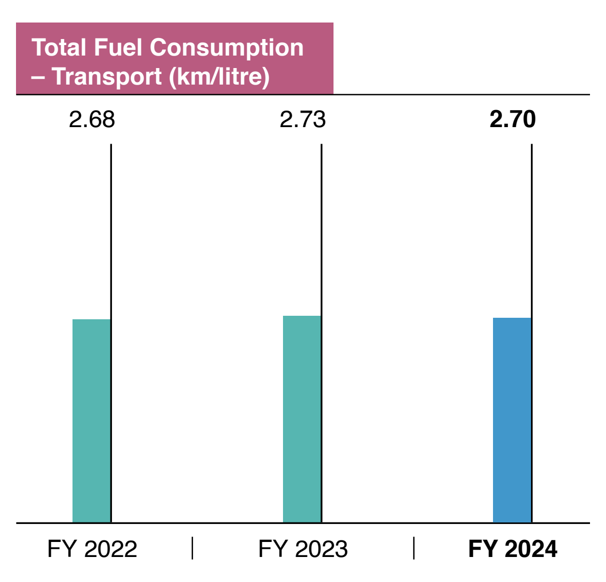
ENERGY MANAGEMENT AT MANUFACTURING SEGMENT (Continued)

Energy Consumption Breakdown – Industrial Chemical

Energy Consumption (GJ) BREAKDOWN	FY 2022	FY 2023	FY 2024
(A) Non-renewable fuel consumed	1,218,101	1,147,102	**1,410,762**
(B) Renewable fuel consumed	-	-	**-**
(C) Electricity purchased for consumption	1,207,409	1,220,564	**884,088**
(D) Self-generated electricity, heating, cooling & steam (which are not consumed)	-	-	**-**
(E) Electricity, heating, cooling & steam sold	9,847	9,093	**9,336**
Total energy consumption (A) + (B) + (C) + (D) - (E)	**2,415,664**	**2,358,573**	**2,285,515**

While non-renewable energy remains a significant portion of our consumption within the Industrial Chemical sub-segment, we are committed to reducing our overall unit energy consumption to produce sustainable chemicals. Energy intensity within this sub-segment has remained stable since FY 2023. Non-renewable energy consumed has increased due to one of the OCs operating at full capacity in FY 2024 as compared to FY 2023, and failure of the heat recovery steam generator in one OC resulting in a higher usage of natural gas. Electricity consumption has decreased in FY 2024 partially due to upgrades made to more energy efficient electrolysers.

Circular Agency and North-South Transport ("**CANST**") are CCM's own in-house specialist chemical transporters, with a fleet of over 100 vehicles. New prime movers powered by Euro 3 engines with lower fuel consumption were acquired under the fleet renewal programme. Overall fleet diesel fuel consumption for FY 2024 averaged 2.70km/litre. This is in line with the general diesel fuel comsumption trend since FY 2022.



MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

CLIMATE CHANGE (Continued)

Our performance (Continued)

EMISSIONS MANAGEMENT AT PLANTATION SEGMENT

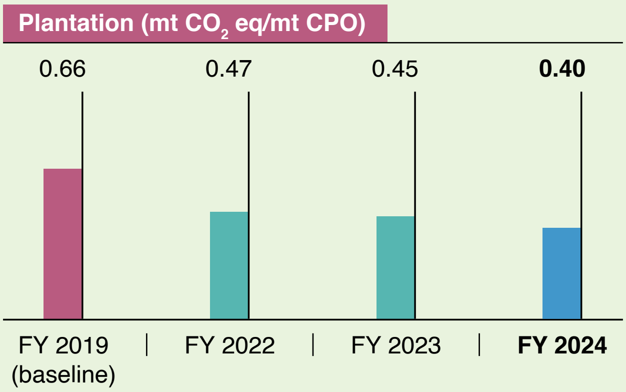
KLK has excluded emissions from peat oxidation, land use change, and crop sequestration but will consider tracking them in following years. Hence, Scope 1 emissions include fertiliser use, empty fruit bunch (“**EFB**”) and POME emissions, and fossil fuel consumption in operations and heavy vehicles. Scope 2 emissions stem from electricity purchases, and Scope 3 emissions focus on upstream emissions from fertilisers and agrochemicals.

For plantation-related emissions, KLK has applied the RSPO Palm GHG 4.0 converter, a tool specifically designed for the palm oil sector. This tool helps to better quantify emissions directly related to their plantation operations in alignment with industry standards.

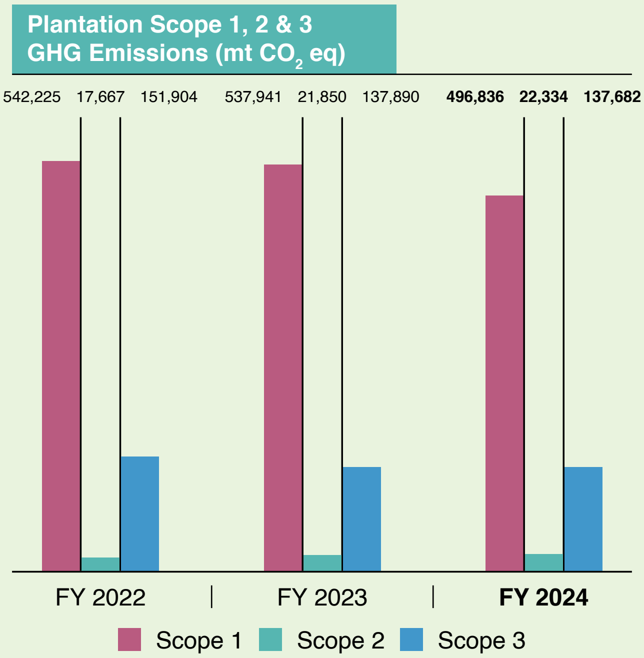
GHG intensity for the Plantations segment in FY 2024 is 0.40 mt CO_2 eq/mt CPO, an approximately 11% improvement compared to 0.45 CO_2 eq/mt CPO reported in FY 2023. Scope 1 emissions were the highest source of emissions in FY 2024, making up an approximate 76% (or 496,836 mt CO_2 eq) of total Scope 1, 2 and 3 emissions. However, Scope 1 emissions have decreased by 7.6% since FY 2023.

Within the Plantation segment, KLK also recorded a total of 410,081 mt CO_2 eq of GHG emissions avoided as a result of 27 units of FBP and 9 units of biogas plants.

GHG Emissions Intensity



Breakdown of Scope 1, 2 & 3 GHG Emissions



Note: Plantation Scope 3 only includes the procurement of fertiliser

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

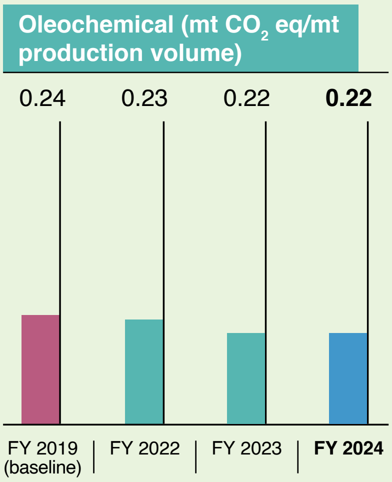
ENVIRONMENTAL (Continued)

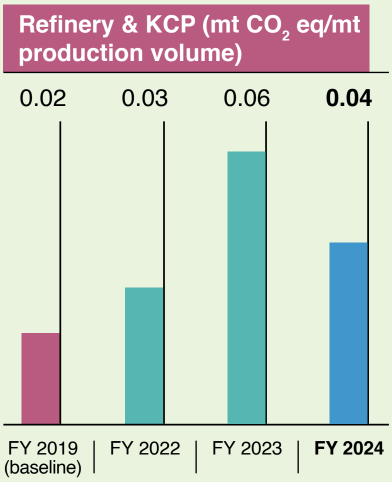
CLIMATE CHANGE (Continued)

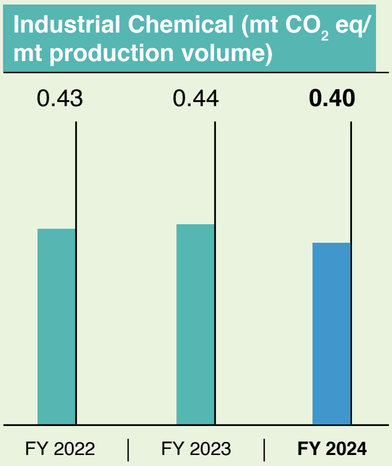
Our performance (Continued)

EMISSIONS MANAGEMENT AT MANUFACTURING SEGMENT

GHG Emissions Intensity

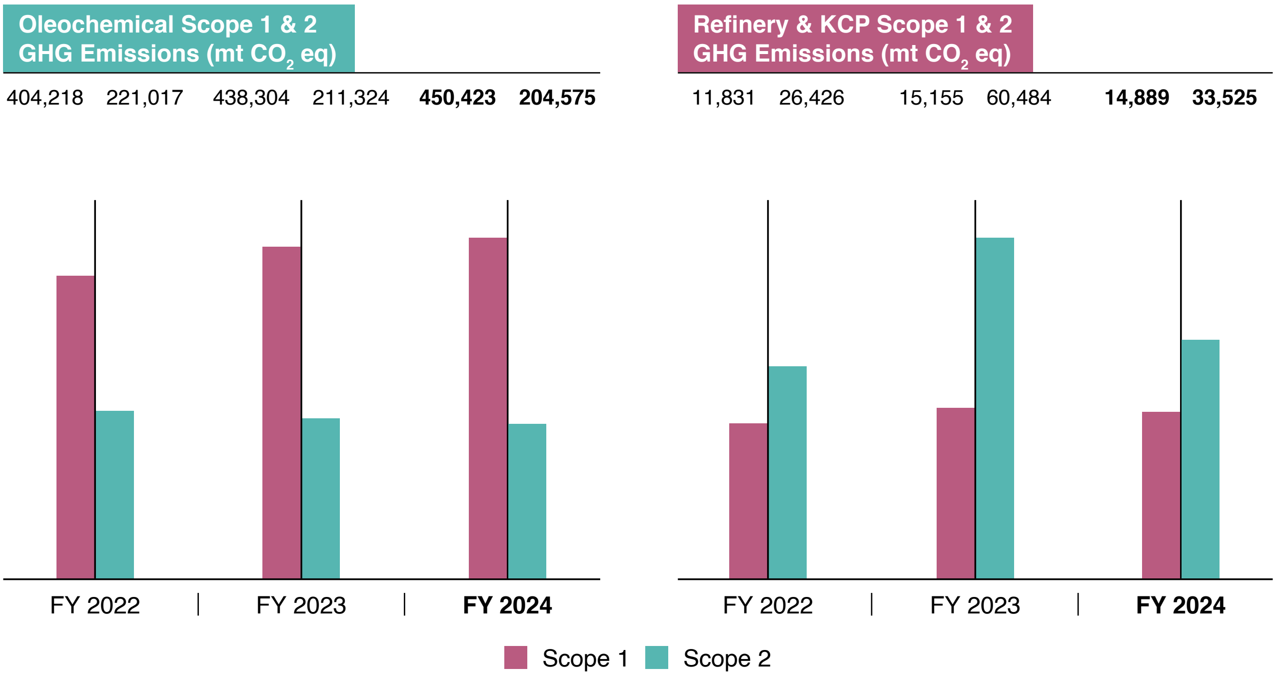






GHG emissions intensity across the Manufacturing segment remained relatively stable for the past three (3) years.

Breakdown of Scope 1 & 2 GHG Emissions



MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

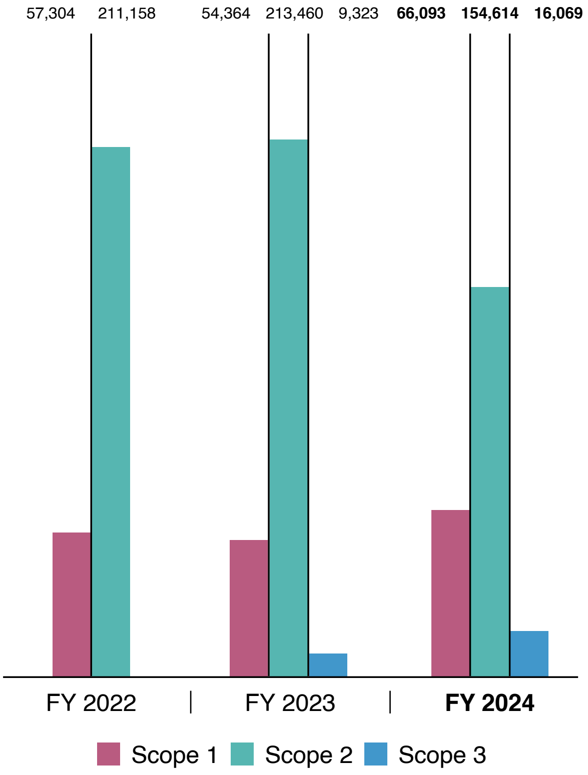
CLIMATE CHANGE (Continued)

Our performance (Continued)

EMISSIONS MANAGEMENT AT MANUFACTURING SEGMENT (Continued)

GHG Emissions Intensity (Continued)

Industrial Chemical Scope 1, 2 & 3 GHG Emissions (mt CO_2 eq)



GHG emissions in Manufacturing segment are calculated in line with the GHG Protocol, a widely recognised framework that enables consistency and comparability across sectors.

Scope 1 emissions remained the highest source of emissions for the Oleochemical sub-segment in FY 2024, with a 2.8% increase since FY 2023, while Scope 2 represented the highest source of emissions for the Refinery and KCP sub-segment. For the Industrial Chemical sub-segment, Scope 2 emissions represented the highest source of emissions, with a 27.5% reduction from FY 2023. Additionally for the Industrial Chemical sub-segment, Scope 3 emissions, limited to business travel and employee commuting, have started to be tracked and monitored since FY 2023. This business sub-segment will continue to enhance their data collection processes of Scope 3 emissions to more comprehensive disclosures.

In FY 2024, the Oleochemical sub-segment also recorded a total of 36,277 mt CO_2 eq of GHG emissions avoided as a result of the purchase of green electricity and steam, and solar self consumption. The Refinery and KCP sub-segment recorded a total of 36,470 mt CO_2 eq of GHG emissions avoided from the purchase of green electricity and green steam.

Within KLK, in FY 2024, 74 GHG emissions reduction initiatives were identified. Each project will undergo a thorough study to assess its feasibility and potential impact, with implementation plans to follow for those deemed suitable. If all proposed projects are implemented, KLK expect to achieve a total CO_2 savings of 51,005 tonnes.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

ENVIRONMENTAL MANAGEMENT

Related UNSDGs:

6 CLEAN WATER AND SANITATION

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

13 CLIMATE ACTION

15 LIFE ON LAND

Why is this important?

Our Group relies on natural resources such as energy, water, and other finite resources that are essential for future generations. While adhering to environmental standards and regulations, we strive to practicing sustainable and responsible environmental management. This approach is not only ethical but also motivates us to improve our current operations.

Caring for our environment is crucial to ensuring opportunities for future generations. We aim to work proactively with our stakeholders to develop sustainability solutions. This section discusses the impact of our Plantation and Manufacturing operations on water conservation and waste management.

Our approach

Water is a crucial resource for BKB's Plantation and Manufacturing operations. Effective water management is essential to minimise water-related risks, especially in regions experiencing water scarcity. Efficient and sustainable management of water resources ensure that BKB's operations remain resilient to climate change impacts and can maintain sustainable production levels.

We ensure that all our plants and operations in the Plantation and Manufacturing segments comply with environmental regulations. Our operations are benchmarked against voluntary environmental standards, and we leverage digitalisation and new technology to reduce material consumption and waste production. Our key approaches for FY 2024 focus on:

Water Conservation	Waste Management

We implement water conservation initiatives and raise employees' awareness on proper water management within our operations. These initiatives include:

(i) Water stewardship programmes involving water risk assessments, monitoring water usage and implementing water-saving technologies;
(ii) Condensate recovery system within oleochemical production facilities;
(iii) Precision water delivery at oil palm tree nurseries;
(iv) Water recycling process in all chlor-alkali plants within the Industrial Chemical sub-segment;
(v) Implementation of rainwater harvesting system to reduce water dependency on third party water; and
(vi) Raising awareness among employees through ESG campaigns and reminders to water saving at our operating centres.

In adhering to environmental regulations in relation to manufacturing scheduled wastes, we are guided by local councils' regulatory laws and jurisdictional guidance. We ensure that our manufacturing scheduled wastes are properly stored and managed until collection points and final disposal by appointed Department of Environment ("**DOE**") licensed contractors to approved waste facilities.

For our OCs, we also established initiatives to increase awareness among our employees in efforts to reduce waste sent to landfills such as:

Segregation of non-recyclable and recyclable wastes	Used paper and E-waste recycling	Promote digitalisation and paperless

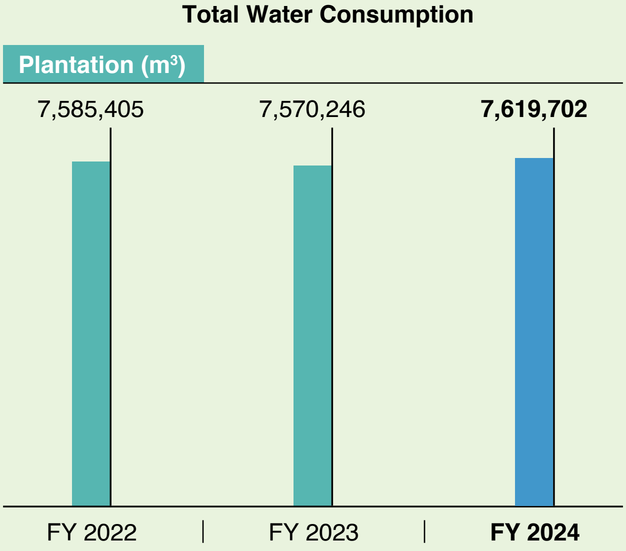
MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

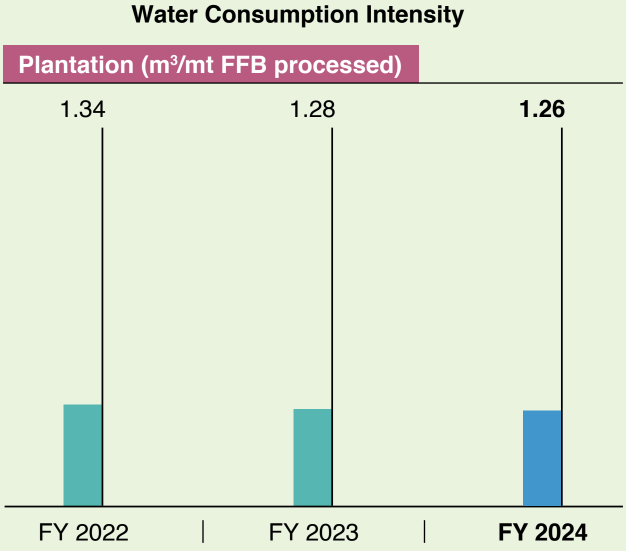
ENVIRONMENTAL (Continued)

ENVIRONMENTAL MANAGEMENT (Continued)

Our performance

WATER CONSERVATION AT PLANTATION SEGMENT

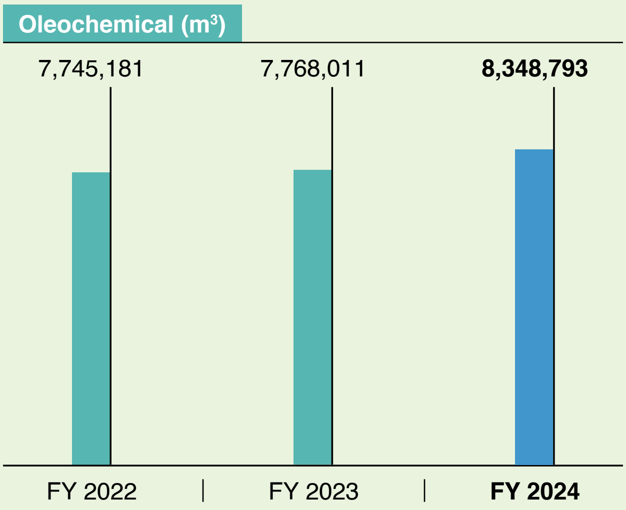


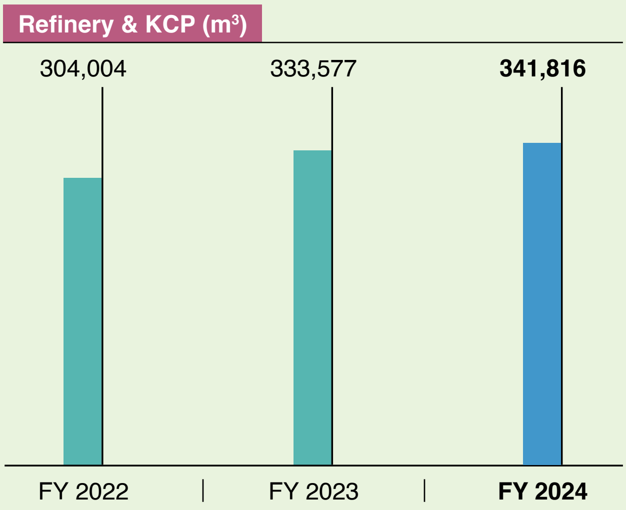


Water conservation and minimising water consumption are practical. In the Plantation segment and mills, the unique characteristics of the land, topography, and the influence of weather conditions are considered, including the impact of both droughts and floods, when managing water resources. KLK also uses monitoring tools to regularly evaluate water consumption patterns and identify areas for improvement. This data-driven approach enables informed decisions for further water conservation efforts.

WATER CONSERVATION AT MANUFACTURING SEGMENT

Total Water Consumption





MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

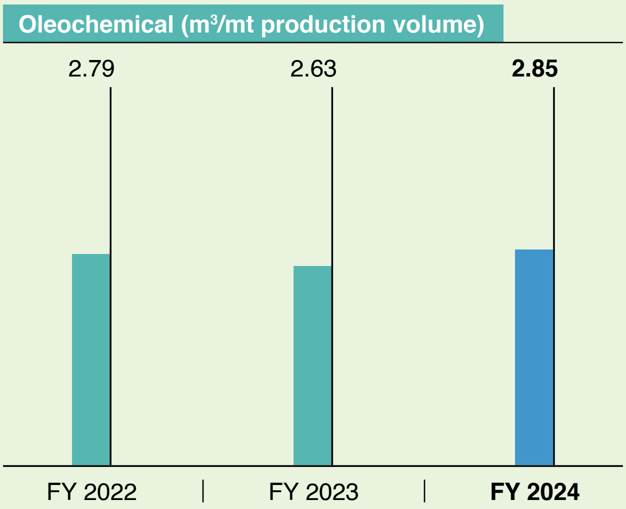
ENVIRONMENTAL (Continued)

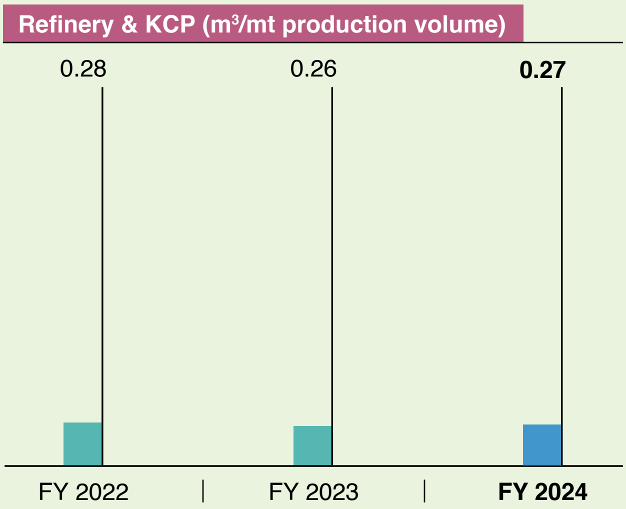
ENVIRONMENTAL MANAGEMENT (Continued)

Our performance (Continued)

WATER CONSERVATION AT MANUFACTURING SEGMENT (Continued)

Total Water Consumption





In FY 2024, KLK refined its methodology for calculating water consumption, allowing for a more accurate picture of actual water usage. As a result, water consumption figures for oleochemical operations across three (3) years have been adjusted. Accordingly, figures presented in previous annual reports are superseded by this updated approach.

Water Withdrawal by Source – Industrial Chemical

Source	FY 2022	FY 2023	FY 2024
1) Surface Water	215	-	**-**
2) Groundwater	-	-	**-**
3) Seawater	-	-	**-**
4) Produced Water	-	-	**-**
5) Third-party Water	2,020,168	1,924,555	**1,886,992**
Total water withdrawal (m^3)	**2,020,383**	**1,924,555**	**1,886,992**
Water Withdrawal Intensity (m^3/mt production volume)	**3.25**	**3.13**	**3.16**

Water withdrawal within the Industrial Chemical sub-segment decreased by approximately 2% as compared to FY 2023, resulting in a water withdrawal intensity of 3.16 m^3 /MT prod vol (FY 2023: 3.13 m^3 /MT prod vol).

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

ENVIRONMENTAL MANAGEMENT (Continued)

Our performance (Continued)

WATER CONSERVATION AT MANUFACTURING SEGMENT (Continued)

Water Discharge – Industrial Chemical

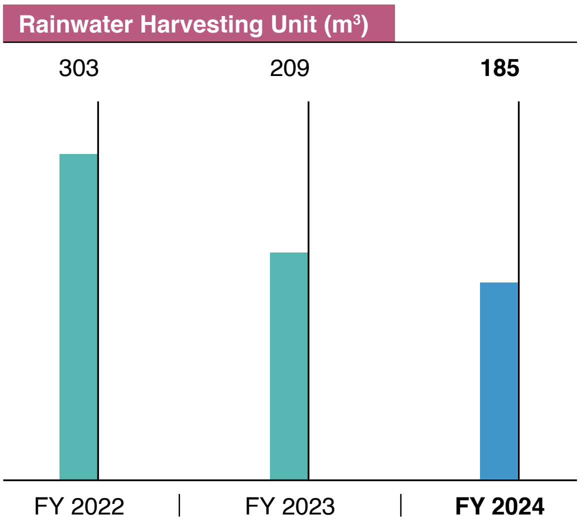
	FY 2022	FY 2023	FY 2024
Total Water Discharged (m^3)	225,717	235,792	**332,422**
Water Discharged Intensity (m^3/MT production volume)	0.36	0.38	**0.56**

All water discharged are properly treated through Industrial Effluent Treatment Systems ("**IETS**") which complies with the Environmental Quality Act ("**EQA**") 1974 in our Manufacturing plants. Water discharge increased in FY 2024 due to a higher frequency of the water regeneration process.

Water Reused/Recycled – Industrial Chemical

	FY 2023	FY 2024
Total volume of water recycled (m^3)	18,752	**20,291**
Percentage of water recycled/reused	1%	1%

Rainwater Harvesting – Industrial Chemical



Water recycling and its reuse in our Industrial Chemical sub-segment involves recycling of caustic evaporation condensation at Malay-Sino Chemical Industries Sdn Bhd's ("**Malay-Sino**") Kemaman and Lahat plants. In FY 2024, 1% of water was recycled. Despite this, the total volume of water recycled increased due to the completion of the vapour condensate recovery project in the Lahat plant.

In FY 2023, we revised our calculation methodology to allow for a more accurate picture of water recycled. As such, we have also made the decision to no longer report FY 2022 data given this updated approach. FY 2023 and FY 2024 data are representative of our actual total volume of water recycled.

Starting in FY 2021, CCM Polymers Sdn Bhd ("**CCM Polymers**") Bangi and CCM Chemicals Sdn Bhd ("**CCM Chemicals**") Pasir Gudang plants with an area covering 560 m^2 of existing roofing, began rainwater harvesting. The harvested water was filtered and tested before being recycled back into processing. In FY 2023, we started to report See Sen Chemical Berhad Pasir Gudang's rainwater harvesting covering an area of 228 m^2 with an estimated annual catchment of 362 m^3 rainwater. The harvested water was used for watering plants and floor cleaning.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

ENVIRONMENTAL MANAGEMENT (Continued)

Our performance (Continued)

WASTE MANAGEMENT AT PLANTATION SEGMENT

Scheduled Waste Breakdown – Plantation

	Unit	FY 2022	FY 2023	FY 2024
Used Oil	mt	201.90	238.12	**195.93**
Inks and Paints	mt	0.64	1.52	**0.86**
Chemical Containers	mt	63.16	80.51	**107.66**
E-Waste	mt	1.86	2.50	**1.06**
Used Batteries	mt	14.53	20.35	**13.99**
Used Oil Filters	mt	25.21	30.88	**29.03**
Used Hydraulic Oil	mt	8.13	7.90	**9.76**
Clinical Waste	mt	9.78	7.58	**6.53**
Fibre/Saw Dust contaminated SW	mt	0.26	0.35	**0.36**
Rags contaminated SW	mt	8.59	12.07	**14.09**
Chemical Waste	mt	24.15	25.53	**53.48**

KLK takes proactive steps to keep track of scheduled wastes (including oils, lubricants, fuel filters, chemicals, and pesticide containers) and dispose of them responsibly in full compliance with environmental laws and regulations applicable in the location of operation.

WASTE MANAGEMENT AT MANUFACTURING SEGMENT

Total Waste – Refinery & KCP and Oleochemical

Waste By Composition	Unit	FY 2022	FY 2023	FY 2024
Hazardous Waste				
Generated	mt	15,666	15,325	**14,355**
Diverted from Disposal	mt	3,492	3,705	**4,217**
Directed to Disposal	mt	12,174	11,620	**10,138**
Non-Hazardous Waste				
Generated	mt	32,719	39,498	**37,854**
Diverted from Disposal	mt	15,259	20,490	**22,126**
Directed to Disposal	mt	17,460	19,008	**15,728**
Total Waste Generated	**mt**	**48,387**	**54,823**	**52,208**

KLK undertook a comprehensive rationalisation of their waste data, refining calculations to provide a more accurate reflection of actual waste composition. As part of this process, KLK recalculated data from the previous three (3) years to ensure consistency. Consequently, the figures presented in previous reports may no longer be comparable.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

ENVIRONMENTAL MANAGEMENT (Continued)

Our performance (Continued)

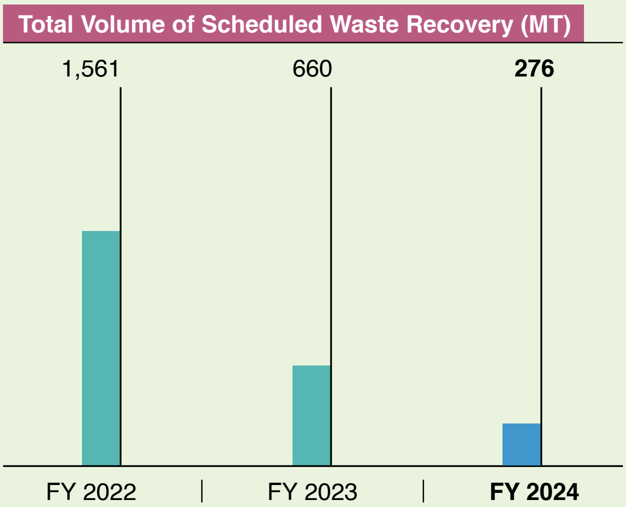
WASTE MANAGEMENT AT MANUFACTURING SEGMENT (Continued)

Total Waste – Industrial Chemical (Continued)

Type of Waste	FY 2022	FY 2023	FY 2024
General Waste	471	554	**538**
Scheduled Waste	3,086	4,595	**3,864**
Total Volume of Waste Generated (MT)	**3,557**	**5,149**	**4,402**
Waste Generated Intensity (kg/MT production volume)	**5.73**	**8.37**	**7.38**

Waste intensity as of FY 2024 within the Industrial Chemical sub-segment stood at 7.38 kg of waste generated/mt production volume. All general waste is directed to disposal – is it either sent to landfills and/or incinerators operated by local councils.

Total Waste Recovery – Industrial Chemical



Malay-Sino's Lahat plant holds a license for the prescribed premise (on-site) treatment facility, allowing collection of SW206 (acid waste) from the waste generators. Instead of the acid waste being disposed to the waste collection facilities by the waste generators, the acid waste is treated and reused in the production of Ferric Chloride. This initiative allows reuse of scheduled waste instead of their disposal thereby conserving the environment. In FY 2024, 276 MT of scheduled waste was recovered through this process.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

BIODIVERSITY

Related UNSDGs:

13 CLIMATE ACTION

15 LIFE ON LAND

Why is this important?

Biodiversity protection is central to our Plantation operations. To safeguard biodiversity, we adopt sustainable land management practices, ensuring harmonious co-existence with nature. We are committed to conserving biodiversity by identifying, protecting, and maintaining High Conservation Value ("**HCV**") areas within our plantation activities, preserving regions with significant biological value or valuable ecosystems.

At KLK, maintaining HCV areas is essential for protecting endangered species, supporting healthy ecosystems, and sustaining the livelihoods of local communities who rely on these ecosystems. Biodiversity conservation is a corporate responsibility and aligns with global commitments to combat biodiversity loss and enhance ecosystem resilience.

Our approach

KLK's Group Biodiversity Conservation Policy reaffirms and strengthens their commitment to biodiversity conservation across their operations and supply chains. When rare and endangered species are found within HCV sites, KLK collaborates with non-governmental organisations and the State Wildlife Agency to preserve and protect these areas. Their habitats are safeguarded through appropriate management, monitoring plans, and best management practices for ecosystem services.

Identifying and Managing HCV Areas	KLK uses the HCV approach to identify areas with significant biodiversity, ecological, or cultural value. These critical areas are managed and protected through dedicated conservation plans, ensuring that their agricultural and industrial activities do not negatively impact them.
Collaborative Conservation Efforts	KLK partners with various NGOs and government agencies, including Jabatan PERHILITAN, the World Wildlife Fund ("**WWF**"), Earthworm Foundation, and local conservation organisations such as Bringing Back Our Rare Animals ("**BORA**") and Persatuan Pelindung Harimau Malaysia ("**RIMAU**"). These partnerships enhance their conservation efforts, especially in forest and wildlife protection.
Restoring and Enhancing Biodiversity	KLK is dedicated to reforesting degraded areas, maintaining wildlife corridors, and protecting riparian zones. These initiatives are crucial for restoring habitats for endangered species and improving overall ecosystem health.
Monitoring and Reporting	KLK regularly monitors biodiversity within HCV areas and reports on the health of these ecosystems. By using robust assessment frameworks and collaborating with external experts, KLK ensures that its biodiversity efforts are both measurable and impactful.
Responsible Pesticide Management	KLK has eliminate the use of pesticides classified as Class 1A or 1B by the World Health Organisation and those listed under the Stockholm and Rotterdam Conventions. Additionally, KLK has discontinues the use of paraquat, except in rare, government-authorised situations, such as specific pest outbreaks, where its use is supported by a thorough due diligence process.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

ENVIRONMENTAL (Continued)

BIODIVERSITY (Continued)

Our performance

1 Progress of KONTANDES Programme

Konservasi Hutan Desa (“**KONTANDES**”) covers 6,428 hectares in East Kalimantan, Indonesia to preserve and maintain a high-quality forest and its biodiversity as well as to promote local community welfare through sustainable practices. A total income of Rp455 million was generated by five (5) small-medium enterprises from April 2023 to March 2024 for the local community. In FY 2024, a total of 280 flora species and 462 fauna species were recorded in the conservation area.

2 KLKCare x RIMAU – Tiger Conservation

KLK has partnered with RIMAU since 2022 to support their tiger conservation efforts in Perak. Through financial assistance, RIMAU has been able to increase their patrolling presence in the Amanjaya Forest Reserve.

3 KLKCare x WWF-Malaysia – Wildlife Corridor Restoration in Tabin Landscapes

KLK has designated 7.1 hectares of land within KLK Ladang Bukit Tabin, Sabah to establish a vital wildlife corridor linking Tabin Wildlife Reserve and the isolated Silabukan Kecil Forest Reserve. KLK has successfully planted 1,800 fast-growing forest tree species within this area.

4 KLKCare x BORA – Wildlife Habitat Restoration

In collaboration with BORA, KLK has undertaken the planting of Napier grass and Ficus trees at the Malambabula Wildlife Habitat Restoration area within the Tabin Wildlife reserve to provide a food source for wild elephants. In August 2024, it was reported that approximately 30 elephants have entered the grass-planted pasture area within the reserve.

5 Elephant Food Bank Initiative

In collaboration with the Johor Wildlife Department and Kampung Orang Asli Kudung, KLK has allocate one (1) hectare of land to establish a permanent strategic food reserve in Ladang Landak and Kampung Orang Asli Landak. This initiative aims to address human animal conflict more effectively.

6 Hundred Acre Woods

The Hundred Acre Woods at KLK Sawit Nusantara’s Ladang Sungai Sabang provides 42.26 hectares of land for conservation, research and educational purposes. Within the conservation lies an arboretum with over 400 stands of tropical rainforest trees, approximately 70 bird species, and keystone species such as the Orangutan and Bornean Gibbons.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL

OpX

Related UNSDGs:

Why is this important?

BKB Group is dedicated to fostering a safe and healthy workplace for all employees and contractors, aligning with UNSDG No 3 on Good Health and Well-being, and UNSDG No 8 on Decent Work and Economic Growth.

A robust health and safety culture in the workplace is fundamental to our businesses success, supporting both our financial goals and moral obligations. Occupational Safety and Health ("**OSH**") measures protect our Group from financial, operational, and legal risks, ensuring the safety of our employees and assets, while maintaining stakeholders trust, and securing our future.

We understand that maintaining a safe working environment not only protects our employees but also boosts productivity, reduces absenteeism, and mitigates risks associated with workplace incidents. As a responsible employer, BKB aims to meet and exceed industry health and safety standards to ensure the well-being of our workers, contractors, and visitors.

Our approach

Our approach to health and safety includes thorough risk assessments, robust safety management systems, and continuous safety training for all employees. We have implemented stringent Standard Operating Procedures ("**SOPs**") aligned with ISO 45001 standards across all operational sites, ensuring a consistent and high level of workplace safety. Our safety initiatives include:

- **Regular Safety Training and Drills**: All employees participate in periodic safety training sessions that cover emergency response, hazard identification, and the proper use of personal protective equipment ("**PPE**").
- **Incident Reporting and Investigation**: We maintain a transparent system for reporting all incidents and near-misses, ensuring thorough investigations and timely corrective actions.
- **Safety Committees**: Each site has a dedicated Safety Committee responsible for monitoring compliance, conducting audits, and providing recommendations for continuous improvement.
- **Wellness Programmes**: In addition to physical safety, we emphasise occupational health through wellness programmes, including medical check-ups, ergonomic assessments, and mental health support.

All OCs across the Industrial Chemical sub-segment have implemented Safety Opportunity for Improvement ("**SOFI**") to encourage and create awareness at all levels of employees to report and find unsafe acts as well as unsafe conditions. Furthermore, 6 Safety Principles ("**6SPs**") have been introduced as the backbone of our safety culture.

Our 6 SPs are as follows:

1 Safety is Priority

2 No Injury at Work

3 Strong Process Safety & Integrity

4 System & Control

5 Management of Change

6 Learning & Prevention

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

OpX (Continued)

Our approach (Continued)

In compliance with the OSH Act 1994, HSE Committees have been established in our operations sites to identify, plan and resolve OSH-related concerns.

The HSE Committees' key tasks and responsibilities include:
- Assist in the development of health and safety laws, as well as safe working procedures;
- Evaluate the effectiveness of health and safety programmes;
- Examine probable trends in accidents, near-misses, workplace poisoning or infections, and detrimental incidents;
- Report dangerous or unhealthy conditions and recommend corrective measures; and
- Evaluate HSE workplace policies, conduct safety inspection and recommend improvements as needed.

The Hazard Identification, Risk Assessment, and Risk Control ("**HIRARC**") process is regularly reviewed and assessed to ensure that it remains relevant in identifying all potential hazards and providing effective mitigation measures. An incident reporting line has been established to communicate information for Management's attention.

We provide health and safety training at the point of onboarding of new recruits, on-the-job and regular refresher training to employees and contractors. Our HSE training programmes include emergency response, hazard, and risk management, as well as health awareness. These programmes are reviewed regularly to ensure their relevance.

Our performance

6SP Audit

6SP audits were conducted between September and October 2023, with the results as below. The next 6SP audits will be conducted in FY 2025.

Safety Principle	Safety Points	Actions to bridge any Gap identified
1. Safety is Priority	• Usage of PPE • Proper tool usage • Fitness to work • 'Stop and Think' practices • Handover and takeover process	Training & awareness: regular safety awareness campaigns and safety training.
2. No Injury at Work	• Wet surface prevention • Stairs safety • Trip hazard • Near miss and unsafe condition	Training enhancement, incident analysis and near-miss reporting.
3. Strong Process Safety & Integrity	• Interlock and Safety Device • Preventive Maintenance • Equipment and Piping Labelling	Identifying process vulnerabilities, maintenance & ensuring system reliability.
4. System & Control	• Safety Procedure Compliance	Compliance: Reinforcement, monitoring and auditing.
5. Management of Change ("**MoC**")	• Process and Procedure • Documentation	Documentation, understanding of process, potential impact assessment, employee awareness of MoC.
6. Learning & Prevention	• Incident and Near Miss Reporting	Knowledge-sharing platform: store and disseminate lessons learned.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

HEALTH & SAFETY

Number of work-related fatalities and Lost time incident rate

An important measure of OSH is Loss Time Injury ("**LTI**") Frequency Rate. LTI Frequency Rate is derived as: No. of LTIs x 1,000,000)/Total man-hours worked.

At Plantation

	FY 2022	FY 2023	FY 2024
Fatal Incidents	3	3	**4**
LTI	3,717	3,177	**2,368**
LTI Frequency Rate	43.3	34.64	**23.50**

In FY 2024, KLK experienced four (4) fatal incidents in Indonesia. Each incident has been thoroughly investigated to understand the root causes, which ranged from vehicular blind spots and handling of sharp equipment to risks associated with worker transportation and equipment management. KLK has implemented a series of corrective and preventive actions in response, such as revising the HIRARC frameworks to better address risks related to traffic management and equipment handling.

A total of 7,728 employees received training on health and safety standards in FY 2024.

At Manufacturing

	Industrial Chemicals			Oleochemical			Refinery & KCP		
	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024	FY 2022	FY 2023	FY 2024
LTI	9	4	**5**	11	11	**13**	6	10	**5**
LTI Frequency Rate	3.32	1.16	**1.75**	1.53	1.50	**1.55**	1.89	3.26	**1.31**

There has been no fatality in BKB Industrial Chemical for the past three (3) years. The LTI frequency rate in FY 2024 for both Industrial Chemical and Oleochemical increased from the previous year, whereas the LTI frequency rate decreased substantially for Refinery and KCP. See Sen has been achieving Zero LTIs over 4 million man-hours worked since FY 2018.

In Oleochemical, Refinery and KCP, a total of 4,431 employees received training on health and safety standards. Within the Industrial Chemical sub-segment, 100% of competent personnel have undergone mandatory health and safety training relevant to their jobs, while 100% of new employees have received induction briefing on health and safety standards. A total of 413 employees have received training on health and safety standards. Key training programmes in FY 2024 are as follows:

(i) HSE Refresher Training 2024
(ii) 6SP Awareness
(iii) SOFI and Near Miss
(iv) Basic Working Ergonomic
(v) Basic Occupational First Aid

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

PRODUCT QUALITY AND SAFETY

We are committed to manufacturing products that meet high quality and safety standards. Our customer's satisfaction with the quality and safety of our products and services is our top priority. We adhere to a strict quality assurance process to ensure that we meet the requirements of each country. This applies to the entirety of our portfolio and encompasses all aspects of our products, systems, and services.

CERTIFICATION AT PLANTATION SEGMENT

KLK Group steered and governed by their respective Quality Policies, provides products and services that meet or exceed customers' expectations while adhering to all internal and external safety, regulatory, and quality requirements. Plantation industry-standard certifications include:

(i) Roundtable on Sustainable Palm Oil ("**RSPO**")
(ii) Malaysian Standard on Sustainable Palm Oil ("**MSPO**")
(iii) International Sustainability and Carbon Certification ("**ISCC**")
(iv) Indonesia Sustainable Palm Oil ("**ISPO**")

The acquisition of IJM Plantations temporarily reduced KLK's overall RSPO certification percentage in FY 2022 due to the need to certify new acquired estates and mills. In FY 2024, KLK subsequently obtained RSPO certification for Desa Talisai POM cluster and PT Prima Alumga Estate. KLK aims to complete the certification of its remaining Plantation assets in Malaysia by end of 2024, in Indonesia by Q4 2025, and in Liberia by the end of 2025.

KLK Group	RSPO	MSPO	ISPO	ISCC
Certified Estates	78%	100%	97%	N/A
Certified Palm Oil Mills	82%	100%	100%	17 mills

CERTIFICATION AT MANUFACTURING SEGMENT

Our Industrial Chemical and Oleochemical products and processes have been certified as attaining world-class standards by various international bodies. We collaborate closely with government agencies such as the DOE, Ministry of Human Resources ("**MoHR**"), and the Department of Occupational Safety and Health ("**DOSH**") to undertake compliance audits and site visits to validate the Group's practices in accordance with various legal requirements and standards.

In FY 2024, our OCs in BKB Industrial Chemical and Oleochemical sub-segment are accredited with ISO certifications for Quality, Environmental management systems as well as Occupational Health and Safety. Malay-Sino, See Sen, and CCM Chemicals have successfully obtained ISO 45001:2018 and ISO14001:2015 recertifications after their HSE integration. In addition, there are Halal accreditation and SIRIM certifications obtained for chlor-alkali products, and Kosher accreditation for Oleochemical products.

Company	% of Manufacturing Plants With Certification		
	ISO 9001:2015	ISO 14001:2015	ISO 45001:2018
CCM Polymers	100%	100%	100%
CCM Chemicals	100%	100%	100%
Malay-Sino	100%	100%	100%
CANST	100%	100%	100%
See Sen	100%	100%	100%

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

PRODUCT QUALITY & SAFETY (Continued)

CERTIFICATION AT MANUFACTURING SEGMENT (Continued)

PRODUCT STEWARDSHIP

We are committed to delivering our clients with exceptional service and products while protecting their safety and health. Accordingly, steps are taken to provide customers with requirements assessments, site audits and product training. Before the first product delivery is made to a new customer, audits are made to ensure that they have adequate and proper facilities to receive our products. Details of these initiatives are outlined below:

Customer Installation Assessment

This is a requirement that must be met before the first product is delivered to a new customer.
- Before the products are delivered, the customer's installation will be evaluated to ensure that it meets the prerequisite safety standards.
- The assessment covers HSE elements to ensure a safe environment during the unloading process, product storage, handling, and emergency response.
- Any gaps during the assessment will be communicated to the customer, and any corrective actions will be incorporated prior to product delivery.

Product Handling Training

This includes comprehensive product safety training for customers, agents, dealers, contractors, and employees.
- There are two (2) types of product handling training:
  1. Comprehensive liquid chlorine training
     - This is a three (3)-day programme that includes both theoretical and practical instruction in dealing with chlorine leaks from the container.
  2. Training on other products
     - The training can be conducted at customer premises consisting of two (2)-hour classroom training and/or practical mock exercise on emergency handling.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

PRODUCT STEWARDSHIP (Continued)

Product Handling Training (Continued)

Other training programmes and initiatives are as follows:

Driver Management Programme

The transport of hazardous chemicals requires sound management to prevent accidents and undue exposure of chemicals to drivers and the public. We work closely with each transport company that we utilise to ensure their commitment to this programme. Ten (10) selected Scania trucks have started with geo-fencing speed control with position-based and real-time vehicle adjustments in pre-defined zones. This will increase safety and reduce fuel consumption.

Journey Management Plan ("JMP")

A new safety initiative was the introduction of JMP for our chemical products drivers, highlighting high accident-risk areas along certain road journeys. In FY 2022, our transportation sector completed the JMP for the Karak highway and during FY 2023, they have extended the JMP for the Ipoh South-Changkat Jering route. The transportation sector continues to maintain driving guidelines and controls for these two (2) routes.

Emergency Response Network / Chemical Emergency Service Teams

As part of our safety services, emergency response teams are available around the clock at several locations to deal with chemical emergencies or road accidents involving our chemical products. We have established our own in-house Emergency Response Team ("**ERT**").

EMPLOYEE MANAGEMENT

Related UNSDGs:

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

8 DECENT WORK AND ECONOMIC GROWTH

Why is this important?

At BKB Group, our people are central to everything we do, from our employees and suppliers to the communities within our operations. We aim to cultivate a workforce that is engaged, skilled, and productive. Above all, safety is a top priority for BKB Group as it ensures operational productivity, business continuity, and the well-being of our valued employees.

BKB Group believes in upholding and promoting human rights and fair labour practices in our operations. We conduct business in a manner that supports and respects human rights, diversity and equal opportunity. Every employee has the right to fair and equal treatment, which includes fair pay, safe working conditions, equal access to promotions and remuneration, career advancement, and skill development, among other rights.

In our recruitment and selection process, hiring decisions are made solely on the merit and qualifications of the individual and their ability to succeed in their assigned job role. We provide equal pay for equal work, regardless of gender, age, race or ethnicity.

BKB Group is contributing to the achievement of UNSDG No. 3 Good Health and Well-being, UNSDG No. 4 on Quality Education, and UNSDG No. 8 on Decent Work and Economic Growth.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

EMPLOYEE MANAGEMENT (Continued)

Our approach

Fair Labour Practices

BKB Group believes in treating employees fairly and humanely, with respect, and has zero tolerance for discrimination, harassment or bigotry. We uphold fair employment, fair remuneration, and encourage diversity across all our businesses. These practices maintain a healthy work culture, creating trust among employees, suppliers, and other stakeholders.

Our Group's Code of Conduct and Ethics outlines our stance on Equal Opportunity and Workplace Diversity, ensuring adherence to equal employment and anti-discrimination policies at all times. To eliminate bias within the organisation, we strive to ensure that employment opportunities reflect gender, ethnicity, and other characteristics protected by laws and regulations.

Recruitment Policy

Potential candidates are given equal opportunities to join our organisation. Across all our businesses and value chains, we prohibit the use of forced or bonded labour, human trafficking, and any form of child labour. We expect our employees, contractors, vendors, and partners to share this commitment.

Human Rights Due Diligence

We comply with local labour and employment-related laws in our human resources practices and management.

Worker and Community Welfare

We ensure the well-being of our foreign workers by providing essential amenities such as clean water, sanitation, healthcare services, and compliant housing facilities. Additionally, we offer recreational and religious facilities to promote well-being, social interaction, and inclusivity. The Group also engages with the communities where our operating centre are located by actively participating in community development, fostering stronger sense of unity and trust through regular engagements.

Employee Grievance Mechanism

An effective grievance mechanism enables employees to report concerns anonymously and without fear of retaliation. This system is regularly reviewed and improved to ensure that employee issues are addressed promptly and transparently.

Our performance

DIVERSITY AND EQUAL OPPORTUNITY

Total workforce by permanent and contract/temporary employees

	Plantation		Manufacturing			
			Oleochemical, Refinery & KCP		Industrial Chemical	
	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
Permanent Employees	31,955	**32,701**	4,703	**5,456**	759	**775**
Contractors/Temporary Employees	13,504	**13,436**	486	**564**	126	**109**

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

EMPLOYEE MANAGEMENT (Continued)

Our performance (Continued)

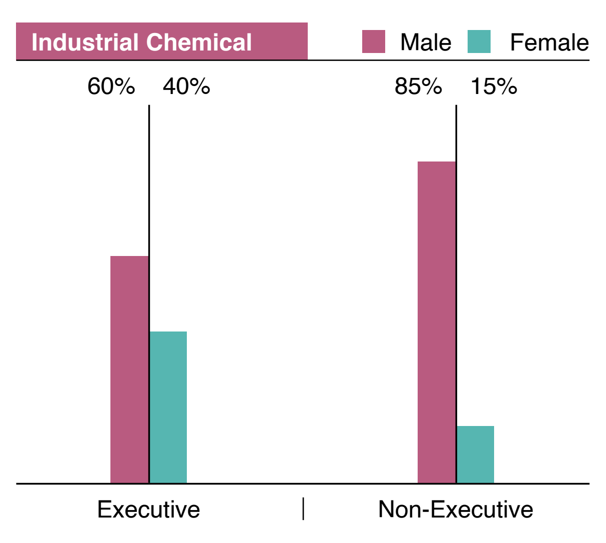
DIVERSITY AND EQUAL OPPORTUNITY (Continued)

As at FY 2024, the Group (Plantation and Manufacturing segments) workforce comprises a total of 53,041 employees, encompassing both Malaysian and non-Malaysian workforce, representing a diverse range of roles and expertise across all our operations in Malaysia, Indonesia, Europe, China, and Liberia. Each member of our workforce is a vital part of our collective journey towards sustainability and success.

There were 12% contracted employees in our Industrial Chemical sub-segment in FY 2024, mainly in the transportation sector (some 75 truck drivers) wherein it is an industry practice and norm to engage them on an annual contract basis instead of permanent employment.

Breakdown of workforce by gender and employment category

	Plantation		Manufacturing Oleochemical, Refinery & KCP	
Category/Gender	**Male**	**Female**	**Male**	**Female**
Senior Management	95%	5%	68%	32%
Middle Management	81%	19%	62%	38%
Junior Management	84%	16%	66%	34%
Executives	77%	23%	58%	42%
Non-Executive	81%	19%	78%	22%



Note: The Industrial Chemical sub-segment categorises all its employees into Executive and Non-Executive levels

While we promote diversity and encourage balanced participation of female employees, the physically challenging aspects of oil palm harvesting, processing and manufacturing contribute to the male-dominated composition of the BKB Group workforce. We adhere to the principle of equal opportunity in all our hiring and promotion processes. Selections are made based on qualifications, experience and potential, with ongoing efforts to identify and eliminate biases. Our transportation sector recruited one (1) female prime mover driver in FY 2024.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

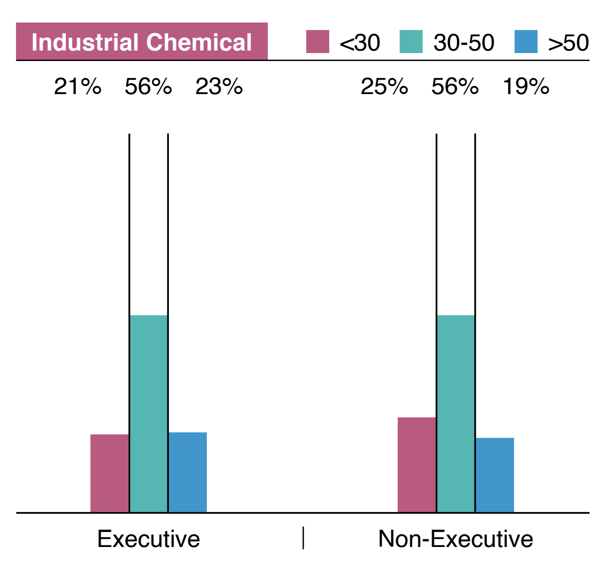
EMPLOYEE MANAGEMENT (Continued)

Our performance (Continued)

DIVERSITY AND EQUAL OPPORTUNITY (Continued)

Breakdown of workforce by age and employment category

Category/Gender	Plantation			Manufacturing Oleochemical, Refinery & KCP		
	<30	30-50	>50	<30	30-50	>50
Senior Management	2%	50%	48%	1%	51%	48%
Middle Management	0%	61%	39%	4%	66%	30%
Junior Management	3%	78%	19%	5%	73%	22%
Executives	33%	55%	11%	27%	59%	15%
Non-Executive	28%	63%	9%	37%	49%	14%



Note: The Industrial Chemical sub-segment categorises all its employees into Executive and Non-Executive levels

KLK employs 157 physically challenged individuals in its workforce.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

EMPLOYEE MANAGEMENT (Continued)

Our performance (Continued)

DIVERSITY AND EQUAL OPPORTUNITY (Continued)

Breakdown of BKB Directors by gender and age group

Gender	FY 2022		FY 2023		FY 2024	
Male	7	78%	7	78%	**6**	**75%**
Female	2	22%	2	22%	**2**	**25%**
Total	**9**	**100%**	**9**	**100%**	**8**	**100%**

Age Group	FY 2022		FY 2023		FY 2024	
30 - 39 years	1	11%	1	11%	**1**	**13%**
40 - 49 years	1	11%	1	11%	**0**	**0%**
50 - 59 years	1	11%	1	11%	**1**	**13%**
60 - 69 years	2	22%	1	11%	**2**	**25%**
70 - 79 years	4	44%	5	56%	**4**	**50%**
Total	**9**	**100%**	**9**	**100%**	**8**	**100%**

BKB is led by an experienced, diverse and effective Board who set strategic objectives and direction for the Group. This is to ensure its long-term success and the delivery of sustainable value to its stakeholders. The Directors collectively, have wide and varied technical, financial and commercial experience which facilitates effective, thorough and considered discharge of the Board's statutory and fiduciary duties and responsibilities.

As at FY 2024, the Board comprised of eight (8) Directors, of whom two (2) are females, which complies with the requirement of Bursa Malaysia Main Market Listing Requirements to have at least one (1) woman director on the board of a listed company.

The current female representation rate stands at 25%. BKB remains committed to meeting the target of 30% female Directors and will recruit suitably qualified female Directors as and when it is the best interest of the Company.

LABOUR PRACTICES AND STANDARDS

Total number of employee turnover

Category	Plantation	Manufacturing	
		Oleochemical, Refinery & KCP	Industrial Chemical
Senior Management	0	8	-
Middle Management	2	12	-
Junior Management	4	13	-
Executives & Senior Executives	50	37	49
Non-Executives	1,696	417	108

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

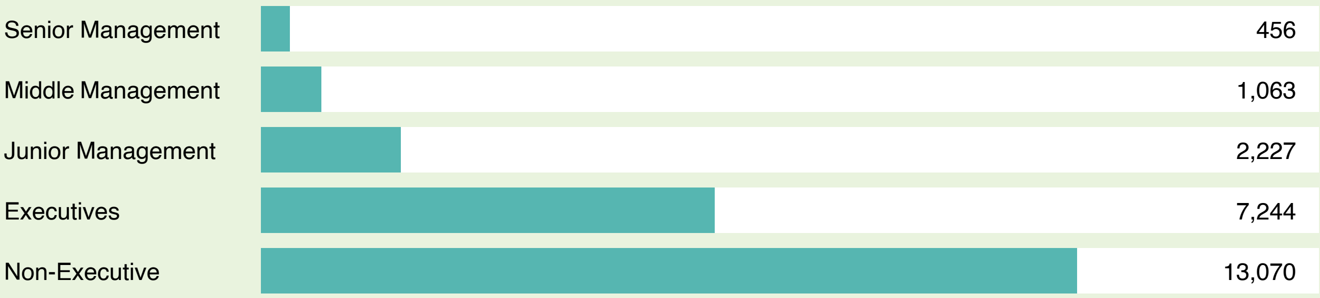
EMPLOYEE MANAGEMENT (Continued)

Our performance (Continued)

LABOUR PRACTICES AND STANDARDS (Continued)

Total hours of training

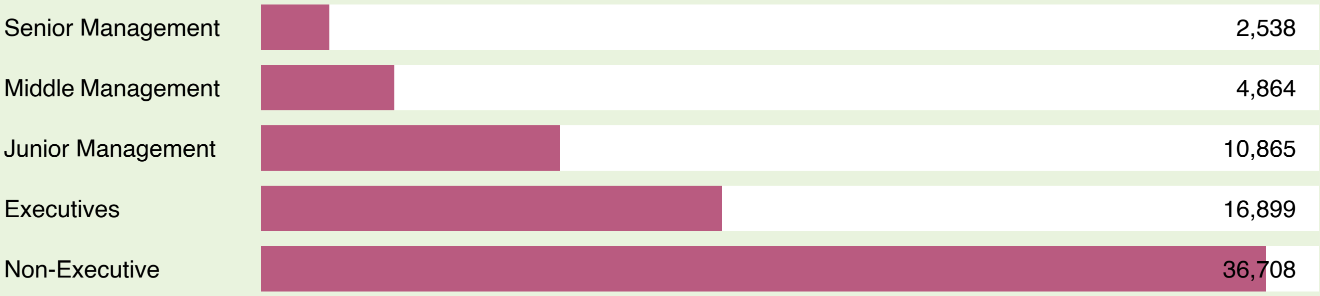
Plantation



KLK offers a wide range of training programmes tailored to different roles within the organisations, focusing on technical, operational, and soft skills. KLK collaborates with external parties to provide training in areas such as health and safety, sustainable practices, and leadership development.

Total training hours in FY 2024 amounted to 24,060 hours.

Manufacturing



Industrial Chemical

Executive
7,902 hours

Non-Executive
18,050 hours

Total training hours for Industrial Chemical in FY 2024 amounted to
25,953 hours

The main training focus for Industrial Chemical is on HSE to ensure the safe use of chemicals in our daily operations, particularly for plant employees. However, to ensure that employees are holistically developed, training in intrapersonal and interpersonal skills, and leadership skills are provided.

Total training hours for Industrial Chemical in FY 2024 amounted to 25,953 hours, averaging at 29.36 hours per employee.

Total training hours for Oleochemical, Refinery and KCP amounted to 71,874.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

EMPLOYEE MANAGEMENT (Continued)

Our performance (Continued)

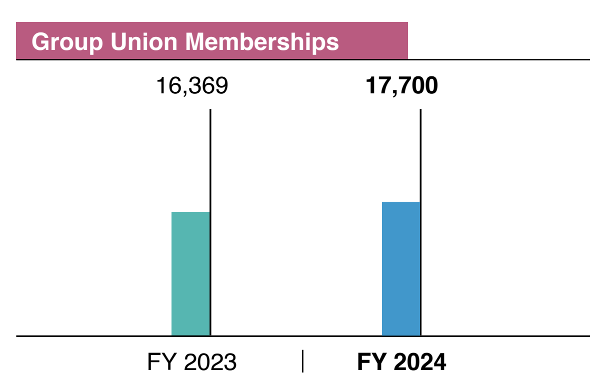
HUMAN & WORKER RIGHTS/COLLECTIVE BARGAINING

Number of substantiated complaints concerning human rights violations

Eight (8) cases were reported on KLK's grievance website. Investigations were currently on-going and status reports are open for viewing by the public on *https://www.klk.com.my/sustainability/grievance/*. In FY 2023, KLK conducted a region-wide human rights risk assessment on estates and mills in Peninsular Malaysia. The assessment, carried out by a third-party, focused on two (2) key outcomes: 1) evaluating the state of recruitment fees paid by workers; and 2) diagnosing the human rights risk rating across operating centres based on the International Labour Organisation's ("**ILO**") forced labour indicators. The assessment covered over 70% of the guest worker population in Peninsular Malaysia at the time of the assessment. As per KLK's No Recruitment Fee policy, reimbursements of recruitment fees paid by workers have been reimbursed to all eligible workers.

For the past three (3) years, there were no reported substantiated complaints concerning human rights violations in the Industrial Chemical sub-segment. In FY 2024, the Industrial Chemical sub-segment conducted a survey on foreign workers to assess their understanding of their rights and ensure fair working conditions. This survey was conducted against the eleven (11) ILO indicators of forced labour. The key risks identified through this survey included payment of fees to an intermediary to secure a job and documents being withheld by third-party service providers. Subsequent action has been taken to reimburse foreign workers for fees paid, and issue official letters to vendors, informing them of non-compliance to Section 12(1)(f) of the Passports Act 1966.

Unions at KLK Group



FY 2023 data only includes the number of union members from Plantation and Oleochemical.

Categories	Number of Unions Members (FY 2024)
Plantation - Malaysia	5,206
Plantation - Indonesia	10,285
Plantation - Liberia	287
Manufacturing	1,922
Total	**17,700**

KLK takes pride in championing our employees' Freedom of Association and safeguarding their rights to engage in collective bargaining. A significant 17,700 employees are active union members.

Unions at Industrial Chemical

Unions	Total No. Of Unionised Employees		
	2022	2023	2024
National Union of Commercial Workers ("**NUCW**")	11	12	**13**
Chemical Workers Union of Malaya ("**CWU**")	30	29	**39**
Kesatuan Pekerja-Pekerja Malay-Sino Chemical Industries Sdn Bhd	97	96	**90**
National Union of Petroleum and Chemicals Industry Workers ("**NUPICW**")	131	150	**144**
TOTAL	**269**	**287**	**286**

* *Employees terms not covered by Collective Bargaining Agreements have their working conditions and employment terms defined in the Employee Handbook.*

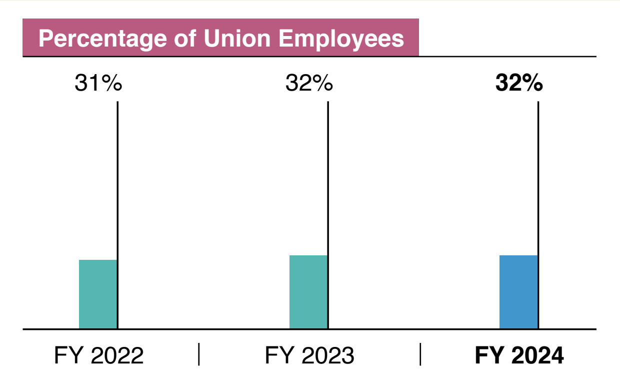
MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

EMPLOYEE MANAGEMENT (Continued)

Our performance (Continued)

HUMAN & WORKER RIGHTS/COLLECTIVE BARGAINING (Continued)



In FY 2024, approximately 32% of our BKB Industrial Chemical workforce are covered under worker unions of their choice. A close working relationship is maintained with unions that represent our employees.

COMMUNITY INVESTMENT

Related UNSDGs:

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

Why is this important?

Building trust is the foundation of any community engagement. The Group is determined to fulfil its role as a responsible corporate citizen to the surrounding communities in which we operate by actively participating in community development and fostering a sense of unity through our CSR programmes. These programmes focus on education, community service, the environment, health and sports.

By investing in education, we aim to provide equal access to affordable vocational training, eliminate gender and wealth disparities, and achieve universal access to quality higher education. This approach will nurture a high-quality local talent pool that will benefit BKB Group in the near term and serve as future leaders of organisations. Our contributions to the betterment of local communities through CSR-related initiatives acknowledge the important of these communities and strengthen our relationship with them.

Our approach

Our primary goal is to align our community programmes to create mutually beneficial outcomes for both the Group and the community. Community engagement starts with the understanding that we are not just operators in an area, but an integral part of the local ecosystem.

- **Community Development Programmes**: The Group implements various initiatives to improve the quality of life for local communities, including infrastructure development, healthcare initiatives and sponsorships.
- **Partnerships with Local Organisations**: Collaborating with local NGOs and community leaders to create programmes that address specific local needs, ensuring relevant and lasting impact.
- **Sustainable Livelihood Projects**: Promoting sustainable livelihood opportunities through agricultural support and training, aiming to enhance economic independence and resilience.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

SOCIAL (Continued)

COMMUNITY INVESTMENT (Continued)

Our performance

COMMUNITY/SOCIETY WELLBEING PERFORMANCE DATA

In FY 2024, KLK invested RM3.1 million in a wide range of arts, health and sports, education, and humanitarian programmes and initiatives, benefitting an estimated 46,570 individuals. Key community engagement programmes and impacts for KLK in the reporting year are as follows:

(i) Awarded RM614,500 to 12 scholars through Yayasan KLK;
(ii) Provided meals to 14,300 inmates, and 45,000 bars of soap to the Sungai Buloh Prison Director in partnership with Malaysian Care;
(iii) Reached out to 1,050 students in rural schools in Sugut and Sandakan region through environmental outreach programmes;
(iv) Investment of RM1.5 million in infrastructure of rural communities in regions where KLK operates.

This year, BKB and its Industrial Chemical sub-segment have donated approximately RM87,000 in support of various causes, benefitting over 100 beneficiaries. Key initiatives for BKB and its Industrial Chemical sub-segment are as follows:

(i) Knowledge sharing on Environmental Management System with about 13 new DOE officers;
(ii) Sponsorship of RM4,000 to St. Francis Institution for classroom items and musical instruments;
(iii) Sponsorship of RM20,000 to the Kinta Valley Wind Orchestra;
(iv) Sponsorship of RM20,000 to Persatuan Rekacipta & Rekabentuk Malaysia;
(v) Investment of RM7,500 towards Pertubuhan Kebajikan Rumah Orang-Orang Tua Titian Abadi in Ipoh.

Total amount invested

KLK invested
RM3.1 million

BKB and its Industrial Chemical sub-segment
RM87,000

Number of beneficiaries

KLK
46,570 individuals

BKB and its Industrial Chemical sub-segment
142 beneficiaries

GOVERNANCE

BUSINESS ETHICS & INTEGRITY

Related UNSDGs:

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why is this important?

Upholding the values of ethics and integrity is fundamental to our commitment to stakeholders. Ethical behaviour lays the foundation for long-lasting positive impacts on the business, fostering strong business relationships and boosting employee productivity. Running the business ethically helps create stronger bonds with stakeholders and instils stability within the Group.

Additionally, with the increasing digitalisation and data-centric operations, protecting against data breaches and safeguarding privacy is crucial for maintaining ethical standards. This helps prevent unauthorised access to sensitive information, thereby protecting our stakeholders' trust and avoiding potential legal and reputational risks.

Our approach

At BKB Group, we believe in upholding business ethics and maintaining a high standard of corporate governance, guided by our Code of Conducts and Ethics. The Board continuously identifies best practices to foster a culture of good corporate governance, which is crucial for sustainable growth and enhancing shareholder value.

Our stance against corruption is clearly outlined in our Group Anti-Corruption ("**ABAC**") Policy, which is regularly reviewed to ensure alignment with the Malaysian Anti-Corruption Commission ("**MACC**") Act 2009. All new employees undergo an induction programme to familiarise themselves with the Group's ABAC Policy and other relevant policies and procedures. Additionally, suppliers, contractors, agents and customers are informed of our ABAC policy through the Group's notification letter.

As part of our ethical commitment, we have established comprehensive data protection policies to prevent privacy breaches. These measures include secure data handling procedures, regular risk assessments, and adherence to data protection regulations such as the Personal Data Protection Act ("**PDPA**"). We also provide ongoing training on data protection and cybersecurity to our employees, reducing the risk of data breaches and ensuring that all personal and sensitive information is managed securely.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

GOVERNANCE (Continued)

BUSINESS ETHICS & INTEGRITY (Continued)

Our performance

ANTI-CORRUPTION

At KLK Group (Plantation segment and Oleochemical, Refinery & KCP sub-segment)

Percentage of employees who have received training on anti-corruption by employee category

	Plantation	Manufacturing
Board of Directors	100%	100%
Senior Management	100%	100%
Middle Management	100%	100%
Junior Management	100%	100%
Executives & Non-Executives	99%	99%

Note: Plantation workers are not required to undergo anti-corruption training.

Number of sites assessed for corruption-related risks
KLK undertook corruption risk assessment, Anti-Bribery and Anti-Corruption (“**ABAC**”) Control Self-Assessment encompassing functions and business units across all operational regions, across 58 sites in FY 2024.

Confirmed incidents of corruption and action taken
In FY 2024, there were zero incidents of corruption recorded within KLK.

At Industrial Chemical

Percentage of employees who have received training on anti-corruption by employee category
BKB Corporate conducts annual refresher trainings for the ABAC and whistleblowing policies as control measure for the Group’s employees and associated persons to act professionally, fairly and with integrity in all business dealings and relationship. In FY 2024, 75% of executives and 90% of non-executives received training on anti-corruption.

Percentage of operations assessed for corruption-related risks
During the year under review, the internal audit team has conducted a corruption risk review to assess and identify vulnerable processes and risk factors that may require mitigation controls to address potential bribery and corruption practices. 100% of operations were assessed for corruption-related risks.

BKB Corporate also underwent a review of the ABAC framework to ensure effectiveness. This review is conducted every three (3) years. Focus group discussions were held with Sales and Procurement teams to create a better understanding of the policies and procedures set out in the Group’s ABAC and standard operating procedures. These policies are available on our BKB website and some subsidiaries’ intranet to ensure that they are accessible to all stakeholders.

We believe that robust risk management is an important element to mitigate bribery and corruption risks. Effective risk management enables the identification of emerging sustainability risks and the execution of action plans to minimise any identified risks.

Confirmed incidents of corruption and action taken
As at FY 2024, zero incidents of corruption across BKB and its Industrial Chemical sub-segment were recorded.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

GOVERNANCE (Continued)

BUSINESS ETHICS & INTEGRITY (Continued)

Our performance (Continued)

DATA PRIVACY AND SECURITY

With the acceleration in adoption of digital technologies and infrastructure, it has also made data more susceptible to cybersecurity risks. As a result, we have a responsibility to manage the growing threat of cyber-attacks on the Group, including protecting our customers' sensitive information, to prevent any leaks, threats or loss of customer information.

At KLK Group (Plantation segment and Oleochemical sub-segment)

Protecting against data breaches is of utmost concern for KLK Group. The responsible handling of sensitive information, be it related to their operations, employees, customers, or stakeholders, is integral to maintaining trust and safeguarding their reputation. Some of the measures they have put in place to mitigate the risk of data leakage are as follows:

(i) Updated their Group IT & Security Policy to ensure good governance and coordinate security activities across the organisation.

(ii) Conducted regular "Whitehat" phishing exercises to assess and enhance their security measures.

(iii) Conducted annual IT Security Awareness training for all employees to stay informed about evolving cybersecurity threats.

Number of substantiated complaints concerning breaches in customer privacy and losses of customer data
As a result of their robust measures, KLK has received zero substantiated complaints regarding breaches of customer privacy or losses of customer data. This reflects KLK's unwavering commitment to safeguarding sensitive information and maintaining the trust of their customers.

At Industrial Chemical

Our cybersecurity measures strictly adhere to our Data Privacy Policy which is developed in accordance with the PDPA 2010 and aligned with General Data Protection Regulation Framework.

Number of substantiated complaints concerning breaches in customer privacy and losses of customer data
As of FY 2024, there were zero substantiated complaints concerning breaches in customer privacy or data loss.

At BKB, managing data and security is an integral part of our ERM framework. We monitor regularly to ensure that our data privacy and security controls and processes are operating effectively.

TRACEABILITY

Related UNSDGs:

8 DECENT WORK AND ECONOMIC GROWTH

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Why is this important?

Traceability refers to the capability to identify and track the origin, distribution, location and application of products and materials throughout the supply chains.

In our Plantation segment and Oleochemical sub-segment under KLK Group, traceability is crucial for maintaining transparency, integrity, and accountability throughout their palm oil supply chain. It plays a critical role in managing risks related to deforestation, biodiversity loss, and unethical practices, ensuring that their suppliers and operations comply with KLK's NDPE (No Deforestation, No Peat, No Exploitation) policies, which have been in place since 2015. Effective traceability practices enable KLK to verify the source of raw materials, monitor compliance with their sustainability commitments, and provide credible assurance to stakeholders about the sustainability of their products.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

GOVERNANCE (Continued)

TRACEABILITY (Continued)

Our approach

To encourage greater buy-in from their supply chain regarding traceability, KLK Group is dedicated to making the process as straightforward and seamless as possible for their supply chain partners. Establishing traceability and promoting transparency are crucial for assuring the public that they are choosing sustainably produced palm oil that does not contribute to deforestation or wildlife habitat destruction. However, tracking palm products from third-party suppliers, including smallholders, independent growers, and small mills, refineries and production facilities, remains challenging. Despite KLK's best efforts, obtaining comprehensive data from these suppliers for thorough traceability analysis has been a significant hurdle.

Compliance with the European Union Deforestation Regulation ("EUDR"): Given the significance of the European market for KLK, compliance with the new EUDR is a priority. The EUDR mandates that commodities like palm oil must not contribute to deforestation and must be produced according to the EU's sustainability criteria. KLK is proactively working to ensure that their supply chain meets EUDR requirements. This involves enhancing their traceability processes, conducting thorough due diligence on suppliers, and integrating EUDR compliance checks into their risk assessment framework. Their EUDR Task Force, established specifically for this purpose, is actively leading their efforts to ensure compliance for supplies to European customers.

Geospatial Monitoring: KLK employs geospatial monitoring tools and satellite imagery to track land use changes, ensuring all palm oil sources are free from deforestation and peatland development. These technologies enable real-time monitoring and rapid identification of any non-compliant areas, allowing for immediate corrective action.

Supplier Engagement and Transparency: KLK requires all suppliers to provide detailed information on their sourcing practices and supply chain, which is verified against sustainability criteria. KLK also collaborates with suppliers to build their capacity in traceability and ensure compliance with KLK's NDPE policies. To this end, regular training session and capacity-building initiatives are provided.

Collaborations and Partnerships: KLK collaborates with NGOs, certification bodies and other stakeholders to strengthen traceability efforts, provide transparency, improve traceability framework, and promote best practices for sustainable palm oil production.

Supplier Mapping and Risk Assessment: KLK has mapped out all their suppliers and conducts comprehensive risk assessment to identity potential sustainability risks. Suppliers deemed to pose higher risk are subject to more stringent monitoring.

Progress Towards 100% Traceability: KLK is making steady progress towards the goal of achieving 100% traceability to plantations for refineries and kernel crushing plants, and to mills for oleochemical plants.

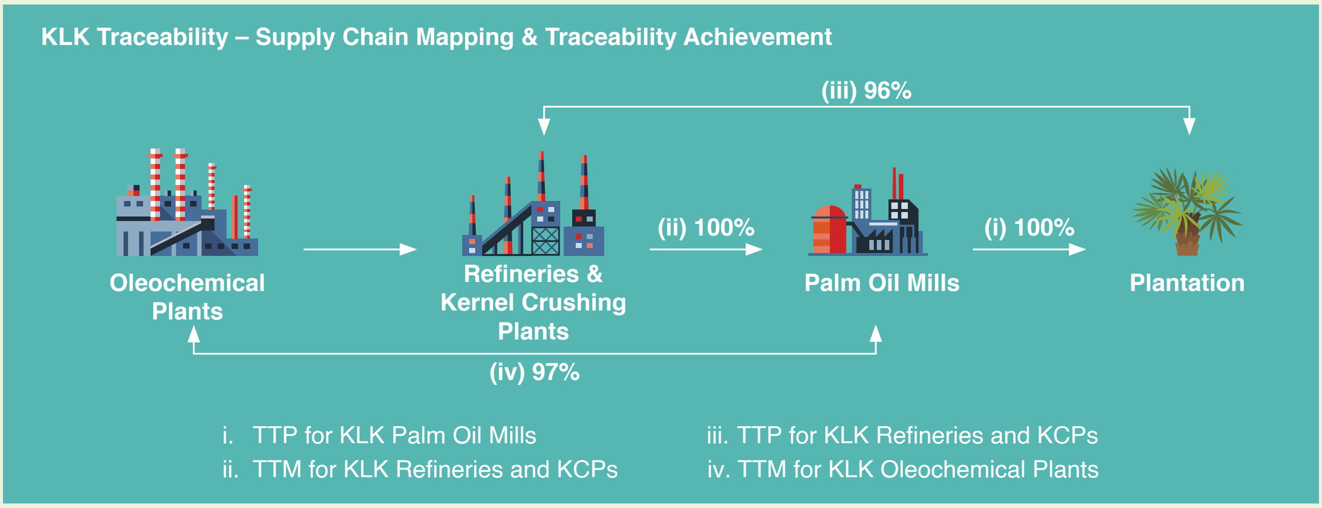
MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

GOVERNANCE (Continued)

TRACEABILITY (Continued)

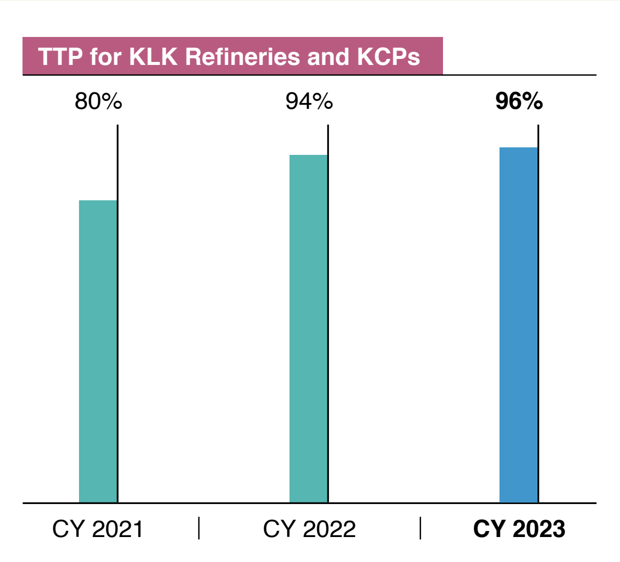
Our performance

TRACEABILITY

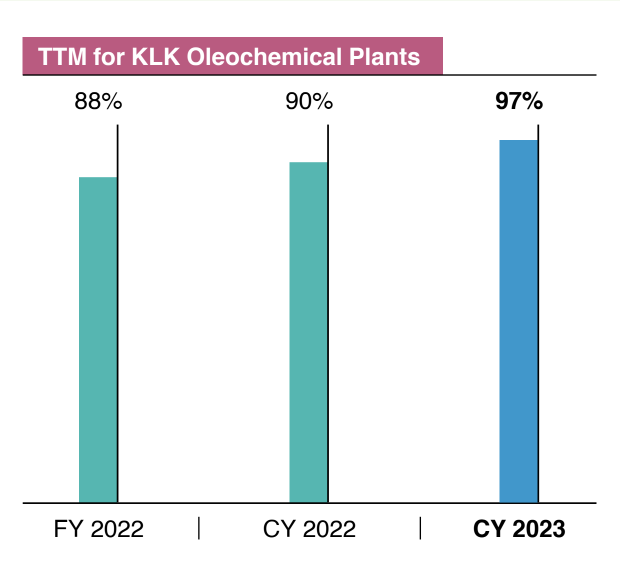


KLK Traceability – Supply Chain Mapping & Traceability Achievement

i. TTP for KLK Palm Oil Mills
ii. TTM for KLK Refineries and KCPs
iii. TTP for KLK Refineries and KCPs
iv. TTM for KLK Oleochemical Plants



TTP for KLK Refineries and KCPs



TTM for KLK Oleochemical Plants

Note: Traceability data is recorded according to calendar year, and not the financial years, to ease data collation.

KLK has achieved an improvement of 2% in traceability to plantation ("**TTP**") for KLK Refineries and Kernel Crushing Plants to 96%, and a 7% enhancement in traceability to mill ("**TTM**") for Oleochemical plants to achieve 97%. Additionally, KLK has maintained 100% traceability from palm oil mills ("**POMs**") to plantations and FFB suppliers, as well as from Refineries and KCPs to POMs.

MANAGEMENT APPROACH FOR MATERIAL MATTERS (Continued)

GOVERNANCE (Continued)

TRACEABILITY (Continued)

Our performance (Continued)

SUPPLY CHAIN MANAGEMENT

BKB suppliers are required to adhere to the Code of Ethics and Conduct, ABAC policies and procedures, sustainable procurement practices and the safeguarding of employees' and workers' rights, which can be accessed through the corporate website. Furthermore, KLK suppliers must adhere to the KLK Supplier Code of Conduct, which covers human rights, fair labour practices, environmental protection and ethical business conduct. Within KLK, the Supplier Screening & Grievance Management ("**SSGM**") Committee is responsible for comprehensive screening of new and existing suppliers based on both social and environmental criteria.

	Plantation		Oleochemical	
Supplier Screening	**CY 2022**	**CY 2023**	**CY 2022**	**CY 2023**
Proportion of new suppliers screened using environmental data	100%	100%	100%	100%
Proportion of new suppliers screened using social data	100%	100%	100%	100%
Number of existing suppliers screened using environmental data	13	25	Remark	
Number of existing suppliers screened using social data	0	0	0	0

Remark: Oleochemical sub-segment monitored existing suppliers whose operations comprise a total of 11.8 million hectares of landbank, 8.8 million hectares of planted area, 3,536 plantations, 747 mill suppliers and 215 group suppliers.

In collaboration with NGOs such as Proforest in Malaysia and Daemeter in Indonesia, KLK conducted three (3) successful supplier sustainability conventions in FY 2024, involving 110 participants from 63 suppliers. These sessions were designed to strengthen KLK's commitment to supply chain sustainability and responsible sourcing, with a focus on KLK's sustainability direction, evolving market demands, and EUDR compliance.

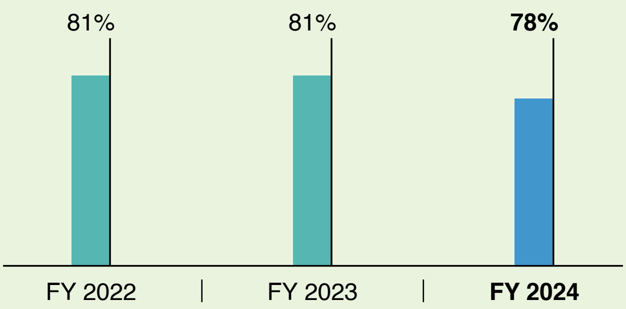
<u>Proportion of spending on local suppliers</u>

	Plantation		Oleochemical	
	FY 2023	**FY 2024**	**FY 2023**	**FY 2024**
Proportion spent on local suppliers	100%	100%	95%	91%

Note: For the purpose of this report, our focus is exclusively on palm oil supply, as it is the most material aspect of our business. All information presented is specific to our operations in Malaysia.

KLK prioritises sourcing palm oil supplies from local third-party providers who adhere to KLK's NDPE policy. This reinforces KLK's commitment to sustainable practices and empowering the local economy through responsible sourcing.

Proportion spent on local suppliers



<u>Industrial Chemical</u>

Within the Industrial Chemical sub-segment, local suppliers are prioritised, with 78% of the total amount spent on purchases being spent on local suppliers in FY 2024.

SUSTAINABILITY REPORTING INDEX

Batu Kawan Berhad, as a Listed Issuer, is required to provide mandatory ESG disclosures in accordance with the Main Market Listing Requirements, aligned with the enhanced Bursa Malaysia Sustainability Reporting Guide, 3rd Edition. The performance data table below summarises key indicators relevant to our material matters. Unless stated otherwise, data in the table below is reported at the BKB Group level.

Indicator	Measurement Unit	2024
Bursa (Anti-corruption)		
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category		
Board of Directors	Percentage	100
KLK: Senior Management	Percentage	100
KLK: Middle Management	Percentage	100
KLK: Junior Management	Percentage	100
KLK: Executives & Senior Executives	Percentage	99
Industrial Chemical: Executives	Percentage	75
Industrial Chemical: Non-Executives	Percentage	90
Bursa C1(b) KLK: Percentage of operations assessed for corruption-related risks	Percentage	97
Bursa C1(b) Industrial Chemical: Percentage of operations assessed for corruption-related risks	Percentage	100
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0
Bursa (Community/Society)		
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	3,210,280
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	46,712
Bursa (Diversity)		
Bursa C3(a) Percentage of employees by gender and age group, for each employee category		
KLK: Age Group by Employee Category		
Senior Management Under 30	Percentage	1
Senior Management Between 30-50	Percentage	50
Senior Management Above 50	Percentage	49
Middle Management Under 30	Percentage	2
Middle Management Between 30-50	Percentage	65
Middle Management Above 50	Percentage	32
Junior Management Under 30	Percentage	4
Junior Management Between 30-50	Percentage	75
Junior Management Above 50	Percentage	21
Executives & Senior Executives Under 30	Percentage	30
Executives & Senior Executives Between 30-50	Percentage	57
Executives & Senior Executives Above 50	Percentage	13
Non-Executives Under 30	Percentage	29
Non-Executives Between 30-50	Percentage	61
Non-Executives Above 50	Percentage	9

SUSTAINABILITY REPORTING INDEX (Continued)

Indicator	Measurement Unit	2024
Bursa (Diversity)		
Industrial Chemical: Age Group by Employee Category		
Executives & Senior Executives Under 30	Percentage	21
Executives & Senior Executives Between 30-50	Percentage	56
Executives & Senior Executives Above 50	Percentage	23
Non-Executives Under 30	Percentage	25
Non-Executives Between 30-50	Percentage	56
Non-Executives Above 50	Percentage	19
KLK: Gender Group by Employee Category		
Senior Management Male	Percentage	76
Senior Management Female	Percentage	24
Middle Management Male	Percentage	70
Middle Management Female	Percentage	30
Junior Management Male	Percentage	74
Junior Management Female	Percentage	26
Executives & Senior Executives Male	Percentage	69
Executives & Senior Executives Female	Percentage	31
Non-Executives Male	Percentage	81
Non-Executives Female	Percentage	19
Industrial Chemical: Gender Group by Employee Category		
Executives & Senior Executives Male	Percentage	60
Executives & Senior Executives Female	Percentage	40
Non-Executives Male	Percentage	85
Non-Executives Female	Percentage	15
Bursa C3(b) Percentage of directors by gender and age group		
Male	Percentage	75
Female	Percentage	25
Under 30	Percentage	0
Between 30-50	Percentage	25
Above 50	Percentage	75
Bursa (Energy management)		
Bursa C4(a) Total energy consumption	Megawatt	1,482,010
Bursa (Health and safety)		
Bursa C5(a) KLK: Number of work-related fatalities	Number	4
Bursa C5(a) Industrial Chemical: Number of work-related fatalities	Number	0
Bursa C5(b) KLK: Lost time incident rate (“LTIR”)	Rate	21.12
Bursa C5(b) Industrial Chemical: Lost time incident rate (“LTIR”)	Rate	1.75
Bursa C5(c) Number of employees trained on health and safety standards	Number	12,572

SUSTAINABILITY REPORTING INDEX (Continued)

Indicator	Measurement Unit	2024
Bursa (Labour practices and standards)		
Bursa C6(a) Total hours of training by employee category		
Board of Directors	Hours	324
KLK: Senior Management	Hours	3,026
KLK: Middle Management	Hours	6,071
KLK: Junior Management	Hours	13,132
KLK: Executives & Senior Executives	Hours	24,463
KLK: Non-Executives	Hours	49,962
Industrial Chemical: Executives & Senior Executives	Hours	7,902
Industrial Chemical: Non-Executives	Hours	18,050
Bursa C6(b) KLK: Percentage of employees that are contractors or temporary staff	Percentage	27
Bursa C6(b) Industrial Chemical: Percentage of employees that are contractors or temporary staff	Percentage	12
Bursa C6(c) Total number of employee turnover by employee category		
KLK: Senior Management	Number	8
KLK: Middle Management	Number	14
KLK: Junior Management	Number	17
KLK: Executives & Senior Executives	Number	96
KLK: Non-Executives	Number	2,113
Industrial Chemical: Executives & Senior Executives	Number	49
Industrial Chemical: Non-Executives	Number	108
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0
Bursa (Supply chain management)		
Bursa C7(a) KLK: Proportion of spending on local suppliers	Percentage	91
Bursa C7(a) Industrial Chemical: Proportion of spending on local suppliers	Percentage	78
Bursa (Data privacy and security)		
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0
Bursa (Water)		
Bursa C9(a) Total volume of water used	Megalitres	18,197.31
Bursa (Waste management)		
Bursa C10(a) Total waste generated	Metric tonnes	56,601
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	26,343
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	30,267
Bursa (Emissions management)		
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	1,028,241
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	415,048
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	153,751

Corporate Governance Overview Statement

The Board of Directors ("**Board**") of Batu Kawan Berhad ("**BKB**" or "**Company**") recognises that effective corporate governance is essential for driving and achieving the Group's operations and objectives, thereby enhancing stakeholders' value and ensuring long-term, sustainable business growth and corporate accountability. The Board is continuously strengthening the corporate governance practices and internal controls of the Group to ensure that a high standard of corporate governance is adopted across the Group.

The Board is pleased to present this statement with an overview of the Group's state of corporate governance practices during the financial year ("**FY**") ended 30 September 2024. This overview statement explains the application by the Group of the following three (3) key principles and the practices as set out in the *Malaysian Code on Corporate Governance* ("**MCCG**"):

(a) Board leadership and effectiveness;
(b) Effective audit and risk management; and
(c) Integrity in corporate reporting and meaningful relationship with stakeholders.

This Statement complements the Corporate Governance Report which is based on a prescribed format in accordance with the *Main Market Listing Requirements* ("**Main LR**") of Bursa Malaysia Securities Berhad ("**Bursa Malaysia**"). The Corporate Governance Report is available on the Company's website, *www.bkawan.com.my*. This Statement should also be read in conjunction with the *Statement on Risk Management and Internal Control* and *Audit and Risk Committee Report* accompanying the *Annual Report*.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS

I. Board Leadership

The Company continues to be led by an experienced and diverse Board who sets the strategic objectives and direction for the Group. This is to ensure its long-term success and the delivery of sustainable value to its stakeholders. The Directors collectively, have wide and varied technical, financial and commercial experience which facilitate effective, thorough and considered discharge of the Board's statutory and fiduciary duties and responsibilities.

Management is responsible for managing the Company in accordance with the direction and delegation set by the Board, while the Board is focused on overseeing the Group's overall governance. The Board will ensure the effective implementation of strategic plans, and monitoring accountability to the Group and its stakeholders. They will oversee the activities of Management in carrying out these delegated responsibilities.

Roles and Responsibilities of the Board

The Board assumes, amongst others, the following principal functions and responsibilities (which are as set out in the *Board Charter*):

(a) Providing leadership to the Company by:

- guiding the development of appropriate standards and values for the Company.
- acting in a manner consistent with its *Code of Conduct for Directors* and the *Code of Conduct and Ethics for the Company* ("**Codes**").
- promoting a good corporate governance culture which reinforces ethical, prudent and professional behavior within the Company.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. Board Leadership (Continued)

Roles and Responsibilities of the Board (Continued)

(b) Overseeing the development and implementation of corporate strategies by:

- ensuring the Senior Management team develop an appropriate strategic direction and set of goals for the Group.
- regularly discussing and reaching consensus on the Company's strategic direction and goals to ensure long-term value creation.
- overseeing the formulation of the Group's sustainability strategies, priorities and targets (including management of the Group's resources by planning, setting and evaluating the strategies to ensure its sustainability goals and targets are met and the impacts of sustainability risks and opportunities are managed) while balancing stakeholder interests.
- fostering thorough discussions regarding the Group's exposure to Environmental, Social and Governance risks assessments and strategic considerations by ensuring sustainability-related matters are raised on the boardroom agenda.
- reviewing and approving of the long-term vision, strategic plans and annual corporate budgets, including operating budgets, capital expenditure budgets and cash flow budgets.
- reviewing the progress and performance of the Company in meeting these plans and corporate objectives.

(c) Ensuring corporate accountability to the shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and, through its Chairman, being the key interface between the Company and its shareholders.

(d) Overseeing the control and accountability systems that seek to ensure the Company is progressing towards the goals set by the Board and in line with the Company's purpose, the agreed corporate strategy, legislative requirements and community expectations.

(e) Ensuring effective risk management, compliance and control systems (including legal compliance) are in place.

(f) Delegating appropriate powers to the BKB Managing Director, Management and Board Committees to ensure that the effective day-to-day management of the business and monitoring the exercise of these powers.

(g) Ensuring Senior Management has the necessary skills and experience, and that measures are in place to provide for orderly succession of members of the Board and Senior Management.

(h) Ensuring all its Directors are able to understand financial statements and can form a view on the information presented therein.

(i) Ensuring the integrity of the financial and non-financial reporting of the Company and its subsidiaries.

(j) Exercising its powers for a proper purpose and in good faith in the best interests of the Group and exercising reasonable care, skill and diligence at all times in the discharge of its duties.

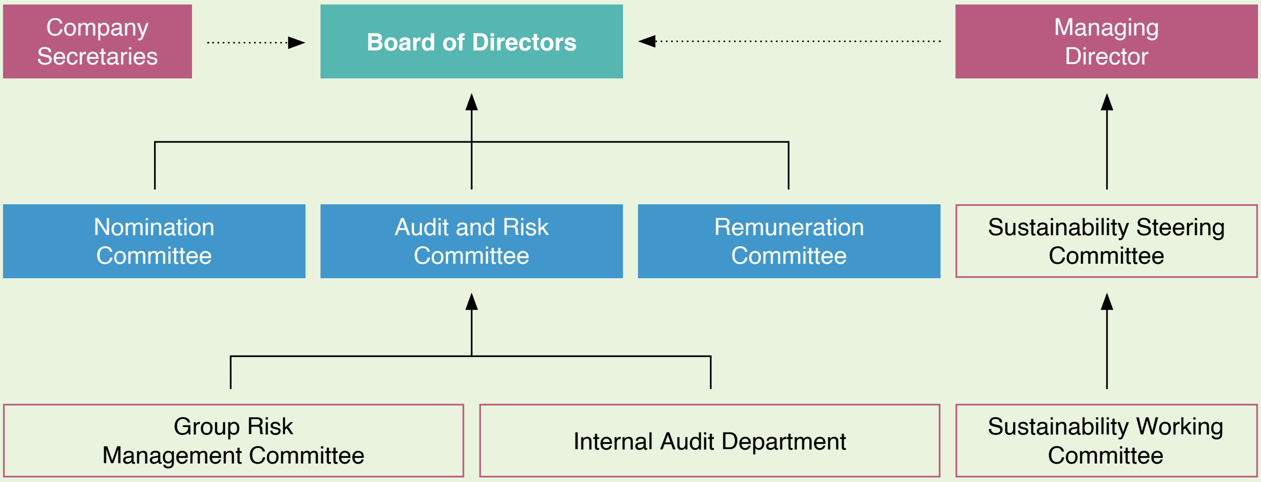
The Board delegates certain of its governance responsibilities to the Board Committees, i.e. the Audit and Risk Committee, Nomination Committee and Remuneration Committee, which operate under their clearly defined *Terms of References*. The Chairman of the respective Board Committees report to the Board on the outcome of their deliberations of the Board Committee meetings for final decisions.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. Board Leadership (Continued)

Roles and Responsibilities of the Board (Continued)

The governance structure of the Board is illustrated below:



The Board meets at least four (4) times a year, with additional meetings convened as and when necessary. The annual meeting calendar is prepared and circulated in advance of each new year in order to facilitate the Directors' time planning. During the FY 2024, a total of six (6) Board meetings were held. The details of attendance of each Director at the Board meetings are as follows:

Name of Directors	Number of Meetings Held[1]	Attended
Tan Sri Dato' Seri Lee Oi Hian	6	6
Dato' Lee Hau Hian	6	6
Dato' Yeoh Eng Khoon	6	6
Mr. Quah Chek Tin	6	6
Dr. Tunku Alina Binti Raja Muhd Alias	6	6
Mr. Lee Yuan Zhang	6	6
Mr. Lim Ban Aik	6	6
Ms. Susan Yuen Su Min	6	6
Tan Sri Rastam Bin Mohd Isa[2]	0	0

[1] *reflects the number of meetings held during the period the Directors held office.*

[2] *Tan Sri Rastam Bin Mohd Isa resigned as a Director on 2 October 2023.*

The Board is satisfied with the level of commitment given by the Directors in carrying out their duties and responsibilities which is evidenced by the attendance record of the Directors above.

None of the Directors hold more than five (5) directorships each in listed corporations, which should enable the Directors to devote sufficient time to their duties as Directors.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. Board Leadership (Continued)

The Codes

The Board has formalised the Codes that govern the core ethical values of the Group, emphasising a commitment to high standards of integrity, transparency, accountability and corporate social responsibility. These Codes also promote good business conduct and support a healthy corporate culture that fosters integrity, transparency and fairness within BKB. The Codes provide commitment to ethical values through the key requirements relating to conflict of interest, public representation, insider trading, confidentiality of information and compliance with law and regulations.

The Codes (last reviewed and updated in August 2022) are available on the Company's website, *www.bkawan.com.my*.

Roles of Chairman and BKB Managing Director

The positions of the Chairman and the BKB Managing Director are held by different individuals with clear and distinct roles which are formally documented in the *Board Charter* of the Company. The separation of roles promotes accountability and facilitates division of responsibilities between them as a check and balance mechanism. The Chairman manages the Board's effectiveness and conduct, whilst the BKB Managing Director has overall responsibility for the day-to-day management, operating units, organisational effectiveness and implementation of Board policies and decisions.

Although the Chairman of the Board is a Non-Independent Director, the Independent Directors ensure a good balance of power and authority on the Board. The Independent Directors further fulfill a pivotal role in corporate accountability. Although all the Directors have an equal responsibility for the Group's operations, the role of these Independent Non-Executive Directors is particularly important as they provide unbiased and independent views, advice and judgement. Furthermore, the tenure of service of the Independent Directors does not exceed the tenure limit of nine (9) years under the MCCG, which will prevent the risk of impairment to objectivity due to familiarity.

Company Secretaries

The Board members have full access to three (3) in-house Company Secretaries, all of whom are qualified to act as company secretaries under the *Companies Act 2016*. The Company Secretaries are responsible for ensuring the Group's adherence and compliance with the relevant statutory and regulatory requirements. They ensure that deliberations at Board and Board Committees are properly documented and subsequently communicated to the relevant Management for their further actions.

Supply of and Access to Information and Advice

The Directors have direct and unrestricted access to all information relating to the affairs of the Group, whether as a full Board or in their individual capacity and have authority to seek external professional advice should they so require.

The Board and Management receive formal notification of Board and Board Committee meeting dates approximately one (1) month prior to the meetings. All Directors are provided with an agenda and a set of Board papers for Board meetings at least seven (7) days prior to the meetings. This would give sufficient time to the Directors to obtain further explanation/clarification, where necessary, in order to be properly briefed before the meetings. The Board papers include, amongst others, the following:

- quarterly financial report and a report on the Group's cash and borrowings position;
- a current review of the operations of the Group;
- minutes of meetings of all Board Committees; and
- minutes of previous Board meetings.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. Board Leadership (Continued)

Supply of and Access to Information and Advice (Continued)

Monthly reports on the financial performance of the Company and the Group are also provided to the Directors for their information. All proceedings of meetings which include all material deliberations and recommendations are properly minuted and filed in the statutory records of the Company, which is accessible by the Directors at all times. Notices on the closed periods for dealings in the shares of the Company are circulated to all Directors and principal officers of the Company in order for them to make necessary disclosure to the Company in advance of whenever the closed period is applicable.

In recognising the importance of sound and timely information flow to Board, announcements made to Bursa Malaysia will be circulated to all Directors on the day the announcements are released. Copies of Director's notices on changes of Director's interests and other directorships will also be given to the other Directors of the Company within the timeframe prescribed by the regulations. Senior Management is requested to attend Board meetings to present and provide additional information on matters being discussed and to respond to any queries that the Directors may have.

Group Anti-Corruption Policy

In fostering an anti-corruption culture and ensuring that its activities and business transactions are open and transparent, the Group has in place the *Group Anti-Corruption Policy* and its *Standard Operating Procedures* ("**SOP**"). These documents set out the Group's stance on corruption and bribery, serving as a control mechanism for the Group's employees and associated persons to act professionally, fairly and with integrity in all business dealings and relationships. The *Group Anti-Corruption Policy* is available on the Company's website, *www.bkawan.com.my*.

During the year under review, the Internal Auditors have conducted a corruption risk review to assess and identify vulnerable processes and risk factors that may require mitigation controls to address potential bribery and corruption practices. Training and awareness sessions were held for employees to increase and improve awareness on anti-fraud, bribery and corruption matters. Respective Operating Centre's Human Resource personnel continue to create understanding of the policies and procedures set out in the *Group Anti-Corruption Policy* and *SOP*.

The Group recognises that robust risk management is an important element to mitigate bribery and corruption risks. Effective risk management enables the identification of emerging sustainability risks and the execution of action plans to minimise any identified risks. In line with this, the Anti-Corruption Working Group and Internal Audit Department conducted a review of the Group's anti-bribery and corruption programme to assess its performance, efficiency and effectiveness and overall risk management system. This review also aimed to provide assurance that the Group is operating in compliance with its corruption-related policies and procedures. Following the review, recommendations and corresponding actions were approved to address areas identified for improvement.

Group Whistleblowing Policy

The Company has adopted a *Group Whistleblowing Policy* whereby the stakeholders (including employees) can raise their concerns in confidence, without fear of retaliation, and are protected from reprisals and victimisation in respect of whistleblowing done in good faith. The Company conducts all internal investigation processes in compliance with the applicable law and with focus on accuracy, precision, fairness and respect for all parties involved, to ensure that all parties receive fair and ethical treatment.

All concerns should be addressed to the immediate superior or BKB Managing Director, or to the Audit and Risk Committee Chairman for concerns which cannot be resolved through normal channels of the immediate superior or BKB Managing Director. The Audit and Risk Committee reviews on a quarterly basis all whistleblowing cases received.

The policy is available on the Company's website, *www.bkawan.com.my*.

Directors' Training

All Directors have attended the *Mandatory Accreditation Programme* ("**MAP**") Part I on corporate governance and director's roles, duties and liabilities, and completed the MAP Part II on sustainability, as required under the *Main LR*.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. Board Leadership (Continued)

Directors' Training (Continued)

To foster a more immersive learning experience, Management arranged on-site visits, providing valuable opportunities for informal engagement between the Board and Management teams across the Group's operations. These visits enhanced Directors' contributions to the Group's operations and kept them updated on industry-specific developments.

The Directors have also attended various seminars, courses and training to keep abreast of the developments on a variety of areas relevant to the Group's business. These seminars and training programmes cover a wide range of topics, which include leadership management, corporate governance, risk management and internal control, financial reporting, tax, strategic planning, developments in the palm oil industry, finance and economic outlook, and emerging technology. The conferences, seminars and training programmes attended by Directors were as follows:

Conference / Seminar / Workshop	**Presenter / Organiser**
2024 Budget Seminar	Deloitte Tax Services Sdn Bhd
BCP is Out: Director Preparedness for AI-powered Attacks on People, Tech and Governance	Institute of Corporate Directors Malaysia
Board Oversight of Climate Risks and Opportunities	Asia School of Business
KPMG Board Leadership Centre Exclusive: Cybersecurity Oversight – Board Responsibilities in light of the Cybersecurity Act 2024	KPMG Board Leadership Centre (In collaboration with Zaid Ibrahim & Co)
Breakfast Roundtable: Leveraging AI in the Fight against Financial Crime	Asia School of Business
Building Sustainable Credibility: Assurance, Greenwashing and the rise of Green Hushing	Institute of Corporate Directors Malaysia
Carbon Markets: What Directors Need to Know	Asia School of Business
Conflict of Interest ("**COI**") and Governance of COI Programme	Bursa Malaysia Berhad
Corporate Board Leadership Symposium 2024	Malaysian Institute of Accountants
Data Science & Analytics for Strategic Decision-making Programme	Singapore Management University
ICDM Board Sustainability Committee Dialogue & Roundtable – How Resilient is Your Business to Nature and Biodiversity Risks	Institute of Corporate Directors Malaysia
International Sustainable Energy Summit 2024	The Sustainable Energy Development Authority (SEDA) Malaysia
National Palm Oil Conference 2023: Palm Progress – Future-Proofing Competitiveness and Sustainability	Malaysian Palm Oil Association
Management of Cyber Risk Programme	EY Consulting Sdn Bhd
National Resolution Symposium 2024 – Building Collaborative Resolvability: From Policy to Practice	Malaysia Deposit Insurance Corporation
Navigating Environmental, Social & Governance ("**ESG**") Risk in the Supply Chain	Institute of Corporate Directors Malaysia
Occupational Safety and Health (OSH) Coordinator Competency Programme	Penang Skills Development Centre (PSDC)
Palm and Lauric Oils Price Outlook Conference & Exhibition 2024	Bursa Malaysia Derivatives Berhad
Preventing Fraud: The Board's Roles and Responsibilities	FIDE
Sasana Symposium 2024	Bank Negara Malaysia
Sustainable Sustainability – Why ESG is not enough	Asia School of Business
Tax Briefing on Capital Gains Tax	KPMG Tax Services Sdn Bhd
The Risk Landscape: Navigating Climate Transition Risks in a Circular Economy	KPMG
The Three Sides of Capital Markets: Ethics, Emissions and the Epic Silver Lining Ahead	Asia School of Business
Water Symposium: FLOWS Future Leaders of Water Sustainability	UN Global Compact Network Malaysia & Brunei

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

I. Board Leadership (Continued)

Board Charter

The *Board Charter* of the Company sets out the roles and responsibilities of the Board and Board Committees, and the processes and procedures for their meetings. It further elaborates the division of responsibilities for the Board, Board Committees, Management, Chairman, BKB Managing Director as well as the Independent Directors.

The *Board Charter* is reviewed periodically and the last review was carried out in May 2024 to ensure that it complies with the latest legislation and best practices, and remains relevant and effective. The *Board Charter* is published on the Company's website, *www.bkawan.com.my*.

Governing Sustainability

The Group is committed to operating its business in alignment with environmental, social, governance and economic responsibilities. This commitment involves operating within the law while fostering innovation and addressing the needs of diverse stakeholders.

The Board, assisted by the Sustainability Steering Committee and Sustainability Working Committee, oversees the sustainability of the Group's operations and strategies.

During the year under review, the Board together with the Sustainability Steering Committee, assessed the FY 2023 sustainability performance of the Group in order to use the resulting outcome to better manage their processes for improvements. They also reviewed the FY 2024 sustainability initiatives (which in addition to the existing framework, included amongst others tracking of performance for other Scope 3 categories associated with value chain emissions and incorporating a 'Statement of Assurance' in the *Sustainability Statement*).

The Board also formalised a *Group Sustainability Policy* for the purpose of communicating the Group's Sustainability approach to stakeholders. The *Group Sustainability Policy* is available on the Company's website at *www.bkawan.com.my*.

The Board continues to play an essential role in aligning its Sustainability initiatives with the strategic direction of the Group. The Directors also participated in training and/or seminars to stay abreast with and understand the sustainability issues relevant to the Group and the business, including climate-related risks and opportunities.

Further details on the sustainability reporting of the Group can be found in the *Sustainability Statement* in this *Annual Report*.

II. Board Size, Composition and Diversity

The Board is confident that a diverse and inclusive composition will enable it to draw on the varied perspectives of its members, fostering strong stewardship and ensuring long-term growth.

For FY 2024, the Board comprised eight (8) members, seven (7) Non-Executive Directors (including the Chairman) and one (1) Executive Director. The composition of the Board meets the requirements of *Main LR* of Bursa Malaysia of at least one-third (1/3) of the Board being independent.

Together, the Directors bring a wide range of competencies, capabilities, technical skills and relevant business experience. This mix of skills and experience is vital for the successful direction of the Group.

The Board recognises the need to enhance boardroom diversity which is not only about diversification in terms of gender, but in terms of age, ethnicity and social backgrounds. Hence, the Board has always been in support of a policy of non-discrimination on the basis of race, religion and gender.

During the year, the Board maintained a total number of two (2) women Directors and will continue to source for suitable qualified women candidates for appointment to the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. Board Size, Composition and Diversity (Continued)

Independent Directors

The Board recognises the importance of independence and objectivity in the decision-making process. For FY 2024, the Board comprised three (3) Independent Directors, one (1), Dr. Tunku Alina Binti Raja Muhd Alias, of whom the Board had designated as the Senior Independent Director ("**SID**").

To-date, none of the present Independent Directors of the Company has exceeded the *Main LR*'s mandatory 12-year tenure limit and *MCCG* recommendation which limits the tenure of an Independent Director to not more than nine (9) years.

Nomination Committee

The Nomination Committee's key function is to establish formal and transparent policies and procedures to recruit, retain, train and develop the best available directors, and manage board renewal and succession effectively. The Nomination Committee has its own written *Terms of Reference* (which was last updated in May 2022) which deals with its authority and duties.

For FY 2024, the Nomination Committee comprised exclusively Non-Executive Directors, the majority of whom are independent, as follows:

Ms. Susan Yuen Su Min (Chairperson) – Independent Non-Executive Director
Tan Sri Dato' Seri Lee Oi Hian – Non-Independent Non-Executive Director
Mr. Lim Ban Aik – Independent Non-Executive Director

The Nomination Committee meets at least once a year, with additional meetings convened as and when necessary. During the FY under review, two (2) Nomination Committee meetings were held and the attendance of the members for the meetings held are as detailed below:

Name of Directors	Number of Meeting Held[1]	Attended
Ms. Susan Yuen Su Min (Chairperson) - Independent Non-Executive	2	2
Tan Sri Dato' Seri Lee Oi Hian - Non-Independent Non-Executive	2	2
Mr. Lim Ban Aik[2] - Independent Non-Executive	1	1
Tan Sri Rastam bin Mohd Isa[2] - Independent Non-Executive	0	0

[1] *reflects the number of meetings held during the period the Committee members held office.*

[2] *following Tan Sri Rastam's resignation as a Director in October 2023, he also ceased to be Nomination Committee member and was replaced by Mr. Lim Ban Aik in November 2023.*

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. Board Size, Composition and Diversity (Continued)

Nomination Committee (Continued)

A summary of the activities of Nomination Committee in discharging its duties during the year under review is as follows:

(1) Reviewed and assessed the performance of the Directors seeking for re-election at the forthcoming Annual General Meeting ("**AGM**");
(2) Reviewed the composition of the Board based on its required mix of skills, experience and other qualities which are considered important by the Board;
(3) Reviewed and assessed the Board Committees in terms of size, structure and composition for compliance with the provisions of the relevant guidelines and regulations;
(4) Reviewed and recommended the engagement of an external consultant to conduct the Board Effectiveness Evaluation ("**BEE**") exercise and reviewed the outcome of the exercise;
(5) Reviewed the tenure of service of Independent Directors;
(6) Reviewed and recommended changes to the composition of the Board Committees;
(7) Reviewed the changes to the composition of the subsidiaries' boards;
(8) Assessed Directors' training needs to ensure all Directors receive appropriate continuous development programmes;
(9) Reviewed the succession plans of the Board and Senior Management; and
(10) Reviewed and assessed the term of office and performance, and duties carried out by the Audit and Risk Committee and each of its member.

All recommendations of the Nomination Committee are subject to endorsement and approval of the Board.

Recruitment Process and Annual Assessment of Directors

The Nomination Committee is responsible for assessing the contribution of each individual Director and overall effectiveness of the Board on an on-going basis. Having conducted a detailed review of each Director's personal/professional profile, attendance record, training activities, character and attitude, and participation in Board meetings as well as Group functions for the year, the Nomination Committee concluded that the Directors have the requisite competence to serve on the Board and had demonstrated their commitment to the Group in terms of participation and dialogue during the year under review.

The Board, through the Nomination Committee, conducts the annual assessment to evaluate the performance of the Board, its Board Committees and each individual Director. The results of the annual assessment exercise are used by the Board to create a plan for key areas of its operations and practices, ensuring alignment between the Board's role and the Group's corporate objectives and strategy. An external consultant is engaged once every three (3) years to assist the Nomination Committee to facilitate an objective and candid Board evaluation. In FY 2024, the Nomination Committee/Board had engaged an external consultant, Tricor Axcelasia Sdn Bhd ("**Axcel**") to conduct the BEE exercise. Based on the findings from the BEE exercise, the Board and Board Committees, as well as the individual Directors have discharged their roles and responsibilities effectively with commitment and professionalism in accordance with the *Board Charter, Codes of Conducts* and respective *Terms of References*. The Nomination Committee was satisfied with the existing composition of the Board and its Committees, and was of the view that with the current mix of skills, knowledge, experience and strength of the Directors, the Board and its Board Committees were able to discharge their duties effectively. The Nomination Committee also agreed that the Board had operated as a cohesive and cooperative body, fostering trust, openness, and respect in its relationships with both Board members and Management. They were satisfied with its overall performance, with some areas identified for improvements.

The Nomination Committee practices a clear and transparent nomination process which includes the identification of candidates, evaluation of suitability of candidates, meeting up with candidates, deliberation by Nomination Committee and recommendation to the Board.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

II. Board Size, Composition and Diversity (Continued)

Recruitment Process and Annual Assessment of Directors (Continued)

In accordance with the Company's *Constitution*, all Directors who are appointed by the Board are subject to re-election by shareholders at the next AGM immediately after their appointment. In accordance with the *Constitution*, one-third (1/3) of the Directors, including the BKB Managing Director, is required to submit themselves for re-election by rotation at each AGM. All the Directors are subject to retirement at an interval of at least once in every three (3) years. The Directors who are standing for re-election at the forthcoming AGM are disclosed in the notice of AGM.

The Group has adopted a *Directors' Fit and Proper Policy* to ensure that a person appointed or elected/re-elected as a Director possesses the necessary quality and character as well as integrity, competency and commitment. During the year, the Nomination Committee also conducted a fit and proper assessment of the Directors who were proposed for re-election at the AGM of the Company, in accordance with the policy. The policy is accessible on the Company's website at *www.bkawan.com.my*.

The Nomination Committee also provides an orientation and education programme including plant visits guided by Management, for new recruits to the Board as an integral element of the process of appointing new Directors.

III. Remuneration

Remuneration Policy for Directors and Senior Management

The Board has put in place a formal *Remuneration Policy* to determine the remuneration of Directors and Senior Management. The objective of this policy is to help attract, recruit, retain and reward high performing, experienced and qualified Directors and Senior Management by providing remuneration commensurate with the responsibilities of their positions and their contributions, be competitive in the industry, and encourage value creation for the Company by aligning the interests of Directors with the long-term interests of shareholders. The *Remuneration Policy* of the Company was last revised and updated in May 2022, and is available at the Company's website, *www.bkawan.com.my*.

Remuneration Committee

The Remuneration Committee is responsible for setting the policy framework and for making recommendations to the Board on remuneration and other terms of employment for the Board and Senior Management. The Remuneration Committee has a *Terms of Reference* which deals with its authority and duties.

For FY 2024, the Remuneration Committee comprised exclusively Non-Executive Directors, the majority of whom are independent, as follows:

Mr. Lim Ban Aik (Chairman) – Independent Non-Executive Director
Dato' Yeoh Eng Khoon – Non-Independent Non-Executive Director
Dr. Tunku Alina Binti Raja Muhd Alias – Senior Independent Non-Executive Director

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

III. Remuneration (Continued)

Remuneration Committee (Continued)

The Remuneration Committee meets at least once a year, with additional meetings convened as and when necessary. During the FY under review, one (1) Committee meeting was held and the attendance of the members for the meeting held is as detailed below:

	Number of Meetings	
Name of Directors	**Held[1]**	**Attended**
Mr. Lim Ban Aik (Chairman)[2] - Independent Non-Executive	1	1
Tan Sri Rastam Bin Mohd Isa (Chairman)[2] - Independent Non-Executive	0	0
Dr. Tunku Alina Binti Raja Muhd Alias[2] - Senior Independent Non-Executive	0	0
Tan Sri Dato' Seri Lee Oi Hian[2] - Non-Independent Non-Executive	1	1
Dato' Yeoh Eng Khoon[2] - Non-Independent Non-Executive	0	0

[1] *reflects the number of meetings held during the period the Remuneration Committee members held office.*

[2] *following Tan Sri Rastam's resignation as a Director in October 2023, he also ceased to be the Remuneration Committee chairman and the position was filled by Mr. Lim Ban Aik in November 2023. For Board Committee rotation, Dr. Tunku Alina Alias was appointed as a Remuneration Committee member in November 2023, followed by the appointment of Dato' Yeoh Eng Khoon and retirement of Tan Sri Dato' Seri Lee Oi Hian as Remuneration Committee member on 21 February 2024.*

The Remuneration Committee carries out the function established by the Board to maintain formal and transparent remuneration policies and procedures in order to retain Directors. In the case of the BKB Managing Director, the various components of the remuneration are structured to link rewards to corporate and individual performance. The Remuneration Committee's remuneration package for the BKB Managing Director is subject to the approval of the Board. In the case of the Non-Executive Directors, the level of remuneration reflects the expertise, experience and level of responsibilities undertaken by a particular Non-Executive Director concerned. The Non-Executive Directors are paid a meeting allowance for each Board meeting they attend. Similarly, members to Board Committees are also paid a meeting allowance for each Committee meeting they attend. The Directors are also reimbursed reasonable expenses incurred by them in the course of carrying out their duties on behalf of the Company.

In November 2024, the Remuneration Committee recommended, and the Board approved (subject to shareholders' approval at the forthcoming Annual General Meeting), an increase in the fees of the Non-Executive Directors and Board Committees. The recommendation followed a review of the Non-Executive Directors' remuneration, including benchmarking against selected similar-sized companies within the same industry to ensure competitiveness. The Board and Remuneration Committee also considered the increased responsibilities, expanded time commitments, and the need for fair remuneration practices to attract and retain qualified directors with the expertise needed for effective oversight. Upon shareholders' approval, the increased fees will remain constant for the next three (3) financial years (i.e FY 2024 to FY 2026). However, to ensure that the Directors' fees align with appropriate peer groups and are measured against profits and other targets set in accordance with the Company's annual budget and plans, the Remuneration Committee will review the Directors' fees annually.

PRINCIPLE A: BOARD LEADERSHIP AND EFFECTIVENESS (Continued)

III. Remuneration (Continued)

Remuneration Committee (Continued)

Details of Directors' remuneration (including benefits-in-kind) and the aggregate remuneration of Directors at the Company and Group levels during the FY under review are as follows:

Company

Category	Fees (RM'000)	Salaries (RM'000)	Incentive (RM'000)	Other Emoluments^ (RM'000)
Executive Director				
- Dato' Lee Hau Hian	-	4,380	4,070	1,582
Non-Executive Directors				
- Tan Sri Dato' Seri Lee Oi Hian	260	-	-	18
- Dato' Yeoh Eng Khoon	167	-	-	12
- Mr. Quah Chek Tin	185	-	-	25
- Tan Sri Rastam Bin Mohd Isa[1]	1	-	-	-
- Dr. Tunku Alina Binti Raja Muhd Alias	212	-	-	22
- Mr. Lee Yuan Zhang	185	-	-	22
- Mr. Lim Ban Aik	231	-	-	26
- Ms. Susan Yuen Su Min	215	-	-	26

Group

Category	Fees (RM'000)	Salaries (RM'000)	Incentive (RM'000)	Other Emoluments^ (RM'000)
Executive Director				
- Dato' Lee Hau Hian	317	4,380	4,070	1,598
Non-Executive Directors				
- Tan Sri Dato' Seri Lee Oi Hian	260	6,420	8,025	2,507
- Dato' Yeoh Eng Khoon	465	-	-	41
- Mr. Quah Chek Tin	185	-	-	25
- Tan Sri Rastam Bin Mohd Isa[1]	1	-	-	-
- Dr. Tunku Alina Binti Raja Muhd Alias	212	-	-	22
- Mr. Lee Yuan Zhang	195	576	288	215
- Mr. Lim Ban Aik	231	-	-	26
- Ms. Susan Yuen Su Min	215	-	-	26

^ *Other emoluments include EPF contribution, Management and Housing allowances, leave passage, benefit-in-kind and meeting allowance.*

[1] *Tan Sri Rastam Bin Mohd Isa resigned as a Director on 2 October 2023.*

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

I. Audit and Risk Committee

For FY 2024, the Audit and Risk Committee of the Company comprised five (5) members, with three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. All members were appointed by the Board on the recommendation of the Nomination Committee. The members of the Committee are as follows:

Dr. Tunku Alina Binti Raja Muhd Alias (Chairperson) – Senior Independent Non-Executive Director
Mr. Quah Chek Tin – Non-Independent Non-Executive Director
Ms. Susan Yuen Su Min – Independent Non-Executive Director
Mr. Lee Yuan Zhang – Non-Independent Non-Executive Director
Mr. Lim Ban Aik – Independent Non-Executive Director

The key function of the Audit and Risk Committee is to assist the Board to assess the risks and control environment, oversee the financial reporting process, evaluate the internal and external audit process, and review any conflict of interest situations and related party transactions. The role and responsibilities of the Audit and Risk Committee are governed by its *Terms of Reference* which was approved and adopted by the Board.

The term of office and performance of the Audit and Risk Committee and each of its members are reviewed annually by the Nomination Committee and recommended to the Board, to ensure the Audit and Risk Committee and members have carried out their duties in accordance with their *Terms of Reference*.

Relationship with External Auditors

Through the Audit and Risk Committee, the Board has direct relationship with the External Auditors. At its meetings in November and December 2024, the Audit and Risk Committee assessed the suitability and independence of the External Auditors, Messrs BDO PLT ("**BDO**"). The Committee considered the quality of BDO's performance, the adequacy of their experience and resources for the BKB Group, and their independence, including the level of non-audit services provided to the Group for FY 2024.

The Audit and Risk Committee deliberated on the performance and suitability of BDO based on the quality of audit, competency and sufficiency of resources of BDO in relation to the FY 2024 audit. The Audit and Risk Committee agreed that the provision of non-audit services by BDO to BKB Group for the FY 2024 did not in any way impair BDO's objectivity and independence as External Auditors of BKB.

Having regard to the outcome of the annual assessment of BDO, the Board approved the Audit and Risk Committee's recommendation to seek shareholders' approval for BDO's re-appointment at the forthcoming AGM in 2025.

Internal Audit Function

The Directors acknowledge the duty of maintaining a good system of internal controls, which includes risk assessments, and the need to review its effectiveness regularly. However, the nature of this system can only provide reasonable but not absolute assurance against misstatement, fraud or loss.

The Board is of the view that the existing internal control system of the Group is sufficient to safeguard the Group's interests. Details of the Company's internal control system and framework are set out in the *Statement on Risk Management and Internal Control* and *Audit and Risk Committee Report* of this *Annual Report*.

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT (Continued)

II. Risk Management Framework

The Group Risk Management Committee ("**GRMC**"), headed by the BKB Managing Director, oversees the risk management efforts within the Group. It includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures and determining its corresponding risk mitigation and treatment measures. The Board and Management have established and adopted a formal approach towards risk management that complies with the guidance issued by the relevant authorities.

During the FY under review, a total of two (2) GRMC meetings were held and the following reviews on the industrial chemical business divisions were carried out by GRMC:

(a) Risk consequence rating parameters for the FY 2024;
(b) Graphical Risk Profile Matrix, and High and Significant Risks updates;
(c) Risk heat map and Key Risk Indicators;
(d) Risks profile summary;
(e) Significant risk and Management actions;
(f) Results of Corruption Risk Profile assessment for FY 2024;
(g) Corporate Principal Risks and Management controls; and
(h) Health, Safety and Environment performance and notable incidents.

The GRMC also had a refresher briefing on the goals of risk management and the key factors to be reviewed within the BKB Group.

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

I. Communication with Stakeholders

Shareholders represent an important group of stakeholders of the Company as they have a direct financial interest in the Company and they delegate the responsibility of managing the Company to the Directors of the Company. The Company also realises that the sustainable running of the Company is not only achieved by maximisation of the shareholders' value but also by the value the Company brings to all its other stakeholders (e.g. employees, customers, business partners, regulators, etc.). It is the Board's responsibility to develop and implement a communication policy which effectively articulates the operations of the Company to its stakeholders.

Effective Dissemination of Information

Announcements and the release of financial results on a quarterly basis are posted on the Company's website, which will provide the shareholders and the investing public with an overview of the Group's performance and operations. The Company's website is publicly accessible at *www.bkawan.com.my* and the Directors welcome feedback channelled through the website. Investors and shareholders may also raise their concerns directly with the SID.

Compliance with Applicable Financial Reporting Standards

In presenting the annual financial statements and quarterly announcement of results to shareholders, the Directors seek to present a balanced and understandable assessment of the Group's position and prospects.

The Audit and Risk Committee has reviewed the Company's financial statements in the presence of both the External and Internal Auditors prior to recommending them for approval by the Board and issuance to the shareholders of the Company. The Audit and Risk Committee considered and addressed the significant issues highlighted by the External Auditors by adherence to the appropriate accounting standards and policies.

The Directors consider that in preparing the financial statements, the Group has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates. All applicable financial reporting standards in Malaysia which the Audit and Risk Committee has discussed and agreed with the External Auditors to be applicable have been followed, subject to any explanations disclosed in the notes to the financial statements.

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

I. Communication with Stakeholders (Continued)

Corporate Disclosure Policy and Procedures

The Company and the Group are committed to a policy which provides accurate, balanced, clear, timely and complete corporate information to enable investors to make informed and orderly market decisions. Importance is also placed on the timely and orderly dissemination of material information to stakeholders, the media and regulators. In this respect, the Company has in place a *Corporate Disclosure Policy and Procedures* to ensure that communications with the investing public regarding the Company's business, operations and financial performance are accurate, timely, factual, informative, consistent and broadly disseminated. Where necessary, information filed with regulators is also in compliance with applicable legal and regulatory requirements.

The *Corporate Disclosure Policy and Procedures* is available on the Company's website, *www.bkawan.com.my*.

II. Conduct of General Meetings

The AGM which is held in February each year, provides a means of communication with shareholders. The Company despatches its *Annual Report* to shareholders at least twenty-one (21) days before the meeting. This allows the shareholders to thoroughly review the *Annual Report* as well as make necessary arrangements to attend the meeting and participate in person or by corporate representative, proxy or attorney. Shareholders who are unable to attend are allowed to appoint a proxy to attend and vote on their behalf. Members of the Board as well as the Auditors of the Company are present to answer questions raised at the meeting.

At the Fifty-Ninth AGM of the Company held on 21 February 2024, all eight (8) Directors were present in person to engage directly with the shareholders at the meeting. The proceedings of the meeting included the Questions and Answers sessions during the meeting which invite shareholders to raise questions pertaining to the Company's Financial Statements and other items for adoption at the meeting. The Director, Management and External Auditors responded to the shareholders' queries. The shareholders were also provided with the Company's responses to questions submitted in advance of the meeting by the Minority Shareholders Watch Group before the commencement of the meeting to ensure transparency.

An independent external party was appointed as scrutineers for the electronic poll voting process. The Chairman announced the voting results of all the resolutions tabled before the closure of the AGM and the outcome of the AGM is released to Bursa Malaysia on the same meeting day. The minutes of AGM (including all the questions raised at the meeting and the answers thereto) were also made available on the Company's website, *www.bkawan.com.my*, no later than 30 business days after the AGM.

Statement on Risk Management and Internal Control

INTRODUCTION

The Board of Directors ("**Board**") of Batu Kawan Berhad ("**BKB**" or "**Company**") and its subsidiaries ("**Group**"), in compliance with Paragraph 15.26(b) of Bursa Malaysia Securities Berhad's ("**Bursa Malaysia**") *Main Market Listing Requirements*, is pleased to provide the following *Statement on Risk Management and Internal Control* ("**Statement**"). The Statement outlines both the nature and scope of risk management and internal control of the Group during the year with guidance from the *Statement on Risk Management and Internal Control: Guidelines for Directors of Listed Issuers* as required by Bursa Malaysia.

This Statement provides an understanding of the established risk management and internal control framework including its features, coverage and effectiveness as required under Principle B (II) of the *Malaysian Code on Corporate Governance 2021* issued by the Securities Commission of Malaysia.

This Statement does not cover associates and joint ventures where risk management and internal control are managed by their respective Management teams.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility in maintaining a sound risk management and internal control system at BKB to safeguard the interests of shareholders, customers, employees, general public and the Group's assets. The Board also recognises that such systems are designed to manage the Group's risks within an acceptable level to achieve the policies, goals and objectives of the Group, while it can provide reasonable assurance rather than absolute assurance on the effectiveness against material misstatement of management and financial information, financial losses, fraud and breaches of laws or regulations.

Whilst the Board remains responsible on the overall risk management and internal controls, the task of scrutinising the framework is taken up by the Audit and Risk Committee ("**Committee**").

CONTROL ENVIRONMENT AND ACTIVITIES

- **Risk Management Framework**

  A formal risk management framework has been established with the aim of setting clear guidelines in relation to the level of risks acceptable to the Group. The framework is also designed to ensure proper management of the risks that may impede the achievement of the Group's goals and objectives.

  The Group has in place an ongoing process for identifying, measuring, assessing and managing the principal risks that affect the attainment of the Group's business objectives and goals for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report.

  The Committee is supported by the Group Risk Management Committee ("**GRMC**"), headed by the Managing Director in overseeing the risk management efforts within the Group, and ensuring the effectiveness of the risk management policies and processes. The risk management process includes identifying principal business risks in critical areas, assessing the likelihood and impact of material exposures, determining the corresponding risk mitigation and treatment measures, ensuring appropriate mitigating actions have been implemented, and presenting key matters to the Committee for review and deliberation. Minutes of the Committee meetings which recorded these deliberations were presented to the Board for approval and notation.

  These ongoing processes are coordinated by the Risk Management unit in conjunction with all the business heads within the Group that reports periodically to the GRMC which in turn reports to the Committee.

  The Group's risks relating to Kuala Lumpur Kepong Berhad ("**KLK**"), its main subsidiary, is managed by KLK's own GRMC. The principal risks include sustainability risks, market and commodity prices risks, operational risks, investment risk and cybersecurity risk. These principal risks for the year ended 30 September 2024 ("**FY 2024**") have been reviewed by KLK's Board.

CONTROL ENVIRONMENT & ACTIVITIES (Continued)

- **Risk Management Framework (Continued)**

  The principal risks for FY 2024, presented to the Committee via Key Risk Indicators on a quarterly basis, have been reviewed by the Board as follows:

(a) Business and Operation Risk

The Group's daily business activities may be disrupted by plant breakdowns, IT systems failure, cyber-attacks and fire. Other than that, prevalence of pest and disease in plantation, as well as anti-palm oil sentiment and allegations from non-governmental organisations may also influence business activities. To mitigate risks that may cause interruption to critical business functions, appropriate systems with adequate capacity, security arrangements, facilities and resources have been put in place, and the Emergency Response Team is properly trained to contain and control leakages or fire. The Group adhered strictly to the safety and sustainability policies which consider changing the risk landscape to manage industrial risks. Additionally, consistently reviewing the economic conditions and commodity pricing, ensuring the plants are adequately insured, implementing land preparation sanitisation, proper pesticides treatment, and emphasis on maintaining a good strategic communication will help to mitigate adverse implications to business operations and reduce financial impact.

(b) Regulatory Risk

The Group businesses are governed by relevant laws, regulations and standards. Each business unit adhered strictly to the legislative requirements and, as and when needed, assesses the impact of new laws and regulations affecting its businesses to ensure its processes and infrastructure setting are able to operate under new legislative requirements.

(c) Health and Safety Risk

The Group operations involve manufacturing and distribution of industrial chemical throughout the nation. These chemicals are regarded as hazardous chemicals and therefore significant attention is focused on health and safety aspects of employees, customers, contractors, general public, plant and office premises. Strict safety policies and procedures are observed while the Group continuously monitors the safety performance across all its operating centres.

(d) Financial and Credit Risk

The Group is exposed to foreign currency exchange, interest rate, credit, price and liquidity risks. With the optimal objective in creating value for the shareholders, the strategies adopted to manage these risks were mostly to minimise potential adverse impact to the financial performance of the Group. These include entering into forward foreign currency exchange contracts, adherence to the guidelines on authorisation levels and approval limits, credit evaluation, and financial risk management policies.

(e) Investment Risk

The Group has embarked on various projects and investments which include spending on capital expenditures for its business units, plants and machineries, and financial market. These activities are managed through careful planning, feasibility study, thorough financial analysis, market survey, capital expenditure approvals and close monitoring by the project management team to ensure the investments are viable and meet their objectives.

(f) Marketing Risk

Selling prices and demand for products remain volatile that leads to market fluctuations, driven by the global and highly inter-connected business environment. To mitigate risks of destabilised prices of products and commodities, Management continues to optimise supplies, preserve product quality and strive to attain low production cost.

CONTROL ENVIRONMENT & ACTIVITIES (Continued)

- **Risk Management Framework (Continued)**

  (g) Cybersecurity Risk

  The Group is exposed to cyber threats such as the risk of malware, ransomware, unauthorised access, corruption and/or loss of its information assets. To manage these risks, controls have been put in place to manage and protect the confidentiality, integrity and availability of data and critical infrastructure. Inter-alia, adequate IT industry standard network security layers, encryption protocols, virus scanning tools and application are used to protect and secure the accessibility to the Group's IT environment. Any notifications and alerts received for suspicious network traffic were investigated. Continuous security awareness trainings are provided to the employees to ensure IT security protocols are adhered to Disaster Recovery Plan ("**DRP**") to recover and protect the business IT infrastructure in adverse events.

  (h) Sustainability Risk

  Sustainability risk is reviewed by GRMC with the support of Sustainability Steering Committee. Collaboratively with the Sustainability Working Committee, other sustainability matters and initiatives are deliberated and addressed while the major segments of sustainability risk are closely monitored.

  (i) Climate Change Risk

  Accelerated by the impacts of global warming driven by human emissions of greenhouse gases, climate change including erratic weather patterns such as prolonged dry weather and severe flooding along with rising sea levels, may pose significant risks to businesses and their supply chains. To alleviate effects of climate change, the plantation segment is committed to no deforestation by ensuring new developments are protective over flora and fauna while manufacturing operating centres circumvented flood disaster at flood prone areas through proper drainage systems and adequate flood insurance coverage.

  (ii) Environmental Pollution Risk

  All operating centres within the Industrial Chemical Group is ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Occupational Health & Safety Management System certified. The Group advocates protection of the environment through ethical manufacturing. With the goal of minimising pollution impacting air, water and land, manufacturing operations are installed with the necessary monitoring equipment such as gas detectors, interlock systems, and effluent treatment plants. All scheduled waste is disposed through authorised channels. Strict procedures are established to prevent chemical spillage within the logistics and distribution operations. An Environmental Impact Assessment for large-scale projects is undertaken to mitigate potential environmental issues.

- **Board Meetings**

  The Board meets at least quarterly and has a formal agenda on matters for discussion. The Managing Director leads the presentation of board papers and provides explanations on pertinent issues. Prior to arriving at any decision for recommendations by Management, a thorough deliberation and discussion by the Board is a prerequisite. In addition, the Board is kept updated on the Group's activities and operations on a timely and regular basis.

  Internal control and risk-related matters which required the review and approval of the Board were recommended by the Committee, and approval and matters or decisions made within the Committee's purview were escalated to the Board for its notation.

- **Organisational Structures with Formally Defined Responsibility Lines and Delegation of Authority**

  Organisational structures with formally defined responsibility lines and authorities are in place to facilitate quick response to changes in the evolving business environment, effective supervision of day-to-day business conduct and accountability for operational performance. Capital and non-capital expenditures and acquisition and disposal of investments are subject to appropriate approval processes.

CONTROL ENVIRONMENT & ACTIVITIES (Continued)

- **Performance Management Framework**

  Management reports are generated on a regular and consistent basis to facilitate the Board and the Group's Management in performing financial and operating reviews on the various operating centres. The reviews encompass areas such as financial and non-financial key performance indicators, variances between budget and operating results and compliance with laws and regulations.

  The Group has in place a well-defined budgeting process that supports the performance management framework.

- **Operational Policies and Procedures**

  Documented policies and procedures form an integral part of the internal control systems to safeguard shareholders' investment and Group's assets against material losses and ensure complete and accurate financial information. The documents consist of circulars, the standard operating manuals and the standard policy and procedures that are continuously being revised and updated to meet operational needs.

- **Group Whistleblowing Policy**

  A *Group Whistleblowing Policy* ("**Policy**") has been established to provide clarity of oversight of the whistleblowing process, protection and the confidentiality provided to whistleblowers. The Policy provides a protocol to employees and stakeholders to raise genuine possibilities of improprieties, malpractices and misconduct within the Group for remedial action. This Policy is available on the Company's website at *www.bkawan.com.my*.

  A fraud risk management framework is in place to respond to possible fraud incidences or risks by conducting special and investigative reviews at the request of Management. This strategy aims to minimise the occurrences of fraud within the Group through whistleblowing or grievance channels.

- **Integrity and Anti-Corruption**

  As a responsible corporation, the Group is committed to fostering an anti-corruption culture to ensure that its activities and transactions are open, transparent and are conducted with integrity and in accordance with policies and the applicable laws in which it operates.

  The Board is kept abreast of the Group's anti-corruption initiatives and compliance programmes via periodic reporting. Where applicable, the requirements of the Group's existing policies, systems and procedures in relation to anti-bribery and anti-corruption are extended to the Group's agents, counterparties and business partners to ensure that these initiatives are applied throughout the Group's supply chain.

  The *Group Anti-Corruption Policy* outlines the Group's approach in combating bribery and corruption to guide the Group's employees and associated persons to act professionally, fairly and with integrity in all business dealings and relationships. The Group's stance in combating corruption is publicly available on the Company's website at *www.bkawan.com.my*, via the *Group Anti-Corruption Policy* together with the Group's *Code of Conduct and Ethics* and other relevant policies and procedures. Training and awareness sessions are conducted across the Group to remind staff the importance of integrity and Group's stand on anti-corruption. As part of the Group's ongoing commitment, Anti-Corruption training is provided by Human Resource Department during onboarding of new employees.

CONTROL ENVIRONMENT & ACTIVITIES (Continued)

- **Group Internal Audit**

  The Internal Audit Department, which reports directly to the Committee, conducts reviews on the internal controls and the effectiveness of the processes that are in place to identify, manage and report risks. Their Internal Audit personnel are free from any conflict of interest with the Company. Their audit practices are guided by *Professional Internal Auditing Standards* (as prescribed by the Institute of Internal Auditors, Malaysia). Routine reviews are being conducted on operating centres under the Group's business segments in accordance with a risk-based audit plan approved annually by the Committee. Root-cause analysis is conducted with appropriate recommendations made to address the issues and weaknesses highlighted and they are subsequently followed up to ensure proper implementation. Ad-hoc internal control review is also conducted to appraise the consistency and effectiveness of internal controls.

  The Internal Audit Department is governed by the internal audit charter which states the purpose and scope of work, independence, responsibility and the authority accorded to the Internal Audit Department.

REVIEW OF STATEMENT BY EXTERNAL AUDITORS

The External Auditors have reviewed this Statement 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 FY 2024, and reported to the Committee that nothing has come to their attention that causes 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 the *Directors' Statement on Risk Management and Internal Control* 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 External 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.

ADEQUACY AND EFFECTIVENESS OF RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

The Board has reviewed the adequacy and effectiveness of the Group's risk management and internal control system for the year under review and up to the date of approval of this Statement for inclusion in the Annual Report and is of the view that the risk management and internal control system is operating satisfactorily good and no material losses were incurred as a result of internal control weaknesses or adverse compliance events.

The Managing Director, Chief Financial Officer and Group Internal Auditor have provided assurance to the Board that the Group's risk management and internal control system is operating adequately and effectively, in all material aspects. Management will continue to review and take measures to ensure the on-going effectiveness and adequacy of the system of risk management and internal controls, so as to safeguard shareholders' investments and the Group's assets.

This Statement was approved by the Board of Directors on 9 December 2024.

Audit and Risk Committee Report

The Board is pleased to present the report of the Audit and Risk Committee ("**Committee**") for the financial year ended 30 September 2024 ("**FY 2024**").

The Audit Committee of Batu Kawan Berhad ("**BKB**") was established in 1993. In 2018, the Audit Committee was renamed the 'Audit and Risk Committee', to align with the expanded functions of the Audit Committee to include risk oversight responsibilities. The *Terms of Reference* of the Committee was also revised and expanded to include the additional roles and functions conducted by the Committee. The Committee will assist the Board of Directors of BKB ("**Board**") in carrying out, amongst others, the responsibility of overseeing the BKB Group's operating, audit, strategic and compliance risk.

COMPOSITION AND MEETINGS

For FY 2024, the Committee comprised five (5) members, with three (3) Independent Non-Executive Directors and two (2) Non-Independent Non-Executive Directors. All members were appointed by the Board on the recommendation of the Nomination Committee.

The Committee carried out their duties in accordance with their *Terms of Reference*.

The Committee convened five (5) meetings during FY 2024. The members of the Committee and their attendance at the meetings, are as follows:

	Number of Meetings	
Name of Directors	**Held**[1]	**Attended**
Dr. Tunku Alina Binti Raja Muhd Alias (Chairperson) - *Senior Independent Non-Executive Director*	5	5
Mr. Quah Chek Tin - *Non-Independent Non-Executive Director*	5	5
Ms. Susan Yuen Su Min - *Independent Non-Executive Director*	5	5
Mr. Lee Yuan Zhang - *Non-Independent Non-Executive Director*	5	5
Mr. Lim Ban Aik - *Independent Non-Executive Director*	5	5

[1] *reflects the number of meetings held during the period the Committee members held office.*

Mr. Quah Chek Tin is a member of the Malaysian Institute of Accountants. The Committee, therefore, fulfills the requirement of having at least one (1) member being a qualified accountant pursuant to the *Main Market Listing Requirements* ("**Main LR**") of Bursa Malaysia Securities Berhad.

The Committee meets regularly and the Chief Financial Officer, Managing Director of BKB Industrial Chemical Group, Internal Audit Department and occasionally, representatives of the External Auditors attend these meetings. Other members of the Board may attend the meetings on the invitation of the Committee. During the year under review, the total number of meetings held included the meeting between the members of the Committee and representatives of the External Auditors without the presence of Management.

The Company Secretaries are the Secretaries of the Committee. The Secretaries shall maintain minutes of the proceedings of the meetings of the Committee and distribute such minutes to each member of the Committee and the Board.

SUMMARY OF ACTIVITIES OF THE COMMITTEE

In line with the key functions in its *Terms of Reference* of the Committee, the following activities were carried out by the Committee during FY 2024 in the discharge of its functions and duties:

1) Financial Reporting

(a) Reviewed and reported to the Board on the Group's quarterly results and year-end financial statements prior to the approval by the Board.
(b) Discussed with Management and the External Auditors on the review of the Group's quarterly results and year-end financial statements, amongst others, the accounting policies that were applied, the use of material accounting policy information and the exercise of Management's significant judgements in the process of applying the Group's accounting policy that may affect the financial results and position.
(c) Reviewed the audit reports for the Group and the Company prepared by the External Auditors and considered their major findings and Management's responses thereto.
(d) Reviewed the year-end audit planning memorandums for the Group and the Company which were prepared by External Auditors.

2) Risk Management and Internal Control

(a) Reviewed the Group's procedures on internal controls and ensured that appropriate arrangements are in place for matters relating to financial reporting and financial control.
(b) Reviewed and assessed the scope and effectiveness of the systems established by Management to identify, assess, manage and monitor financial and non-financial (including but not limited to technology, environment, social and governance) risks and opportunities.
(c) Reviewed the Group Risk Management Committee's meeting minutes and reports, and deliberated on the principal risks highlighted and the controls to mitigate the risks.
(d) Reviewed the Group's Risk Heat Map and Key Risk Indicators on BKB Group's sectoral risks, Market & Business, Operations, and Corporate & ESG.
(e) Reviewed the annual *Statement on Risk Management and Internal Control* and Internal Audit Function to be published in the *Annual Report* for Board's approval.
(f) Reviewed the Group's Corruption Risk Assessment exercise which assessed and identified vulnerable processes and risk factors that may require mitigation controls to address potential bribery and corruption practices.

3) Internal Audit

(a) Reviewed the adequacy of the scope, functions, competencies and resources of the internal audit function (including the assessment tools and procedures in assessing the performance of Internal Audit Department) and ensure that it has the necessary authority to carry out its responsibilities.
(b) Reviewed the audit findings which were circulated to the Committee after the summary of key findings was presented in the Committee meetings and Committee members deliberated the adequacy and effectiveness of internal controls based on the findings and outcome of the audits conducted.
(c) Reviewed the risk-based annual internal audit plan and its progress updates to ensure adequate scope and coverage on its activities.

SUMMARY OF ACTIVITIES OF THE COMMITTEE (Continued)

4) External Audit

(a) In the fourth quarter of 2024, the Committee assessed the suitability and independence of the External Auditors, Messrs BDO PLT ("**BDO**") and considered:
  (i) quality of BDO's performance based on their reporting and deliverables;
  (ii) adequacy of experience and resources provided by BDO to the BKB Group; and
  (iii) independence of BDO and level of non-audit services rendered by BDO to the BKB Group for FY 2024.

The Committee deliberated the performance and suitability of BDO based on the quality of audit, competency and sufficiency of resources of BDO in relation to the FY 2024 audit. The Committee agreed that the provision of non-audit services by BDO to BKB Group for FY 2024 did not in any way impair BDO's objectivity and independence as External Auditors of the Company. Having regard to the outcome of the annual assessment of BDO, the Board approved the Committee's recommendation to seek shareholders' approval for BDO's re-appointment as External Auditors of the Company for the financial year ending 30 September 2025 at the forthcoming Annual General Meeting in 2025.

(b) Reviewed with the External Auditors their audit planning memorandum, the nature and scope of the audit, prior to the commencement of audit and ensuring coordination with the audit firms of subsidiaries.

(c) Met with the External Auditors once without the presence of Management to exchange free and honest views and opinions on audit issues. There were no major concerns raised by the External Auditors at the meeting.

(d) Reviewed with the External Auditors on the following and reported the same to the Board:
  (i) audit report, including the key issues which arose during the course of the audit and subsequently have been resolved and those issues that have been left unresolved;
  (ii) External Auditors' management letter and Management's response thereto;
  (iii) evaluations of the system of internal controls;
  (iv) audit approach, including coordination of audit efforts with internal auditors and assistance given by the employees to the External Auditors; and
  (v) key audit matters and significant audit findings reported by the External Auditors.

(e) Reviewed with the External Auditors the proposed non-audit services to be provided by BDO and approved the Company's non-audit services. These services comprised the annual review of the *Statement on Internal Control and Risk Management* and review of the Debt-to-Equity ratio in relation to the issuance of Sukuk.

5) Related Party Transactions

Reviewed related party transactions entered into by the Group, including the review and monitoring of recurrent related party transactions for which shareholders' mandate has been granted, to ensure that:

(a) Such transactions were carried out on normal commercial terms and were not prejudicial to the interest of the Company or its minority shareholders;
(b) Adequate oversight over the internal control procedures with regard to such transactions; and
(c) Compliance with the *BKB Policy on Related Party Transactions, Chapter 10 of the Main LR, Financial Reporting Standard 124* and the *Companies Act 2016*.

6) Conflict of Interest ("COI")

(a) Reviewed COI disclosures submitted by the Company's Directors and Key Senior Management of the Group.
(b) Assessed potential COI situations, including any transactions, procedures or courses of conduct that could raise concerns regarding management integrity, together with the measures taken to resolve, eliminate or mitigate such conflicts, as well as ensuring the complete disclosure in the *Audit and Risk Committee Report*.

SUMMARY OF ACTIVITIES OF THE COMMITTEE (Continued)

7) Other Duties

(a) Reviewed the summary of Whistleblowing reports received by BKB Group during FY 2024.
(b) Evaluated the effectiveness of the Committee to enhance its ability to fulfill its responsibilities more efficiently.
(c) Reviewed the appointment of common external auditors for BKB subsidiaries, including fixing the audit fee.
(d) Reviewed the three (3)-year Anti-Bribery and Corruption framework and approved the recommendations put forth, together with the corresponding action plan.
(e) Reviewed and revised in May 2024 its *Terms of Reference* to include the latest regulatory change on COI which will affect the Committee's role. The revised *Terms of Reference* is available on the Company's website at *www.bkawan.com.my*.
(f) Reviewed and approved the proposed 'Policy on Approval of Non-Audit Services' for adoption by the Board.
(g) Reviewed the *Audit and Risk Committee Report* before submitting for Board's approval for inclusion into the *Annual Report*.

INTERNAL AUDIT FUNCTION

The Company has an independent in-house Internal Audit Department whose principal responsibility is to assess and report to the Board, through the Committee, the soundness of internal control of the Company. Currently, there are two (2) Internal Auditors. The Internal Audit Department's main audit scope covers the operating centres under the industrial chemical subsidiaries. The Company's Internal Audit Department is also supported by the Internal Audit Division of its subsidiary, Kuala Lumpur Kepong Berhad, which has 72 experienced audit personnel.

The main responsibilities of the Internal Auditors are to:

- Assist in reviewing the adequacy, integrity and effectiveness of the Group's internal control system for the Board as well as to assist in drafting the *Statement of Risk Management and Internal Control* in the *Annual Report*;
- Support the Committee in evaluating the effectiveness of the existing internal control system, identify future requirements and co-develop a prioritised action plan to further enhance the internal control;
- Identify the key business processes within the Group and the Company that internal audit should focus on; and
- Allocate necessary resources to selected areas of audit to provide Management and the Committee an effective and efficient level of internal audit coverage.

An annual internal audit plan is presented to the Committee for approval. The internal audit function adopts a risk-based approach and prepares the plan based on the risk profiles of the business units of the Group.

The activities of the Internal Audit Department that were carried out were as follows:

(a) Undertook internal audit based on the annual audit plan that had been reviewed and approved by the Committee including the review of operational compliance with established internal control procedures and reliability of financial records.
(b) Conducted ad-hoc reviews with regards to specific areas of concern as directed by the Committee and Management.
(c) Collected, reviewed and verified data for selected indicators as part of our limited assurance for Bursa Malaysia Securities Berhad's sustainability reporting requirements.
(d) Assessed key business risks at each business unit and performed continuous monitoring of those risks via risk validation procedures and reviewing of supporting documentations.
(e) Issued and presented quarterly internal audit report summaries to the Committee during the year, on the Group's operating centres with appropriate audit recommendations.

Great importance is placed on effective and fair communication with auditees and other stakeholders. Open channels of communications are maintained to facilitate this. In striving for continuous improvement, the Internal Audit Department endeavours to put in place appropriate action plans and carry out necessary assignments to further enhance the Group's internal control. Its resources and manpower requirements are reviewed on a regular basis to ensure the function can discharge its duties effectively. The costs incurred for the Group Internal Audit function for FY 2024 was RM7,872,684.

Additional Compliance Information

UTILISATION OF PROCEEDS

There were no proceeds raised from any corporate proposals during the financial year.

AUDIT AND NON-AUDIT FEES

The amount of audit and non-audit fees paid to the External Auditors and its affiliates, by the Group during the financial year are as follows:

	Group RM'000	Company RM'000
Audit Fees	5,438	131
Non-Audit Fees (assurance related services)	1,279	11

MATERIAL CONTRACTS

There was no material contract other than in the ordinary course of business entered into by the Company or its subsidiaries involving Directors' and major shareholders' interest during the financial year.

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE

In accordance with Practice Note 12 of the *Main Market Listing Requirements* of Bursa Malaysia Securities Berhad, the aggregate value of the recurrent transactions of a revenue or trading nature conducted for the financial year under review between the Company and/or its subsidiaries [excluding Kuala Lumpur Kepong Berhad ("**KLK**") and its subsidiaries where such information is disclosed in KLK's Annual Report] with related parties is set out below, except for types of transaction with nil aggregate value:

Batu Kawan Berhad ("BKB") and its Subsidiaries	Type of Transactions	Related Party and Nature of Relationship	Transactions Aggregate Value RM'000
Malay-Sino Chemical Industries Sendirian Berhad ("**Malay-Sino**") Group	Sale and purchase of finished goods, raw materials, other products and services including transportation services	TMK Chemical Bhd (formerly known as Taiko Marketing Sdn Bhd) ("**TMK**") Group Interested Directors* Tan Sri Dato' Seri Lee Oi Hian ("**LOH**") Dato' Lee Hau Hian ("**LHH**") Interested Major Shareholders#	119,956
See Sen Chemical Berhad ("**See Sen**")	Purchase of raw materials, finished goods, other products and services	TMK Group Interested Directors* LOH, LHH	4,615
	Sale of finished goods and other products and services	Interested Major Shareholders#	41,646
Chemical Company of Malaysia Berhad ("**CCM**") Group	Sale and purchase of finished goods, raw materials, other products and services including transportation services	TMK Group Interested Directors* LOH, LHH Interested Major Shareholders#	20,775
BKB Group	**TMK Group**	**TOTAL**	**186,992**

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Continued)

BKB and its Subsidiaries	Type of Transactions	Related Party and Nature of Relationship	Transactions Aggregate Value RM'000
Malay-Sino Group	Purchase and sale of products and services which relate to core chemical business	Taiko Marketing (Singapore) Pte Ltd ["**TMK(S)**"] Interested Directors* LOH, LHH Interested Major Shareholders#	-
See Sen	Purchase of raw materials, finished goods, other products and services	TMK(S) Interested Directors* LOH, LHH Interested Major Shareholders#	-
CCM Group	Purchase of raw materials, finished goods, other products and services	TMK(S) Interested Directors* LOH, LHH Interested Major Shareholders#	-
Malay-Sino Group	Sale and purchase of raw materials, finished goods, other products and services including transportation services	Chlor-Al Chemical Pte Ltd ("**CAC**") Interested Directors* LOH, LHH Interested Major Shareholders#	31,287
See Sen	Purchase and sale of products and services	CAC Interested Directors* LOH, LHH Interested Major Shareholders#	7,276
CCM Group	Purchase and sale of products and services	CAC Interested Directors* LOH, LHH Interested Major Shareholders#	36,172
BKB Group	**Stafford Capital Ltd Group**	**TOTAL**	**74,735**

Additional Compliance Information (Continued)

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Continued)

BKB and its Subsidiaries	Type of Transactions	Related Party and Nature of Relationship	Transactions Aggregate Value RM'000
See Sen	Purchase and sale of products and services	Taiko Chemical Industries Sdn Bhd ("**TCI**") Group Interested Directors* LOH, LHH Interested Major Shareholders#	14,744
CCM Group	Purchase and sale of products and services	TCI Group Interested Directors* LOH, LHH Interested Major Shareholders#	194
BKB Group	**TCI Group**	**TOTAL**	**14,938**
See Sen	Sale of electricity and provision of other chemical-based products and services	BASF See Sen Sdn Bhd ("**BASF See Sen**") Interested Directors* LOH, LHH Interested Major Shareholders#	8,719
BKB Group	**BASF See Sen**	**TOTAL**	**8,719**

The above recurrent related party transactions of a revenue or trading nature were undertaken on terms not more favourable to the related party than those generally available to the public and are not detrimental to the minority shareholders of BKB.

Note:

* *Persons connected to the Interested Directors are also deemed interested in the Recurrent Related Party Transactions.*

\# *Grateful Blessings Foundation ("**Foundation**") (who holds the entire issued and paid-up capital of Grateful Blessings Inc) was founded by LOH who has a deemed interest by virtue of Section 8(4) of the Companies Act 2016. However, he does not have any economic or beneficial interest in the shares of the Company as his deemed interest is held via the interest of his family members who are discretionary beneficiaries of the Foundation and whose interest is held subject to the discretion of the Foundation Council. Grateful Blessings Inc is a substantial shareholder of Di-Yi Sdn Bhd. Cubic Crystal Corporation [whose entire issued and paid-up capital is held by High Quest Anstalt (founded by LHH)] is a substantial shareholder of High Quest Holdings Sdn Bhd. Di-Yi Sdn Bhd and High Quest Holdings Sdn Bhd are substantial shareholders of Wan Hin Investments Sdn Berhad ("**WHI**") and Arusha Enterprise Sdn Bhd, Major Shareholders of the Company. Accordingly, all these parties are Major Shareholders by virtue of their deemed interests and have interest in the related recurrent party transactions.*

RECURRENT RELATED PARTY TRANSACTIONS OF A REVENUE OR TRADING NATURE (Continued)

Details of the nature of relationship with Related Parties are as follows:

1. **See Sen**
   (a) See Sen is a 61% subsidiary of CCM.
   (b) Mr. Lee Yuan Zhang (son of LHH and a Director of BKB) is a director of See Sen. Subsequent to the financial year, Mr. Lee was appointed as a Director of CCM.
   (c) WHI, a company in which LOH and LHH have interests, is a substantial shareholder of See Sen. WHI is also a Major Shareholder of BKB.

2. **TCI Group**

   TCI is a person connected with LOH and LHH, who are Directors of BKB as their brother, Dato' Lee Soon Hian ("**LSH**"), is a major shareholder of TCI.

3. **Stafford Capital Ltd Group**

   The Stafford Capital Ltd is a company in which LSH is a major shareholder.

4. **TMK Group**

   TMK is a company in which LSH is a major shareholder.

5. **Malay-Sino Group**
   (a) Malay-Sino is a 99% subsidiary of CCM.
   (b) A CCM Director, LHH (who is also a Director and Major Shareholder of BKB), is a director of Malay-Sino.

6. **CCM Group**
   (a) CCM is a wholly-owned subsidiary of BKB.
   (b) A BKB Director, LHH is also a director of CCM.
   (c) Subsequent to the financial year, Mr. Lee Yuan Zhang (son of LHH and a Director of BKB) was appointed as a Director of CCM.

7. **BASF See Sen**

   BASF See Sen is a 30% associate of See Sen.

Reports and Audited Financial Statements

Report of the Directors

The Directors have pleasure in submitting their report together with the audited financial statements of the Group and of the Company for the financial year ended 30 September 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The principal activities of the subsidiaries, associates and joint ventures are involved in the business of plantation, manufacturing, trading, general transportation and workshop services, as well as property development and investment holding. Other details relating to the respective Company's subsidiaries, associates and joint ventures are as disclosed in Note 40 to the financial statements.

SUMMARY OF RESULTS

	Group **RM'000**	**Company** **RM'000**
Profit before taxation	**1,238,825**	**670,489**
Taxation	**(480,857)**	**(2,484)**
Profit for the year	**757,968**	**668,005**
Attributable to:		
Equity holders of the Company	**298,856**	**668,005**
Non-controlling interests	**459,112**	**-**
	757,968	**668,005**

DIVIDENDS

The amounts paid by way of dividends by the Company since the end of the previous financial year were:

(a) a final single tier dividend of 40 sen per ordinary share amounting to RM157,352,000 in respect of the financial year ended 30 September 2023 was paid on 28 February 2024; and

(b) an interim single tier dividend of 20 sen per ordinary share amounting to RM78,549,000 in respect of the financial year ended 30 September 2024 was paid on 1 August 2024.

On 9 December 2024, the Directors declared the payment of a final single tier dividend of 40 sen per ordinary share amounting to RM156,072,000 for the financial year ended 30 September 2024 which will be paid on 26 February 2025. The entitlement date for the dividend shall be 19 February 2025.

RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the financial year.

ISSUED AND PAID-UP CAPITAL

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

TREASURY SHARES

During the financial year, the Company bought back a total of 1,210,800 of its issued ordinary shares from the open market for a total cost of RM23,811,000. Details of the shares bought back and retained as treasury shares were as follows:

Month	No. of shares bought back	Highest price paid per share RM	Lowest price paid per share RM	Average price paid per share RM	Total consideration RM'000
February 2024	27,400	19.46	19.38	19.41	533
March 2024	167,900	19.82	19.42	19.55	3,291
April 2024	255,400	20.00	19.02	19.83	5,075
May 2024	64,100	19.98	19.74	19.87	1,277
June 2024	124,700	19.90	19.74	19.77	2,471
July 2024	74,300	19.70	19.50	19.58	1,458
August 2024	197,800	19.58	19.22	19.44	3,854
September 2024	299,200	19.60	19.44	19.51	5,852
	1,210,800				23,811

As at 30 September 2024, the Company retained as treasury shares a total of 7,365,300 of its issued share capital of 399,535,463. Such treasury shares are held at a carrying amount of RM136.92 million and further details are disclosed in Note 30 to the financial statements.

The mandate given by the shareholders at the Annual General Meeting ("AGM") held on 21 February 2024 to approve the Company's plan to repurchase its own shares will expire at the forthcoming AGM and an ordinary resolution will be tabled at the forthcoming AGM for shareholders to renew the mandate for another year.

DIRECTORS OF THE COMPANY

The names of the Directors of the Company in office since the beginning of the financial year to the date of this report are:

Tan Sri Dato' Seri Lee Oi Hian ^
Dato' Lee Hau Hian ^
Dato' Yeoh Eng Khoon ^
Mr. Quah Chek Tin
Dr. Tunku Alina Binti Raja Muhd Alias
Mr. Lee Yuan Zhang ^
Mr. Lim Ban Aik
Ms. Susan Yuen Su Min
Tan Sri Rastam Bin Mohd Isa (Resigned on 2 October 2023)

^ Tan Sri Dato' Seri Lee Oi Hian, Dato' Lee Hau Hian, Dato' Yeoh Eng Khoon and Mr. Lee Yuan Zhang are also Directors of the Company's subsidiaries.

DIRECTORS OF SUBSIDIARIES

By way of relief order dated 25 November 2024, granted by the Companies Commission of Malaysia, the names of Directors of the Company's subsidiaries as required under Section 253(2) of the Companies Act 2016 are not disclosed in this report. The names of Directors of the Company's subsidiaries are set out in the respective subsidiaries' audited financial statements and the said information is deemed incorporated herein by such reference and shall form part thereof.

DIRECTORS' SHAREHOLDINGS

According to the Register of Directors' Shareholdings, the interests of the Directors who held office at the end of the financial year in the Company and its subsidiaries were as follows:

	Balance as at 1 October 2023	Additions	(Disposals)	Balance as at 30 September 2024
	←	Number of ordinary shares		→
Company: **Batu Kawan Berhad**				
Direct interests				
Tan Sri Dato' Seri Lee Oi Hian	1,665,428	50,000	-	1,715,428
Dato' Lee Hau Hian	1,583,444	-	-	1,583,444
Dato' Yeoh Eng Khoon	323,564	-	-	323,564
Lee Yuan Zhang	10,271	-	-	10,271
Lim Ban Aik	6,200	-	-	6,200
Deemed interests				
Tan Sri Dato' Seri Lee Oi Hian	218,590,309	-	-	218,590,309
Dato' Lee Hau Hian	215,924,419	-	-	215,924,419
Dato' Yeoh Eng Khoon	22,105,474	-	-	22,105,474
Lim Ban Aik	5,000	-	-	5,000
Subsidiary: **Kuala Lumpur Kepong Berhad**				
Direct interests				
Tan Sri Dato' Seri Lee Oi Hian	151,112	3,063	-	154,175
Dato' Lee Hau Hian	84,536	1,713	-	86,249
Dato' Yeoh Eng Khoon	340,176	6,896	-	347,072
Dr. Tunku Alina Binti Raja Muhd Alias	1,000	20	-	1,020
Lim Ban Aik	11,000	60	(8,000)	3,060
Deemed interests				
Tan Sri Dato' Seri Lee Oi Hian	515,223,496	10,701,658	-	525,925,154
Dato' Lee Hau Hian	515,094,496	10,701,658	-	525,796,154
Dato' Yeoh Eng Khoon	4,838,476	98,090	-	4,936,566

By virtue of their deemed interests in the ordinary shares of the Company, Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are deemed to have interests in the ordinary shares of all the subsidiaries of the Company to the extent of the Company's interest in the respective subsidiaries as disclosed in Note 40 to the financial statements.

Other than as disclosed above, the other Directors who held office at the end of the financial year did not have any interest (whether direct or deemed) in the ordinary shares of the Company and 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 benefits (other than those fees and other benefits included in the aggregate amount of remuneration received or due and receivable by Directors as shown in the Group's financial statements or the fixed salary of a full time employee of the Company or of related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest, except for any deemed benefits that may accrue to certain Directors by virtue of the normal trading transactions by the Group and the Company with related parties in which certain Directors have substantial direct or deemed interests as disclosed in Note 37 to the financial statements.

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.

DIRECTORS' REMUNERATION

Directors' remuneration of the Group and of the Company for the financial year ended 30 September 2024 were as follows:

	Group RM'000	Company RM'000
Fees provided	2,081	1,456
Other emoluments	28,142	10,144
Benefits-in-kind	77	38
	30,300	11,638

INDEMNITY AND INSURANCE COSTS

During the financial year, Directors and Officers of the Group are covered under the Directors' and Officers' Liability Insurance Policy ("Policy") in respect of liabilities arising from acts committed in their respective capacity as, inter alia, Directors and Officers of the Group subject to the terms of the Policy. The total amount of directors' and officers' liability insurance effected for the Directors and Officers of the Group was RM18 million. No indemnity was given to or insurance effected for the auditors of the Group and of the Company.

OPTIONS GRANTED OVER UNISSUED SHARES

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

OTHER STATUTORY INFORMATION

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

(a) all known bad debts have been written off and adequate provision made for doubtful debts; and

(b) 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:

(a) that would render the amounts 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

(b) that would render the value attributed to the current assets in the financial statements of the Group and of the Company misleading; or

(c) 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

(d) 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:

(a) 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

(b) 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 (12) months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group and of the Company to meet their obligations as and when they fall due.

In the opinion of the Directors, the financial performance of the Group and of the Company for the financial year ended 30 September 2024 have not been substantially affected by any item, transaction or event of a material and unusual nature occurred in the interval between the end of that financial year and the date of this report, except for an impairment loss for investment in Synthomer plc, an associate of the Group of RM180.0 million recognised during the financial year.

EVENT SUBSEQUENT TO THE REPORTING PERIOD

Details of event subsequent to reporting period are disclosed in Note 44 to the financial statements.

AUDITORS

The auditors, BDO PLT 201906000013 (LLP0018825-LCA) & AF0206, have expressed their willingness to continue in office.

Auditors' remuneration of the Group and of the Company for the financial year ended 30 September 2024 were as follows:

	Group RM'000	Company RM'000
Statutory audit	5,438	131
Assurance related services	151	9
Non-audit services	1,128	2
	6,717	142

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

DATO' LEE HAU HIAN
(Managing Director)

DATO' YEOH ENG KHOON
(Director)

9 December 2024

Statements of Profit or Loss

For The Year Ended 30 September 2024

		Group		Company	
	Note	**2024** **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Revenue	3	**23,060,152**	24,653,397	**647,005**	674,446
Cost of sales		**(19,808,132)**	(21,540,432)	**-**	-
Gross profit		**3,252,020**	3,112,965	**647,005**	674,446
Other operating income		**472,181**	577,472	**103,408**	28,180
Distribution costs		**(844,167)**	(472,609)	**-**	-
Administrative expenses		**(507,973)**	(902,580)	**(14,638)**	(16,208)
Net impairment losses of financial assets		**(10,251)**	(59,211)	**-**	-
Other operating expenses		**(527,895)**	(351,038)	**(44,273)**	(20,968)
Operating profit	4	**1,833,915**	1,904,999	**691,502**	665,450
Finance costs	5	**(473,466)**	(441,262)	**(21,013)**	(34,820)
Share of loss of equity accounted associates, net of tax		**(117,787)**	(169,618)	**-**	-
Share of loss of equity accounted joint ventures, net of tax		**(3,837)**	(15,419)	**-**	-
Profit before taxation		**1,238,825**	1,278,700	**670,489**	630,630
Taxation	8	**(480,857)**	(192,907)	**(2,484)**	(3,464)
Profit for the year		**757,968**	1,085,793	**668,005**	627,166
Attributable to:					
Equity holders of the Company		**298,856**	490,917	**668,005**	627,166
Non-controlling interests		**459,112**	594,876	**-**	-
		757,968	1,085,793	**668,005**	627,166
		Sen	**Sen**	**Sen**	**Sen**
Basic/Diluted earnings per ordinary share	9	**76.0**	124.8	**170.0**	159.4

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

Statements of Other Comprehensive Income

For The Year Ended 30 September 2024

	Group		**Company**	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Profit for the year	**757,968**	1,085,793	**668,005**	627,166
Other comprehensive (loss)/income that will be reclassified subsequently to profit or loss, net of tax				
Currency differences arising from translation of net investments in foreign entities	**(1,072,008)**	385,612	**-**	-
Share of other comprehensive loss in associates	**(10,252)**	(40,811)	**-**	-
	(1,082,260)	344,801	**-**	-
Other comprehensive income/(loss) that will not be reclassified subsequently to profit or loss, net of tax				
Net change in fair value of equity instruments at fair value through other comprehensive income	**158,112**	(50,868)	**3,105**	(1,162)
Share of other comprehensive income/(loss) in associates	**12,995**	(14,716)	**-**	-
Share of other comprehensive loss in a joint venture	**(289)**	(18)	**-** **-**	-
Loss on remeasurement of defined benefit plans (Note 33)	**(28,525)**	(12,486)	**-**	-
	142,293	(78,088)	**3,105**	(1,162)
Total other comprehensive (loss)/income for the year	**(939,967)**	266,713	**3,105**	(1,162)
Total comprehensive (loss)/income for the year	**(181,999)**	1,352,506	**671,110**	626,004
Attributable to:				
Equity holders of the Company	**(127,802)**	628,300	**671,110**	626,004
Non-controlling interests	**(54,197)**	724,206	**-**	-
	(181,999)	1,352,506	**671,110**	626,004

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

Statements of Financial Position

As At 30 September 2024

		Group		Company	
		2024	2023	**2024**	2023
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Assets					
Property, plant and equipment	11	**13,413,300**	13,434,647	**592**	603
Right-of-use assets	12	**1,525,995**	1,386,506	**795**	1,003
Investment properties	13	**56,989**	30,372	**-**	-
Inventories	14	**2,014,809**	2,012,424	**-**	-
Goodwill on consolidation	15	**445,982**	461,665	**-**	-
Intangible assets	16	**79,378**	110,144	**-**	-
Investments in subsidiaries	17	**-**	-	**1,977,855**	1,681,986
Investments in associates	18	**2,358,089**	2,317,427	**-**	-
Investments in joint ventures	19	**260,906**	242,282	**-**	-
Other investments	20	**924,778**	922,278	**70,072**	66,966
Other receivables	21	**382,715**	401,069	**-**	-
Amounts owing by subsidiaries	17	**-**	-	**257,975**	359,247
Deferred tax assets	22	**483,179**	492,716	**-**	-
Derivative financial assets	27	**460**	1,249	**-**	-
Total non-current assets		**21,946,580**	21,812,779	**2,307,289**	2,109,805
Inventories	14	**3,300,945**	3,038,795	**-**	-
Biological assets	23	**230,589**	222,324	**-**	-
Trade receivables	24	**2,263,171**	2,421,080	**-**	-
Other receivables, deposits and prepayments	25	**913,845**	1,217,436	**861**	180
Amounts owing by subsidiaries	17	**-**	-	**5,697**	4,169
Contract assets	26	**56,374**	74,489	**-**	-
Tax recoverable		**200,573**	236,006	**521**	232
Derivative financial assets	27	**204,986**	48,152	**-**	-
Short-term funds	28	**140,894**	119,415	**86,499**	99
Cash and cash equivalents	29	**2,786,024**	2,717,057	**211,571**	85,904
Total current assets		**10,097,401**	10,094,754	**305,149**	90,584
Total assets		**32,043,981**	31,907,533	**2,612,438**	2,200,389

Statements of Financial Position (Continued)

As At 30 September 2024

		Group		Company	
		2024	2023	**2024**	2023
	Note	**RM'000**	RM'000	**RM'000**	RM'000
Equity					
Share capital	30	**507,587**	507,587	**507,587**	507,587
Reserves	31	**7,004,086**	7,459,437	**1,728,301**	1,293,092
		7,511,673	7,967,024	**2,235,888**	1,800,679
Less: Cost of treasury shares	30	**(136,919)**	(113,109)	**(136,919)**	(113,109)
Total equity attributable to equity holders of the Company		**7,374,754**	7,853,915	**2,098,969**	1,687,570
Non-controlling interests		**8,503,620**	9,343,897	**-**	-
Total equity		**15,878,374**	17,197,812	**2,098,969**	1,687,570
Liabilities					
Deferred tax liabilities	22	**1,130,103**	1,146,043	**-**	-
Lease liabilities	12	**347,574**	155,219	**627**	830
Deferred income	32	**72,909**	81,633	**-**	-
Provision for retirement benefits	33	**548,523**	552,739	**120**	92
Derivative financial liabilities	27	**-**	21	**-**	-
Borrowings	34	**6,950,130**	7,514,568	**500,000**	500,000
Total non-current liabilities		**9,049,239**	9,450,223	**500,747**	500,922
Trade payables	35	**794,137**	867,846	**-**	-
Other payables	36	**1,204,305**	1,220,586	**10,483**	11,157
Amount owing to subsidiaries	17	**-**	-	**656**	544
Contract liabilities	26	**173,174**	135,224	**-**	-
Deferred income	32	**8,629**	8,656	**-**	-
Lease liabilities	12	**25,535**	28,306	**204**	196
Borrowings	34	**4,786,820**	2,894,693	**-**	-
Tax payable		**57,394**	42,022	**-**	-
Derivative financial liabilities	27	**66,374**	62,165	**1,379**	-
Total current liabilities		**7,116,368**	5,259,498	**12,722**	11,897
Total liabilities		**16,165,607**	14,709,721	**513,469**	512,819
Total equity and liabilities		**32,043,981**	31,907,533	**2,612,438**	2,200,389

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

Consolidated Statement of Changes in Equity

For The Year Ended 30 September 2024

	← Attributable to the equity holders of the Company						→		
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 October 2022	507,587	(109,400)	934,853	181,402	579,179	5,573,565	7,667,186	9,264,281	16,931,467
Net change in fair value of equity instruments	-	-	-	-	(24,615)	-	(24,615)	(26,253)	(50,868)
Realisation on fair value of equity instruments	-	-	-	-	(1,417)	1,417	-	-	-
Transfer of reserves	-	-	5,685	-	-	(5,685)	-	-	-
Share of other comprehensive loss in associates	-	-	-	(19,475)	-	(4,637)	(24,112)	(31,415)	(55,527)
Share of other comprehensive loss in joint ventures	-	-	-	-	-	(9)	(9)	(9)	(18)
Loss on remeasurement of defined benefit plans (Note 33)	-	-	-	-	-	(5,371)	(5,371)	(7,115)	(12,486)
Currency differences arising from translation of net investments in foreign entities	-	-	422	191,068	-	-	191,490	194,122	385,612
Total other comprehensive income/(loss) for the year	-	-	6,107	171,593	(26,032)	(14,285)	137,383	129,330	266,713
Profit for the year	-	-	-	-	-	490,917	490,917	594,876	1,085,793
Total comprehensive income/(loss) for the year	-	-	6,107	171,593	(26,032)	476,632	628,300	724,206	1,352,506
Shares buy back	-	(3,709)	-	-	-	-	(3,709)	-	(3,709)
Employees' share grant scheme	-	-	-	-	-	-	-	5,830	5,830
Acquisition through business combination	-	-	-	-	-	-	-	15,927	15,927
Effect of changes in shareholdings in subsidiaries	-	-	(206)	(55)	(99)	(4,783)	(5,143)	(15,664)	(20,807)
FY2022 final dividend paid	-	-	-	-	-	(354,043)	(354,043)	-	(354,043)
FY2023 interim dividend paid	-	-	-	-	-	(78,676)	(78,676)	-	(78,676)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(650,683)	(650,683)
Total transactions with owners of the Company	-	(3,709)	(206)	(55)	(99)	(437,502)	(441,571)	(644,590)	(1,086,161)
At 30 September 2023	507,587	(113,109)	940,754	352,940	553,048	5,612,695	7,853,915	9,343,897	17,197,812
	← Note 30	→	←	Note 31		→			

Consolidated Statement of Changes in Equity (Continued)

For The Year Ended 30 September 2024

	Attributable to the equity holders of the Company								
	Share Capital RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Exchange Fluctuation Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000	Non-Controlling Interests RM'000	Total Equity RM'000
At 1 October 2023	507,587	(113,109)	940,754	352,940	553,048	5,612,695	7,853,915	9,343,897	17,197,812
Net change in fair value of equity instruments	-	-	-	-	77,571	-	77,571	80,541	158,112
Realisation on fair value of equity instruments	-	-	-	-	468	(468)	-	-	-
Transfer of reserves	-	-	(3,127)	-	-	3,127	-	-	-
Share of other comprehensive (loss)/income in associates	-	-	-	(4,908)	-	6,225	1,317	1,426	2,743
Share of other comprehensive loss in joint ventures	-	-	-	-	-	(138)	(138)	(151)	(289)
Loss on remeasurement of defined benefit plans (Note 33)	-	-	-	-	-	(13,806)	(13,806)	(14,719)	(28,525)
Currency differences arising from translation of net investments in foreign entities	-	-	(6,202)	(485,400)	-	-	(491,602)	(580,406)	(1,072,008)
Total other comprehensive (loss)/income for the year	-	-	(9,329)	(490,308)	78,039	(5,060)	(426,658)	(513,309)	(939,967)
Profit for the year	-	-	-	-	-	298,856	298,856	459,112	757,968
Total comprehensive (loss)/income for the year	-	-	(9,329)	(490,308)	78,039	293,796	(127,802)	(54,197)	(181,999)
Shares buy back	-	(23,810)	-	-	-	-	(23,810)	-	(23,810)
Redemption of redeemable preference shares	-	-	525	-	-	(525)	-	-	-
Issuance of shares to non-controlling interests	-	-	-	-	-	-	-	8,225	8,225
Effect of changes in shareholdings in subsidiaries	-	-	372	3,681	1,752	(87,221)	(81,416)	(474,863)	(556,279)
Realisation of foreign exchange reserve upon liquidation of a subsidiary	-	-	-	(10,232)	-	-	(10,232)	-	(10,232)
FY2023 final dividend paid	-	-	-	-	-	(157,352)	(157,352)	-	(157,352)
FY2024 interim dividend paid	-	-	-	-	-	(78,549)	(78,549)	-	(78,549)
Dividends paid to non-controlling interests	-	-	-	-	-	-	-	(319,442)	(319,442)
Total transactions with owners of the Company	-	(23,810)	897	(6,551)	1,752	(323,647)	(351,359)	(786,080)	(1,137,439)
At 30 September 2024	507,587	(136,919)	932,322	(143,919)	632,839	5,582,844	7,374,754	8,503,620	15,878,374
	Note 30		Note 31						

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

Statement of Changes in Equity of the Company

For The Year Ended 30 September 2024

	Share Capital RM'000	Treasury Shares RM'000	Capital Reserve RM'000	Fair Value Reserve RM'000	Retained Earnings RM'000	Total RM'000
At 1 October 2022	507,587	(109,400)	32,555	49,932	1,017,320	1,497,994
Net change in fair value of equity instruments	-	-	-	(1,162)	-	(1,162)
Total other comprehensive loss for the year	-	-	-	(1,162)	-	(1,162)
Profit for the year	-	-	-	-	627,166	627,166
Total comprehensive (loss)/income for the year	-	-	-	(1,162)	627,166	626,004
Shares buy back	-	(3,709)	-	-	-	(3,709)
FY2022 final dividend paid	-	-	-	-	(354,043)	(354,043)
FY2023 interim dividend paid	-	-	-	-	(78,676)	(78,676)
Total transactions with owners of the Company	-	(3,709)	-	-	(432,719)	(436,428)
At 30 September 2023	**507,587**	**(113,109)**	**32,555**	**48,770**	**1,211,767**	**1,687,570**
Net change in fair value of equity instruments	**-**	**-**	**-**	**3,105**	**-**	**3,105**
Total other comprehensive income for the year	**-**	**-**	**-**	**3,105**	**-**	**3,105**
Profit for the year	**-**	**-**	**-**	**-**	**668,005**	**668,005**
Total comprehensive income for the year	**-**	**-**	**-**	**3,105**	**668,005**	**671,110**
Shares buy back	**-**	**(23,810)**	**-**	**-**	**-**	**(23,810)**
FY2023 final dividend paid	**-**	**-**	**-**	**-**	**(157,352)**	**(157,352)**
FY2024 interim dividend paid	**-**	**-**	**-**	**-**	**(78,549)**	**(78,549)**
Total transactions with owners of the Company	**-**	**(23,810)**	**-**	**-**	**(235,901)**	**(259,711)**
At 30 September 2024	**507,587**	**(136,919)**	**32,555**	**51,875**	**1,643,871**	**2,098,969**

← Note 30 →

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

Consolidated Statement of Cash Flows

For The Year Ended 30 September 2024

	2024 **RM'000**	2023 RM'000
Cash flows from operating activities		
Profit before taxation	**1,238,825**	1,278,700
Adjustments for:		
Depreciation of property, plant and equipment	**1,017,720**	969,484
Depreciation of right-of-use assets	**68,107**	60,982
Depreciation of investment properties	**30**	12
Amortisation of intangible assets	**33,323**	31,260
Amortisation of deferred income	**(8,657)**	(8,646)
Impairment of property, plant and equipment	**2,955**	27,821
Property, plant and equipment written off	**2,651**	7,635
Impairment of intangible assets	**-**	44
Impairment of investment in an associate	**180,000**	-
Reversal of impairment of property, plant and equipment	**(4,568)**	-
Gain on disposal of property, plant and equipment	**(3,969)**	(2,917)
Surplus on government acquisitions of land	**(53,860)**	(42,218)
Surplus on disposal of land	**(14,579)**	(10,212)
Surplus on disposal of a business line	**-**	(76,443)
Surplus on voluntary liquidation of a subsidiary	**(10,232)**	-
Fair value surplus on deemed disposal of a joint venture	**(8,556)**	-
Provision for retirement benefits	**62,434**	67,198
Impairment of trade receivables	**2,962**	922
Trade receivables written off	**1,429**	1,220
Reversal of impairment of trade receivables	**(3,396)**	(3,772)
Impairment of other receivables	**3,640**	20
Other receivables written off	**573**	-
Reversal of impairment of other receivables	**(85)**	-
Impairment of plasma project receivables	**38,553**	62,915
Plasma projects receivables written off	**1,099**	-
Reversal of impairment of plasma project receivables	**(31,424)**	(874)
Write down of inventories to net realisable value	**149,438**	165,809
Write back of slow moving inventories	**(14,679)**	(331)
Write back of inventories previously written down to net realisable value	**(47,693)**	(108,962)
Finance costs	**466,546**	434,168
Lease interest expense (Note C)	**6,920**	7,094
Dividend income	**(52,085)**	(45,876)
Interest income	**(94,079)**	(97,284)
Exchange loss/(gain)	**258,016**	(1,069)
Net change in fair value of derivatives	**(148,489)**	15,005
Net change in fair value of biological assets	**(28,626)**	(11,732)
Net change in fair value of debt instruments	**835**	(3,650)
Gain on remeasurement and modification of leases	**(4)**	-
Gain on termination of leases	**(64)**	(69)
Employees' share grant schemes	**-**	5,830
Share of loss of equity accounted associates, net of tax	**117,787**	169,618
Share of loss of equity accounted joint ventures, net of tax	**3,837**	15,419
Operating profit before working capital changes	**3,132,635**	2,907,101
Working capital changes:		
Inventories	**(442,472)**	1,201,176
Biological assets	**6,012**	2,335
Trade and other receivables	**178,618**	(474,757)
Contract assets	**13,807**	12,345
Trade and other payables	**(54,070)**	(299,325)
Contract liabilities	**40,736**	(6,488)
Cash generated from operations	**2,875,266**	3,342,387
Interests received	**12,226**	16,476
Interests paid	**(541,693)**	(456,503)
Tax paid	**(430,782)**	(682,005)
Retirement benefits paid	**(53,719)**	(52,723)
Net cash generated from operating activities	**1,861,298**	2,167,632

Consolidated Statement of Cash Flows (Continued)

For The Year Ended 30 September 2024

	2024 **RM'000**	2023 RM'000
Cash flows from investing activities		
Purchase of property, plant and equipment	**(1,684,040)**	(1,661,384)
Purchase of right-of-use assets	**(35,687)**	(14,695)
Development of investment property	**(24,973)**	(4,297)
Expenditure on land held for property development	**(2,674)**	(20,827)
Purchase of shares in subsidiaries, net of cash acquired (Note B)	**-**	(108,892)
Purchase and subscription of shares in an associate	**(409,712)**	(21,324)
Increase in investment in joint ventures	**(19,539)**	(9,630)
Purchase of other investments	**-**	(244,494)
Purchase of intangible assets	**(4,480)**	(1,755)
Proceeds from disposal of property, plant and equipment	**22,098**	9,382
Compensation from government on land acquired	**55,347**	42,372
Proceeds from disposal of a business line	**-**	79,334
Proceeds from disposal of other investments	**110,378**	5,338
Proceeds from maturity of other investment	**-**	100,000
Proceeds from capital reduction in an associate	**2,498**	-
(Advances to)/Repayment from joint ventures	**(23,874)**	174,114
Repayment from investee companies	**15,079**	5,970
Net withdrawal from short-term funds	**(33,324)**	148,833
Advances to plasma project receivables	**(14,646)**	(15,436)
Dividends received from associates	**19,850**	12,482
Dividends received from investments	**50,945**	45,059
Interests received	**64,897**	65,609
Net cash used in investing activities	**(1,911,857)**	(1,414,241)
Cash flows from financing activities		
Drawdown of term loans (Note C)	**1,370,861**	238,240
Repayment of term loans (Note C)	**(509,405)**	(534,487)
Redemption of Islamic Medium Term Notes (Note C)	**-**	(500,000)
Net drawdown of short-term borrowings (Note C)	**645,834**	768,845
Payments of lease liabilities (Note C)	**(23,552)**	(25,454)
Payments of lease interest (Note C)	**(6,643)**	(7,146)
Dividends paid to shareholders of the Company	**(235,901)**	(432,719)
Dividends paid to non-controlling interests	**(319,442)**	(650,683)
Capital reduction paid to a non-controlling interest	**-**	(1,127)
Issuance of shares to non-controlling interests	**8,225**	-
Purchase of shares from non-controlling interests	**(578,213)**	(19,954)
Proceeds from partial disposal of shares in a subsidiary	**21,934**	-
Shares buy back	**(23,810)**	(3,709)
Net cash generated from/(used in) financing activities	**349,888**	(1,168,194)
Net increase/(decrease) in cash and cash equivalents	**299,329**	(414,803)
Effects of exchange rate changes	**(149,094)**	16,442
Cash and cash equivalents at beginning of year	**2,632,928**	3,031,289
Cash and cash equivalents at end of year (Note A)	**2,783,163**	2,632,928

Consolidated Statement of Cash Flows (Continued)

For The Year Ended 30 September 2024

	2024 **RM'000**	2023 RM'000
Notes to the consolidated statement of cash flows		
A. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Deposits with licensed banks (Note 29)	**407,294**	674,654
Money market and fixed income funds (Note 29)	**1,160,001**	656,498
Cash and bank balances (Note 29)	**1,218,729**	1,385,905
Cash and cash equivalents (Note 29)	**2,786,024**	2,717,057
Bank overdrafts (Note 34)	**(2,861)**	(84,129)
	2,783,163	2,632,928

B. Analysis of purchase of shares in subsidiaries		
Property, plant and equipment (Note 11)	**-**	80,259
Right-of-use assets (Note 12)	**-**	1,804
Intangible assets (Note 16)	**-**	38,117
Inventories (Note 14)	**-**	64,018
Net current assets	**-**	42,231
Borrowings	**-**	(49,349)
Deferred tax liabilities (Note 22)	**-**	(12,239)
Provision for retirement benefits (Note 33)	**-**	(3,733)
Lease liabilities (Note 12)	**-**	(1,836)
Fair value of identifiable net assets of subsidiaries acquired, representing total purchase price	**-**	159,272
Non-controlling interests	**-**	(15,927)
Purchase price satisfied by cash	**-**	143,345
Less: Cash and cash equivalents of subsidiaries acquired	**-**	(34,453)
Cash outflow on acquisition of subsidiaries	**-**	108,892

Consolidated Statement of Cash Flows (Continued)

For The Year Ended 30 September 2024

C. Reconciliation of liabilities from financing activities to the consolidated statement of financial position and consolidated statement of cash flows

	Lease Liabilities RM'000	Term Loans & Long-Term Borrowings RM'000	Short-Term Borrowings RM'000	Islamic Medium Term Notes RM'000	Total RM'000
At 1 October 2022	184,157	2,005,137	1,631,236	6,600,000	10,420,530
Cash flows					
Drawdown of term loans	-	238,240	-	-	238,240
Repayment of term loans	-	(534,487)	-	-	(534,487)
Redemption of Islamic Medium Term Notes	-	-	-	(500,000)	(500,000)
Net drawdown of short-term borrowings	-	-	768,845	-	768,845
Payments of lease liabilities	(25,454)	-	-	-	(25,454)
Payments of lease interest	(7,146)	-	-	-	(7,146)
Non-cash flows					
Addition of new leases	26,424	-	-	-	26,424
Remeasurement and modification of leases	2,580	-	-	-	2,580
Termination of leases	(1,940)	-	-	-	(1,940)
Acquisition through business combination	1,836	47,682	1,667	-	51,185
Lease interest expense	7,094	-	-	-	7,094
Conversion of term loans to short-term borrowings	-	(24,701)	24,701	-	-
Currency translation differences	(4,026)	33,651	33,161	-	62,786
At 30 September 2023	**183,525**	**1,765,522**	**2,459,610**	**6,100,000**	**10,508,657**
Cash flows					
Drawdown of term loans	**-**	**1,370,861**	**-**	**-**	**1,370,861**
Repayment of term loans	**-**	**(509,405)**	**-**	**-**	**(509,405)**
Net drawdown of short-term borrowings	**-**	**-**	**645,834**	**-**	**645,834**
Payments of lease liabilities	**(23,552)**	**-**	**-**	**-**	**(23,552)**
Payments of lease interest	**(6,643)**	**-**	**-**	**-**	**(6,643)**
Non-cash flows					
Addition of new leases	**7,684**	**-**	**-**	**-**	**7,684**
Remeasurement and modification of leases	**214,582**	**-**	**-**	**-**	**214,582**
Termination of leases	**(35)**	**-**	**-**	**-**	**(35)**
Lease interest expense	**6,920**	**-**	**-**	**-**	**6,920**
Reclassification	**-**	**(56,040)**	**56,040**	**-**	**-**
Currency translation differences	**(9,372)**	**(35,761)**	**(62,572)**	**-**	**(107,705)**
At 30 September 2024	**373,109**	**2,535,177**	**3,098,912**	**6,100,000**	**12,107,198**

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

Statement of Cash Flows of the Company

For The Year Ended 30 September 2024

	2024 RM'000	2023 RM'000
Cash flows from operating activities		
Profit before taxation	**670,489**	630,630
Adjustments for:		
Depreciation of property, plant and equipment	**44**	44
Depreciation of right-of-use asset	**208**	207
Surplus on disposal of subsidiaries	**(84,391)**	-
Provision for retirement benefits	**28**	25
Reversal of impairment of amount owing by subsidiary	**(121)**	-
Exchange loss/(gain)	**26,121**	(4,568)
Finance costs	**20,974**	34,774
Lease interest expense	**39**	46
Dividend income	**(622,091)**	(644,964)
Interest income	**(24,914)**	(29,482)
Net change in fair value of derivatives	**1,379**	-
Operating loss before working capital changes	**(12,235)**	(13,288)
Working capital changes:		
Other receivables	**584**	1,294
Amounts owing by subsidiaries	**(581)**	2,265
Other payables	**(641)**	(922)
Cash used in operations	**(12,873)**	(10,651)
Interests received	**3,017**	8,734
Interests paid	**(21,017)**	(41,155)
Tax paid	**(787)**	(1,550)
Net cash used in operating activities	**(31,660)**	(44,622)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(37)**	(9)
Purchase of other investment	**-**	(99,190)
Proceeds from disposal of property, plant and equipment	**4**	-
Proceeds from maturity of other investment	**-**	100,000
Net (placement)/withdrawal of short-term funds	**(97,522)**	199,940
Dividends received	**415,860**	644,614
Loan to subsidiaries	**(7,291)**	(25,621)
Repayment from subsidiaries	**114,485**	35,556
Net cash generated from investing activities	**425,499**	855,290
Cash flows from financing activities		
Redemption of Islamic Medium Term Notes (Note B)	**-**	(500,000)
Dividends paid to shareholders of the Company	**(235,901)**	(432,719)
Payments of lease liabilities (Note B)	**(188)**	(188)
Payments of lease interest (Note B)	**(46)**	(46)
Shares buy back	**(23,810)**	(3,709)
Purchase of additional shares in subsidiaries	**(5,630)**	(1,074)
Net cash used in financing activities	**(265,575)**	(937,736)
Net increase/(decrease) in cash and cash equivalents	**128,264**	(127,068)
Effects of exchange rate changes	**(2,597)**	1,251
Cash and cash equivalents at beginning of year	**85,904**	211,721
Cash and cash equivalents at end of year (Note A)	**211,571**	85,904

Statement of Cash Flows of the Company (Continued)

For The Year Ended 30 September 2024

	2024 **RM'000**	2023 RM'000
Notes to the statement of cash flows		
A. Cash and cash equivalents (Note 29)		
Cash and cash equivalents consist of:		
Deposits with licensed banks	**-**	18,974
Money market and fixed income funds	**178,208**	51,530
Cash and bank balances	**33,363**	15,400
	211,571	85,904

B. Reconciliation of liabilities from financing activities to the statement of financial position and statement of cash flows

	Lease Liabilities RM'000	**Islamic Medium Term Notes RM'000**	**Total RM'000**
At 1 October 2022	1,214	1,000,000	1,001,214
Cash flows			
Payments of lease liabilities	(188)	-	(188)
Payments of lease interest	(46)	-	(46)
Redemption of Islamic Medium Term Notes	-	(500,000)	(500,000)
Non-cash flows			
Lease interest expense	46	-	46
At 30 September 2023	**1,026**	**500,000**	**501,026**
Cash flows			
Payments of lease liabilities	**(188)**	**-**	**(188)**
Payments of lease interest	**(46)**	**-**	**(46)**
Non-cash flows			
Lease interest expense	**39**	**-**	**39**
At 30 September 2024	**831**	**500,000**	**500,831**

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

1. CORPORATE INFORMATION

Batu Kawan Berhad ("the Company") is a public limited liability company, incorporated and domiciled in Malaysia and is listed on the Main Market of the Bursa Malaysia Securities Berhad. The registered office and principal place of business are located at Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan.

The consolidated financial statements as at and for the financial year ended 30 September 2024 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 and joint ventures.

The principal activity of the Company is investment holding while the principal activities of the Group entities are shown in Note 40 to the financial statements.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements of the Group have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), IFRS Accounting Standards and the provisions of Companies Act 2016 in Malaysia. These financial statements also comply with the applicable disclosure provisions of the Listing Requirements of the Bursa Malaysia Securities Berhad.

The accounting policies adopted by the Group are consistent with those of the previous financial year except for the adoption of the following new MFRS and Amendments to the MFRSs, that were issued by the Malaysian Accounting Standards Board ("MASB").

Title	**Effective date**
MFRS 17 *Insurance Contracts*	1 January 2023
Initial Application of MFRS 17 and MFRS 9 - Comparative Information (Amendments to MFRS 17 *Insurance Contracts*)	1 January 2023
Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2023
Definition of Accounting Estimates (Amendments to MFRS 108 *Accounting Policies, Changes in Accounting Estimates and Errors)*	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to MFRS 112 *Income Taxes*)	1 January 2023
*International Tax Reform - Pillar Two Model Rules (*Amendments to MFRS 112 *Income Taxes)*	Refer paragraph 98M of MFRS 112

The application of the above Standard and Amendments to MFRSs has no significant effect to the financial statements of the Group except as mentioned below:

(i) Disclosure of Accounting Policies (Amendments to MFRS 101 *Presentation of Financial Statements*)

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.

These Amendments did not result in any changes to the accounting policies of the Group. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

(ii) International Tax Reform - Pillar Two Model Rules (Amendments to MFRS 112 *Income Taxes*) and MFRS Application Implementation ('MAIG') 4 Determination of Announced Tax Rate as Substantively Enacted for Measurement of Deferred Tax Assets and Liabilities

The Amendments provide a temporary mandatory relief from deferred tax accounting for the top-up tax, which is effective immediately, and requirements about the Pillar Two exposure that are disclosed in Note 22 to the financial statements.

The temporary mandatory relief applies retrospectively. These Amendments had no retrospective application and current year impact on the consolidated financial statements of the Group as there was no new legislation enacted or substantively enacted to implement the top-up tax in the jurisdictions in which the Group operates.

The MFRS Application and Implementation Committee ('MAIC') issued MAIG 4 on 30 October 2023 in response to clarifications sought arising from the implementation of Global Minimum Tax by the Malaysian Government in year 2025 announced during the Budget Announcement on 13 October 2023. Based on MAIG 4, the MAIC concluded that the announced tax rates by the Malaysian Government is 'substantially enacted' for the measurement of deferred tax assets and liabilities after the voting by the Members of the House of Representatives by a simple majority after the Third Reading.

New MFRSs and Amendments to MFRSs that have been issued by the MASB but have not been applied by the Group are:

Title	**Effective date**
Lease Liability in a Sale and Leaseback (Amendments to MFRS 16 *Leases*)	1 January 2024
*Classification of Liabilities as Current or Non-current (*Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2024
Non-current Liabilities with Covenants (Amendments to MFRS 101 *Presentation of Financial Statements*)	1 January 2024
Supplier Finance Arrangements (Amendments to MFRS 107 and MFRS 7)	1 January 2024
Lack of Exchangeability (Amendments to MFRS 121 *The Effects of Changes in Foreign Exchange Rates*)	1 January 2025
Amendments to the Classification and Measurement of Financial Instruments (Amendments to MFRS 9 and MFRS 7)	1 January 2026
Annual Improvements to MFRS Accounting Standards – Volume 11	1 January 2026
MFRS 18 *Presentation and Disclosure in Financial Statements*	1 January 2027
MFRS 19 *Subsidiaries without Public Accountability: Disclosures*	1 January 2027
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to MFRS 10 *Consolidated Financial Statements* and MFRS 128 *Investments in Associates and Joint Ventures*)	Deferred

The Group is in the process of assessing the impact of implementing these Standards and Amendments to MFRSs since the effects would only be observable in future financial years.

2.2 Basis of measurement

The financial statements have been prepared under the historical cost basis unless otherwise stated in the financial statements.

2.3 Functional and presentation currency

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.

2.4 Use of estimates and judgements

The preparation of 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 on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

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 Notes 11, 12, 15, 17, 18, 21, 22 and 40 for measurement of the recoverable amounts of property, plant and equipment, right-of-use assets, goodwill on consolidation, cost of investment, other receivables, deferred tax assets and the determination of fair value of identifiable assets acquired and liabilities assumed on business combination.

3. REVENUE

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Revenue from contracts with customers				
Sale of goods				
Palm products	**3,696,944**	3,486,740	**-**	-
Rubber	**77,194**	48,352	**-**	-
Manufacturing	**18,693,813**	20,503,612	**-**	-
Others	**132,235**	186,671	**-**	-
	22,600,186	24,225,375	**-**	-
Property development	**229,429**	218,106	**-**	-
Rendering of services	**8,635**	6,191	**-**	-
	22,838,250	24,449,672	**-**	-
Other revenue				
Rental income from storage of bulk liquid	**75,371**	60,235	**-**	-
Rental income from investment properties	**367**	330	**-**	-
Interest income from financial assets not at fair value through profit or loss	**94,079**	97,284	**24,914**	29,482
Dividend income (Note 7)	**52,085**	45,876	**622,091**	644,964
	23,060,152	24,653,397	**647,005**	674,446
Timing of recognition of revenue from contracts with customers				
At point in time	**22,599,116**	24,226,137	**-**	-
Over time	**239,134**	223,535	**-**	-
	22,838,250	24,449,672	**-**	-

Revenue from contracts with customers is disaggregated in Note 41 to the financial statements by geographical area.

(a) Revenue from contracts with customers

(i) Sales of goods

Revenue from sales of goods are recognised (net of discount and taxes collected on behalf) at the point in time when control of the goods has been transferred to the customer. Depending on the terms of the contract with the customer, control transfers either upon delivery of the goods to a location specified by the customer and acceptance of the goods by the customer, or upon delivery of the goods on board vessels or tankers for onward delivery to the customers.

There is no right of return and warranty provided to the customers on the sale of goods.

There is no significant financing component in the revenue arising from sale of goods as the sales are made on the normal credit terms not exceeding twelve (12) months.

(ii) Property development

Contracts with customers may include multiple promises to customers and are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each separate performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under sale and purchase agreement (“SPA”).

Revenue is recognised as and when the control of the asset is transferred to the customer and it is probable that the Group will collect consideration to which it will be entitled to in exchange for the asset that would be transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group’s performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for work performance completed todate.

If control of the asset transfers over time, revenue is recognised over the period of the contract using the input method by reference to the progress towards complete satisfaction of that performance obligation, i.e. based on the contract costs incurred todate to the estimated total costs for the contract. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

Significant judgement is required in determining performance obligations, transaction price allocation, costs in applying the input method to recognise revenue over time.

The Group identifies performance obligations that are distinct and material, which is judgmental in the context of a contract. Transaction prices were determined based on estimated margins prior to its allocation to the identified performance obligation. The Group also estimated total contract costs in applying the input method to recognise revenue over time.

There is no significant financing component in the revenue arising from property development as the contracts are on normal credit terms not exceeding twelve (12) months.

The Group recognises sales at a point in time for the sale of completed properties, when the control of the properties has been transferred to the purchasers, being when the properties have been completed and delivered to the customers and it is probable that the Group will collect the considerations to which it would be entitled to in exchange for the assets sold.

There is no significant financing component in the revenue arising from sale of completed properties as the sales are made on the normal credit terms not exceeding twelve (12) months.

(iii) Rendering of services
Revenue from services rendered is recognised in profit or loss when the services are rendered.

(b) Other revenue

(i) Dividend income
Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

(ii) Interest income
Interest income is recognised as it accrues using the effective interest method in profit or loss except for interest income arising from temporary investment of borrowings taken specifically for the purpose of obtaining a qualifying asset, which is accounted for in accordance with the accounting policy on borrowing costs.

(iii) Rental income
Rental income is recognised based on the accrual basis.

In the case of the Group, revenue comprises sales to third parties only.

4. OPERATING PROFIT

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Operating profit is arrived at after charging and (crediting) the following:				
Auditors' remuneration				
- BDO PLT				
statutory audit				
current year	**1,841**	1,470	**131**	131
under provision in prior year	**104**	-	**-**	-
assurance related services				
current year	**74**	33	**9**	15
under provision in prior year	**12**	-	**-**	-
non-audit services	**10**	4	**-**	-
- overseas affiliates of BDO International				
statutory audit	**1,625**	1653	**-**	-
non-audit services	**1,058**	-	**-**	-
- other auditors				
statutory audit				
current year	**1,829**	1,819	**-**	-
under provision in prior years	**39**	-	**-**	-
assurance related services	**65**	68	**-**	-
non-audit services	**60**	89	**2**	-
Lease rentals				
- short-term leases	**8,922**	10,256	**-**	-
- low-value assets	**498**	588	**4**	-
- variable lease payments	**41,906**	27,193	**-**	-
Depreciation of property, plant and equipment (Note 11)	**1,017,720**	969,484	**44**	44
Depreciation of right-of-use assets (Note 12)	**68,107**	60,982	**208**	207
Depreciation of investment properties (Note 13)	**30**	12	**-**	-
Amortisation of intangible assets (Note 16)	**33,323**	31,260	**-**	-
Net change in fair value of biological assets (Note 23)	**(28,626)**	(11,732)	**-**	-
Impairment of				
- property, plant and equipment (Note 11)	**2,955**	27,821	**-**	-
- intangible assets (Note 16)	**-**	44	**-**	-
- investment in an associate (Note 18)	**180,000**	-	**-**	-
- plasma project receivables (Note 21)	**38,553**	62,915	**-**	-
- trade receivables (Note 24)	**2,962**	922	**-**	-
- other receivables (Note 25)	**3,640**	20	**-**	-
Reversal of impairment of:				
- property, plant and equipment (Note 11)	**(4,568)**	-	**-**	-
- plasma project receivables (Note 21)	**(31,424)**	(874)	**-**	-
- trade receivables (Note 24)	**(3,396)**	(3,772)	**-**	-
- other receivables (Note 25)	**(85)**	-	**-**	-
- amount owing by a subsidiary (Note 17)	**-**	-	**(121)**	-
Write off of				
- property, plant and equipment (Note 11)	**2,651**	7,635	**-**	-
- plasma project receivables	**1,099**	-	**-**	-
- trade receivables	**1,429**	1,220	**-**	-
- other receivables	**573**	-	**-**	-

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Personnel expenses (excluding key management personnel)				
- salaries	**2,044,414**	1,940,294	**1,482**	1,751
- employer's statutory contributions	**202,763**	186,330	**181**	164
- defined contribution plans	**31,320**	29,838	**-**	-
Research and development expenditure	**28,080**	20,696	**-**	-
Provision for retirement benefits (Note 33)	**62,434**	67,198	**28**	25
Write down of inventories to net realisable value (Note 14)	**149,438**	165,809	**-**	-
Write back of slow moving inventories (Note 14)	**(14,679)**	(331)	**-**	-
Write back of inventories previously written down to net realisable value (Note 14)	**(47,693)**	(108,962)	**-**	-
Amortisation of deferred income (Note 32)	**(8,657)**	(8,646)	**-**	-
Gain on disposal of property, plant and equipment	**(3,969)**	(2,917)	**-**	-
Gain on remeasurement and modification of leases	**(4)**	-	**-**	-
Gain on termination of leases	**(64)**	(69)	**-**	-
Surplus on government acquisitions of land	**(53,860)**	(42,218)	**-**	-
Surplus on disposal of land	**(14,579)**	(10,212)	**-**	-
Surplus on disposal of a business line	**-**	(76,443)	**-**	-
Surplus on disposal of subsidiaries	**-**	-	**(84,391)**	-
Surplus on voluntary liquidation of a subsidiary	**(10,232)**	-	**-**	-
Fair value surplus on deemed disposal of a joint venture	**(8,556)**	-	**-**	-
Net loss/(gain) in foreign exchange	**168,143**	165,429	**27,547**	(4,520)
Rental income from land and buildings	**(6,779)**	(5,239)	**-**	-
Rental income from investment properties (Note 13)	**(373)**	(330)	**-**	-

All general research and development expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

5. FINANCE COSTS

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Interest expense/Profit payment of financial liabilities that are not at fair value through profit or loss				
Interest expense				
Term loans	**81,351**	70,024	**-**	-
Lease liabilities (Note 12)	**6,920**	7,094	**39**	46
Other interests	**127,644**	93,440	**-**	-
	215,915	170,558	**39**	46
Profit payment on Islamic Medium Term Notes	**257,551**	270,704	**20,974**	34,774
	473,466	441,262	**21,013**	34,820

6. KEY MANAGEMENT PERSONNEL COMPENSATION

The key management personnel compensation is as follows:

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Short-term benefits				
Directors' remuneration				
Fees provided	**2,081**	2,100	**1,456**	1,473
Other emoluments	**28,142**	24,964	**10,144**	9,598
Benefits-in-kind	**77**	66	**38**	35
	30,300	27,130	**11,638**	11,106

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

7. DIVIDEND INCOME

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Gross dividends from:				
Equity instruments				
Investment in unquoted shares	**989**	2,577	**-**	1,614
Investment in shares quoted in Malaysia	**3,208**	178	**3,055**	-
Investment in shares quoted outside Malaysia	**33,903**	30,347	**259**	257
Money market and fixed income funds	**13,985**	12,774	**1,510**	1,411
Quoted subsidiary	**-**	-	**310,877**	514,617
Unquoted subsidiaries	**-**	-	**306,390**	127,065
	52,085	45,876	**622,091**	644,964

8. TAXATION

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Components of taxation				
Current tax expense				
Malaysian taxation	**197,975**	188,594	**927**	2,062
Overseas taxation	**274,975**	223,035	**1,608**	1,547
	472,950	411,629	**2,535**	3,609
Under/(Over) provision of taxation in respect of previous years				
Malaysian taxation	**1,945**	(47,268)	**(51)**	(145)
Overseas taxation	**22,298**	12,461	**-**	-
	24,243	(34,807)	**(51)**	(145)
	497,193	376,822	**2,484**	3,464
Deferred tax				
Origination and reversal of temporary differences	**(7,982)**	(167,004)	**-**	-
Relating to changes in tax rates	**-**	(33)	**-**	-
Over provision in respect of previous years	**(8,354)**	(16,878)	**-**	-
	(16,336)	(183,915)	**-**	-
	480,857	192,907	**2,484**	3,464

Numerical reconciliation between the tax expenses and the product of accounting profit or loss multiplied by the applicable tax rates of the Group and of the Company are as follows:

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Reconciliation of effective taxation				
Profit before taxation	**1,238,825**	1,278,700	**670,489**	630,630
Taxation at Malaysian income tax rate of 24% (2023: 24%)	**297,318**	306,888	**160,917**	151,351
Effect of different tax rates	**(16,135)**	(11,689)	**-**	-
Withholding tax on foreign dividend and interest income	**64,870**	29,409	**1,608**	1,547
Expenses not deductible for tax purposes	**174,595**	101,763	**18,050**	15,764
Tax exempt and non-taxable income	**(113,111)**	(112,347)	**(178,040)**	(165,053)
Tax incentives	**(33,704)**	(43,858)	**-**	-
Deferred tax assets not recognised during the year	**54,477**	24,453	**-**	-
Utilisation of previously unrecognised tax losses and unabsorbed capital allowances	**(4,652)**	(5,887)	**-**	-
Expiry of tax losses	**-**	3,569	**-**	-
Tax effect on associates' and joint ventures' results	**29,190**	44,409	**-**	-
Recognition of deferred tax assets not taken up previously	**-**	(94,524)	**-**	-
Effect of changes in tax rates on deferred tax	**-**	(33)	**-**	-
Under/(Over) provision of taxation in respect of previous years	**24,243**	(34,807)	**(51)**	(145)
Over provision of deferred tax in respect of previous years	**(8,354)**	(16,878)	**-**	-
Others	**12,120**	2,439	**-**	-
	480,857	192,907	**2,484**	3,464

Malaysian income tax is calculated at the statutory tax rate of 24% (2023: 24%) of the estimated taxable profits for the fiscal year.

Tax expense for other taxation authorities are calculated at the rates prevailing in the respective jurisdictions.

9. EARNINGS PER ORDINARY SHARE

The basic earnings per ordinary share for the Group and the Company are calculated by dividing the profit for the year attributable to equity holders of the Company of RM298,856,000 (2023: RM490,917,000) for the Group and RM668,005,000 (2023: RM627,166,000) for the Company by the weighted average number of 393,048,279 (2023: 393,412,430) ordinary shares of the Company in issue during the financial year.

Diluted earnings per ordinary share equals basic earnings per ordinary share.

10. DIVIDENDS

	Group and Company	
	2024 **RM'000**	2023 RM'000
Dividends recognised in the current financial year are:		
Final single tier dividend of 40 sen per ordinary share for the financial year ended 30 September 2023 paid on 28 February 2024 (2023: final single tier dividend of 90 sen per ordinary share for the year ended 30 September 2022 paid on 2 March 2023)	**157,352**	354,043
Interim single tier dividend of 20 sen per ordinary share for the financial year ended 30 September 2024 paid on 1 August 2024 (2023: interim single tier dividend of 20 sen per ordinary share for the financial year ended 30 September 2023 paid on 3 August 2023)	**78,549**	78,676
	235,901	432,719

The final dividend for the financial year ended 30 September 2023 and interim dividend for the financial year ended 30 September 2024 were paid on the number of outstanding shares in issue and fully paid of 393,380,963 (2023: 393,380,963) and 392,741,463 (2023: 393,380,963) respectively.

A final single tier dividend of 40 sen (2023: 40 sen) per share amounting to RM156,072,000 (2023: RM157,352,385) has been declared by the Directors in respect of the financial year ended 30 September 2024. This dividend will be recognised in subsequent financial period.

11. PROPERTY, PLANT AND EQUIPMENT

Group	**Freehold Land RM'000**	**Bearer Plants RM'000**	**Buildings RM'000**	**Plant and Machinery RM'000**	**Vehicles RM'000**	**Equipment, Fittings, Etc RM'000**	**Capital Work-In-Progress RM'000**	**Total RM'000**
Cost								
At 1 October 2022	961,014	7,921,702	2,097,178	6,751,884	532,833	1,018,731	929,643	20,212,985
Reclassifications	(11,816)	3,575	115,502	430,687	6,619	6,497	(551,064)	-
Additions	-	386,636	34,229	126,982	72,702	38,979	1,012,172	1,671,700
Acquisition through business combination	27,506	-	8,831	39,129	74	753	3,966	80,259
Disposals	(107)	(357)	(962)	(2,653)	(17,767)	(23,042)	-	(44,888)
Write offs	-	(39,947)	(1,364)	(42,078)	(7,638)	(4,660)	(1,250)	(96,937)
Currency translation differences	18,922	(3,373)	15,874	117,949	1,088	5,210	6,822	162,492
At 30 September 2023	**995,519**	**8,268,236**	**2,269,288**	**7,421,900**	**587,911**	**1,042,468**	**1,400,289**	**21,985,611**
Reclassifications	**14,100**	**56,996**	**189,633**	**538,690**	**1,076**	**62,726**	**(863,221)**	**-**
Additions	**-**	**340,366**	**33,159**	**159,183**	**48,693**	**70,709**	**1,042,347**	**1,694,457**
Disposals	**(84)**	**(11,175)**	**(689)**	**(20,566)**	**(10,394)**	**(1,838)**	**-**	**(44,746)**
Write offs	**-**	**(17,830)**	**(1,158)**	**(24,828)**	**(22,460)**	**(4,407)**	**-**	**(70,683)**
Currency translation differences	**(30,534)**	**(495,279)**	**(132,490)**	**(299,021)**	**(35,278)**	**(78,512)**	**(87,562)**	**(1,158,676)**
At 30 September 2024	**979,001**	**8,141,314**	**2,357,743**	**7,775,358**	**569,548**	**1,091,146**	**1,491,853**	**22,405,963**

Group	**Freehold Land RM'000**	**Bearer Plants RM'000**	**Buildings RM'000**	**Plant and Machinery RM'000**	**Vehicles RM'000**	**Equipment, Fittings, Etc RM'000**	**Capital Work-In-Progress RM'000**	**Total RM'000**
Accumulated depreciation/ amortisation and impairment losses								
At 1 October 2022								
Accumulated depreciation/ amortisation	-	1,924,684	953,909	3,572,733	399,627	494,734	-	7,345,687
Accumulated impairment losses	-	69,557	10,899	170,563	-	2,735	-	253,754
	-	1,994,241	964,808	3,743,296	399,627	497,469	-	7,599,441
Reclassifications	-	-	156	3,078	-	(3,234)	-	-
Depreciation/Amortisation charge	-	352,396	95,568	387,851	41,590	102,396	-	979,801
Impairment losses	-	-	2,189	25,632	-	-	-	27,821
Disposals	-	(310)	(839)	(2,075)	(14,361)	(20,732)	-	(38,317)
Write offs	-	(39,591)	(333)	(37,937)	(7,161)	(4,280)	-	(89,302)
Currency translation differences	-	3,004	4,662	57,593	633	5,628	-	71,520
At 30 September 2023								
Accumulated depreciation/ amortisation	**-**	**2,239,308**	**1,053,501**	**3,982,019**	**420,328**	**574,464**	**-**	**8,269,620**
Accumulated impairment losses	**-**	**70,432**	**12,710**	**195,419**	**-**	**2,783**	**-**	**281,344**
	-	**2,309,740**	**1,066,211**	**4,177,438**	**420,328**	**577,247**	**-**	**8,550,964**
Reclassifications	**-**	**-**	**(18,752)**	**13,613**	**-**	**5,139**	**-**	**-**
Depreciation/Amortisation charge	**-**	**359,340**	**99,843**	**415,487**	**41,178**	**112,289**	**-**	**1,028,137**
Impairment loss	**-**	**-**	**-**	**2,955**	**-**	**-**	**-**	**2,955**
Disposals	**-**	**(212)**	**(680)**	**(14,219)**	**(8,077)**	**(1,725)**	**-**	**(24,913)**
Write offs	**-**	**(17,716)**	**(903)**	**(23,877)**	**(21,302)**	**(4,234)**	**-**	**(68,032)**
Write-back of impairment loss	**-**	**-**	**-**	**(4,568)**	**-**	**-**	**-**	**(4,568)**
Currency translation differences	**-**	**(176,086)**	**(61,973)**	**(179,531)**	**(27,757)**	**(46,533)**	**-**	**(491,880)**
At 30 September 2024								
Accumulated depreciation/ amortisation	**-**	**2,413,211**	**1,071,357**	**4,196,875**	**404,370**	**639,453**	**-**	**8,725,266**
Accumulated impairment losses	**-**	**61,855**	**12,389**	**190,423**	**-**	**2,730**	**-**	**267,397**
	-	**2,475,066**	**1,083,746**	**4,387,298**	**404,370**	**642,183**	**-**	**8,992,663**
Carrying amounts								
At 30 September 2023	995,519	5,958,496	1,203,077	3,244,462	167,583	465,221	1,400,289	13,434,647
At 30 September 2024	**979,001**	**5,666,248**	**1,273,997**	**3,388,060**	**165,178**	**448,963**	**1,491,853**	**13,413,300**

	Group 2024 RM'000	Group 2023 RM'000
Depreciation/Amortisation charge for the year is allocated as follows:		
Recognised in statement of profit or loss (Note 4)	**1,017,720**	969,484
Capitalised in bearer plants	**10,417**	10,317
	1,028,137	979,801

Company	**Vehicles RM'000**	**Equipment, Fittings, Etc RM'000**	**Total RM'000**
Cost			
At 1 October 2022	715	208	923
Additions	-	9	9
At 30 September 2023	**715**	**217**	**932**
Additions	**-**	**37**	**37**
Disposal	**-**	**(5)**	**(5)**
Write off	**-**	**(10)**	**(10)**
At 30 September 2024	**715**	**239**	**954**
Accumulated depreciation			
At 1 October 2022	94	191	285
Depreciation charge	28	16	44
At 30 September 2023	**122**	**207**	**329**
Depreciation charge	**29**	**15**	**44**
Disposal	**-**	**(1)**	**(1)**
Write off	**-**	**(10)**	**(10)**
At 30 September 2024	**151**	**211**	**362**
Carrying amounts			
At 30 September 2023	593	10	603
At 30 September 2024	**564**	**28**	**592**

Recognition and measurement

All items of property, plant and equipment are initially measured at cost. Cost includes expenditure that is directly attributable to the acquisition of the asset. After initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and impairment losses.

Capital work-in-progress mainly comprised building and plant that are in the process of construction or completion.

Bearer plants are living plants that are used in the production or supply of agricultural produce, which are expected to bear produce for more than one period and have remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include plantation expenditures incurred from the stage of land clearing up to the stage of maturity. New planting expenditure and replanting expenditure are recognised as bearer plants and measured at cost less accumulated amortisation and accumulated impairment losses, if any.

Depreciation
Freehold land has unlimited useful life and is not depreciated. Bearer plant and capital work-in-progress are not depreciated until such time when the asset is available for use.

Depreciation on other property, plant and equipment is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal annual depreciation rates are as follows:

Bearer plants	- 5% per annum
Buildings	- 2% to 40% per annum
Plant and machinery	- 2% to 33.33% per annum
Vehicles	- 6.67% to 33% per annum
Equipment, fittings, etc.	- 5% to 33.33% per annum

Depreciation methods, useful lives and residual values are reviewed at end of the reporting period and adjusted as appropriate.

Disposal of property, plant and equipment
The gain or loss on disposal of an item of property, plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and is recognised net within “other operating income” or “other operating expenses” respectively in profit or loss.

Impairment testing
Property, plant and equipment are tested for impairment by comparing the carrying amounts with their recoverable amounts. The recoverable amounts of property, plant and equipment are determined based on value-in-use calculations using cash flow projections from the financial budgets and forecasts approved by management covering periods ranging from five (5) to twenty (20) years (2023: five (5) to seventeen (17) years).

A sub-subsidiary used cash flow projections covering periods of up to twenty (20) years (2023: seventeen (17) years) due to long period of gestation of their businesses.

The key assumptions for the impairment testing are disclosed in Note 15 to the financial statements.

Impairment losses
Impairment losses on property, plant and equipment of RM2,955,000 (2023: RM27,821,000) was included in administrative expense. The impairment was due to cessation of operations and under performance.

Write-back of impairment loss of RM4,568,000 (2023: Nil) during the financial year was included in other operating income. The write-back was due to better performance of operations.

Impairment testing on assets in KL-Kepong Rubber Products Sdn Bhd (“KLKRP”)
The Group has carried out an impairment assessment on property, plant and equipment and right-of-use assets of KLKRP with a carrying amount of RM291.0 million (2023: RM304.9 million) in view of its continued losses.

The impairment assessment is determined based on cash flow forecasts approved by management covering a period up to fifteen (15) years applying the following key assumptions:

(i) Growth rates and forecasted margins based on management’s estimate of the industry trends and historical performance; and
(ii) A pre-tax discount rate of 7.3% (2023: 6.2%), which reflects the specific risks relating to the assets.

Based on the impairment assessment, no impairment is required for the assets related to KLKRP. There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of the assets to materially exceed the recoverable amount.

Security
Certain property, plant and equipment of the Group with a total carrying amount of RM136,128,000 (2023: RM145,441,000) as at end of financial years were charged to banks as security for borrowings (Note 34).

Property, plant and equipment subject to operating lease
Certain freehold land, buildings and plant and machinery of the Group are leased out to third parties. These leases are classified as operating lease because they do not transfer substantially all the risks and rewards incidental to the ownership of these assets.

12. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

a) Right-of-use assets

Group	**Leasehold Land RM'000**	**Land Use Right RM'000**	**Buildings RM'000**	**Plant and Machinery RM'000**	**Others RM'000**	**Total RM'000**
Cost						
At 1 October 2022	1,409,082	234,681	31,887	40,409	3,199	1,719,258
Remeasurements and modifications of leases	-	-	2,580	-	-	2,580
Additions	14,695	608	24,038	1,073	705	41,119
Acquisition through business combination	-	-	869	460	475	1,804
Termination of leases	-	(90)	(5,104)	(4,604)	(2,200)	(11,998)
Currency translation differences	1,336	841	236	1,923	54	4,390
At 30 September 2023	**1,425,113**	**236,040**	**54,506**	**39,261**	**2,233**	**1,757,153**
Reclassification	**-**	**(1,478)**	**1,478**	**-**	**-**	**-**
Remeasurements and modifications of leases	**-**	**215,214**	**(666)**	**-**	**(54)**	**214,494**
Additions	**35,687**	**-**	**4,081**	**2,857**	**746**	**43,371**
Disposal	**(128)**	**-**	**-**	**-**	**-**	**(128)**
Termination of leases	**-**	**-**	**(3,647)**	**(34)**	**(372)**	**(4,053)**
Transfer to investment properties	**(2,036)**	**-**	**-**	**-**	**-**	**(2,036)**
Currency translation differences	**(64,533)**	**(10,671)**	**(1,105)**	**(1,692)**	**(86)**	**(78,087)**
At 30 September 2024	**1,394,103**	**439,105**	**54,647**	**40,392**	**2,467**	**1,930,714**

Notes to the Financial Statements (Continued)

Group	Leasehold Land RM'000	Land Use Right RM'000	Buildings RM'000	Plant and Machinery RM'000	Others RM'000	Total RM'000
Accumulated depreciation and impairment losses						
At 1 October 2022						
Accumulated depreciation	224,098	24,686	19,335	19,516	2,390	290,025
Accumulated impairment losses	27,849	-	-	-	-	27,849
	251,947	24,686	19,335	19,516	2,390	317,874
Depreciation charge	32,346	10,847	11,394	5,479	916	60,982
Termination of leases	-	(90)	(3,515)	(4,416)	(2,108)	(10,129)
Currency translation differences	196	250	154	1,290	30	1,920
At 30 September 2023						
Accumulated depreciation	**256,702**	**35,693**	**27,368**	**21,869**	**1,228**	**342,860**
Accumulated impairment losses	**27,787**	**-**	**-**	**-**	**-**	**27,787**
	284,489	**35,693**	**27,368**	**21,869**	**1,228**	**370,647**
Remeasurements and modifications of leases	**-**	**-**	**(10)**	**(28)**	**(54)**	**(92)**
Reclassifications	**-**	**(1,380)**	**1,380**	**-**	**-**	**-**
Depreciation charge	**39,531**	**10,781**	**11,729**	**5,194**	**872**	**68,107**
Disposal	**(25)**	**-**	**-**	**-**	**-**	**(25)**
Termination of leases	**-**	**-**	**(3,686)**	**(24)**	**(372)**	**(4,082)**
Transfer to investment properties	**(362)**	**-**	**-**	**-**	**-**	**(362)**
Currency translation differences	**(24,552)**	**(2,481)**	**(836)**	**(1,529)**	**(76)**	**(29,474)**
At 30 September 2024						
Accumulated depreciation	**271,799**	**42,613**	**35,945**	**25,482**	**1,598**	**377,437**
Accumulated impairment losses	**27,282**	**-**	**-**	**-**	**-**	**27,282**
	299,081	**42,613**	**35,945**	**25,482**	**1,598**	**404,719**
Carrying amounts						
At 30 September 2023	1,140,624	200,347	27,138	17,392	1,005	1,386,506
At 30 September 2024	**1,095,022**	**396,492**	**18,702**	**14,910**	**869**	**1,525,995**

	Building RM'000
Company	
Cost	
At 1 October 2022, 30 September 2023 and 30 September 2024	**1,245**
Accumulated depreciation	
At 1 October 2022	35
Depreciation charge	207
At 30 September 2023	**242**
Depreciation charge	**208**
At 30 September 2024	**450**
Carrying amount	
At 30 September 2023	1,003
At 30 September 2024	**795**

The Group leases various land, offices and equipment. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

Recognition and measurement and depreciation
Right-of-use assets are initially measured at cost, which comprise the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date of the leases.

After initial recognition, right-of-use assets are stated at cost less accumulated depreciation and any accumulated impairment losses, and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are depreciated on the straight-line basis over the earlier of the estimated useful lives of the right-of-use assets or the end of the lease term. The lease terms of right-of-use assets are as follows:

Leasehold land	-	5 to 931 years (2023: 4 to 931 years)
Land use rights	-	8 to 99 years (2023: 4 to 99 years)
Buildings	-	1 to 30 years
Plant and machinery	-	1 to 20 years
Others	-	2 to 5 years

Recognition exemption
All leases are accounted for by recognising right-of-use assets and lease liabilities except for:

(i) leases of low value assets; and

(ii) leases with a duration of twelve (12) months or less.

Restriction imposed by lease
The lease agreements for the leasehold land do not allow the Group to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land with third party interest(s) without the prior consent of the lessor.

Impairment testing
Impairment testing on right-of-use assets is similar to that of property, plant and equipment as disclosed in Note 11 to the financial statements.

b) Lease liabilities

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Present value of lease liabilities				
At beginning of the year	**183,525**	184,157	**1,026**	1,214
Remeasurements and modifications of leases	**214,582**	2,580	**-**	-
Termination of leases	**(35)**	(1,940)	**-**	-
Addition of new leases	**7,684**	26,424	**-**	-
Acquisition through business combination	**-**	1,836	**-**	-
Interest expenses (Note 5)	**6,920**	7,094	**39**	46
Payments of lease interest	**(6,643)**	(7,146)	**(46)**	(46)
Payments of lease liabilities	**(23,552)**	(25,454)	**(188)**	(188)
Currency translation differences	**(9,372)**	(4,026)	**-**	-
At end of the year	**373,109**	183,525	**831**	1,026
Represented by				
Payable not later than 1 year	**25,535**	28,306	**204**	196
Payable later than 1 year	**347,574**	155,219	**627**	830
	373,109	183,525	**831**	1,026

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate implicit in the lease unless (as is typically the case) this is not readily determinable, in which case the Group's incremental borrowing rate on commencement of the lease is used. The incremental borrowing rates used are based on prevailing market borrowing rates over similar lease terms, of similar value as the right-of-use asset in a similar economic environment.

Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying value of the lease liability also includes:

(i) amounts expected to be payable under any residual value guarantee.
(ii) the exercise price of any purchase option granted in favour of the Group if it is reasonably certain to exercise that option; and
(iii) any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

Subsequent to initial measurement, lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

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

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

Total cash outflows for leases of the Group and the Company are as follows:

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Included in net cash used in operating activities:				
Payments relating to short-term leases	**8,922**	10,256	**-**	-
Payments relating to leases of low-value assets	**498**	588	**4**	-
Payments relating to variable leases	**21,724**	1,573	**-**	-
Included in net cash used in financing activities:				
Payments of lease liabilities	**23,552**	25,454	**188**	188
Payments of lease interest	**6,643**	7,146	**46**	46
Total cash outflows for leases	**61,339**	45,017	**238**	234

Some lease contracts contain variable payment terms that are linked to performance of the underlying right-of-use assets.

Variable lease payments that depend on performance of the underlying right-of-use assets are recognised in profit or loss in the period in which the condition that triggers those payments occurs. Sensitivity analysis for variable lease payments is not disclosed as the effect is immaterial to the Group.

Several lease contracts of the Group include extension and termination options. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised.

The possibility for the Group to exercise the termination options is unlikely after taking into consideration of relevant facts and circumstances including past experience, cost and economic incentive that will be involved to exercise the termination options.

The followings are the undiscounted potential future rental payments that are not included in the lease term:

Extension options expected not to be exercised	**Within Five Years RM'000**	**More than Five Years RM'000**	**Total RM'000**
Group			
2024	**-**	**1,406**	**1,406**
2023	-	-	-

Lease as a lessor

The Group leases out some of its land, buildings, plant and machinery to third parties. The Group classified these leases as operating lease, because they do not transfer substantially all of the risks and rewards incidental to the ownership of these assets. Lease income (net of any incentives given to lessees) is recognised over the term of the lease on a straight-line basis. The following is the maturity analysis of the undiscounted lease payments to be received after the reporting date.

	Group	
	2024 **RM'000**	2023 RM'000
Within 1 year	**79,362**	39,585
Between 1 to 2 years	**63,842**	16,653
Between 2 to 3 years	**58,856**	6,923
Between 3 to 4 years	**47,509**	5,018
Between 4 to 5 years	**34,988**	153
More than 5 years	**31,255**	124
	315,812	68,456

13. INVESTMENT PROPERTIES

Group	Freehold Land RM'000	Leasehold Land RM'000	Buildings RM'000	Assets Under Construction RM'000	Total RM'000
Cost					
At 1 October 2022	6,370	460	340	-	7,170
Additions	-	-	-	4,297	4,297
Transfer from property development cost	-	-	-	19,206	19,206
At 30 September 2023	**6,370**	**460**	**340**	**23,503**	**30,673**
Additions	**-**	**-**	**-**	**24,973**	**24,973**
Transfer from right-of-use assets	**-**	**2,036**	**-**	**-**	**2,036**
At 30 September 2024	**6,370**	**2,496**	**340**	**48,476**	**57,682**
Accumulated depreciation					
At 1 October 2022	-	92	197	-	289
Depreciation charge	-	6	6	-	12
At 30 September 2023	**-**	**98**	**203**	**-**	**301**
Depreciation charge	**-**	**22**	**8**	**-**	**30**
Transfer from right-of-use assets	**-**	**362**	**-**	**-**	**362**
At 30 September 2024	**-**	**482**	**211**	**-**	**693**
Carrying amounts					
At 30 September 2023	6,370	362	137	23,503	30,372
At 30 September 2024	**6,370**	**2,014**	**129**	**48,476**	**56,989**

	Group 2024 RM'000	Group 2023 RM'000
Fair value of investment properties	**9,777***	7,450*

** pertains to land and buildings.*

Investment properties are properties which are held to earn rental yields or for capital appreciation or for both and are not occupied by the Group. Investment properties are initially measured at cost, including transaction costs and borrowing costs if the investment properties meet the definition of qualifying asset. After initial recognition, investment properties are stated at cost less accumulated depreciation and any accumulated impairment losses.

The fair values of the investment properties are categorised as Level 3 in the fair value hierarchy.

Investment properties comprise the following:

a) Land and buildings leased to an associate. Each lease contains an initial non-cancellable period of three (3) years. Subsequent renewals are negotiated with the lessee and on average renewal periods of two (2) years. No contingent rents are charged. The fair value of such investment properties are determined based on comparison of similar properties in the same location and investment method that makes reference to recent transaction value. This is performed by an independent registered valuer having an appropriate recognised professional qualification and recent experience in the location and category of property being valued.

b) Car park lot leased to a third party. The Group's sub-subsidiary has determined that it retains all the significant risks and rewards of ownership of the property which was leased out as operating lease due to the immateriality of the lease term granted to the lessee over the investment property's economic life. Fair value was determined by the Directors as at the end of the reporting period based on an internal valuation, performed using comparison approach which made reference to observable market prices from recent sales of comparable properties.

c) Shopping centre under construction includes freehold land amounting to RM19,206,000 (2023: RM19,206,000). Fair value for such property is not reliably measurable given the wide range of estimates involved during the construction phase, which include but not limited to, term yield, reversion yield and price per square foot.

Depreciation is calculated to write off the cost of the investment properties to its residual value on a straight-line basis over its estimated useful lives. Leasehold land is depreciated over its remaining lease term. The principal annual depreciation rates are at the range of 1% to 5% per annum. Freehold land has infinite useful life and is not subject to depreciation charge. Assets under construction will only be subjected to depreciation charge when it is ready for use.

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

	Group	
	2024 RM'000	2023 RM'000
Rental income	**373**	330
Direct operating expenses	**(547)**	(56)

14. INVENTORIES

	Group	
	2024 RM'000	2023 RM'000
Non-current		
Land held for property development	**2,014,809**	2,012,424
Current		
Property development costs	**294,798**	231,987
Other inventories	**3,006,147**	2,806,808
	3,300,945	3,038,795
	5,315,754	5,051,219

Other inventories consist of developed properties held for sale, inventories of produce, stores and materials and nursery.

(a) Land held for property development	Group	
	2024 RM'000	2023 RM'000
Freehold land at cost		
At beginning of the year	**1,970,698**	1,970,698
Disposal	**(289)**	-
At end of the year	**1,970,409**	1,970,698
Development expenditure at cost		
At beginning of the year	**41,726**	20,899
Additions	**2,674**	20,827
At end of the year	**44,400**	41,726
Total	**2,014,809**	2,012,424

Land held for property development shall be classified as non-current asset where no development activities have been carried out or where development activities are not expected to be completed within the normal operating cycle.

The change in the classification of land held for property development to current assets shall be at the point when development activities have commenced and where it can be demonstrated that the development activities can be completed within the normal operating cycle.

Costs associated with the acquisition of land include the purchase price of the land, professional fees, stamp duties, commissions, conversion fees and other relevant levies.

Land held for property development is measured at the lower of cost and net realisable value.

(b) Property development costs

	Group	
	2024	2023
	RM'000	RM'000
Property development costs comprise:		
Land costs	**80,583**	80,583
Development costs	**1,119,336**	962,593
	1,199,919	1,043,176
Costs incurred during the financial year:		
Development costs	**218,166**	156,743
	1,418,085	1,199,919
Costs recognised as an expense in profit or loss:		
Previous years	**(866,417)**	(741,714)
Current year	**(155,355)**	(124,703)
	(1,021,772)	(866,417)
Transfer of developed properties held for sale to inventories:		
Previous years	**(82,309)**	(73,167)
Current year	**-**	(9,142)
	(82,309)	(82,309)
Transfer to investment property under construction:		
Previous year	**(19,206)**	-
Current year	**-**	(19,206)
	(19,206)	(19,206)
	294,798	231,987

Property development costs are stated at the lower of cost and net realisable value. Costs comprise costs associated with the acquisition of land and all costs that are directly attributable to development activities or that can be allocated on a reasonable basis to such activities.

The excess of revenue recognised in the statement of profit or loss and other comprehensive income over billings to purchasers is shown as accrued billings and the excess of billings to purchasers over revenue recognised in the statement of profit or loss and other comprehensive income is shown as progress billings.

(c) Other inventories	**Group**	
	2024	2023
	RM'000	RM'000
At cost		
Inventories of produce	**306,116**	289,371
Finished goods	**590,297**	517,689
Work-in-progress	**636,294**	542,305
Developed properties held for sale	**18,913**	22,949
Stores and materials	**860,438**	814,246
Nursery	**31,067**	31,993
	2,443,125	2,218,553
At net realisable value		
Inventories of produce	**23,156**	56,049
Finished goods	**369,239**	372,382
Work-in-progress	**170,207**	158,212
Developed properties held for sale	**420**	545
Stores and materials	**-**	1,067
	563,022	588,255
	3,006,147	2,806,808
Recognised in profit or loss:		
Inventories recognised as cost of sales	**12,429,591**	20,057,481
Write down of inventories to net realisable value	**149,438**	165,809
Write back of slow moving inventories	**(14,679)**	(331)
Write back of inventories previously written down to net realisable value	**(47,693)**	(108,962)

Inventories of developed properties held for sale are stated at the lower of costs and net realisable value. Costs consist of costs associated with the acquisition of land, direct costs and appropriate proportions of common costs attributable to developing the properties to completion.

Inventories of produce, stores and materials are measured at the lower of cost and net realisable value. Cost is determined on a weighted average basis and includes expenditure incurred in acquiring these inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition.

Inventories of nursery consist of seedlings remaining in the nursery for eventual field planting and are stated at the lower of costs and net realisable value. Cost of seeds and seedlings includes the cost of treatment and cultivation.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The Group writes down its obsolete or slow moving inventories based on assessments of their estimated net selling price. Inventories are written down when events or changes in circumstances indicate that the carrying amounts could not be recovered. Management specifically analyses sales trend and current economic trends when making this judgement to evaluate the adequacy of the write down for obsolete or slow moving inventories.

During the financial year, net inventories losses amounting to RM50.8 million were identified at a subsidiary, in respect of which Management has made the requisite accounting adjustments. Management has also commissioned an independent external party for the conduct of a comprehensive review to, amongst others, identify the cause of the losses. As at the date of this report, the review is still on-going.

Inventories previously written down to net realisable values are reversed during the financial year as the inventories were sold above the carrying amounts.

15. GOODWILL ON CONSOLIDATION

	Group	
	2024	2023
	RM'000	RM'000
Cost		
At beginning of the year	**461,665**	446,181
Currency translation differences	**(15,683)**	15,484
At end of the year	**445,982**	461,665

Goodwill is initially measured at cost. Subsequent to initial recognition, goodwill is measured at cost less accumulated impairment losses, if any.

Goodwill and fair value adjustments arising on acquisition of foreign operation on or after 1 January 2006 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policies for foreign currencies.

(a) Allocation of goodwill

Goodwill has been allocated to the cash-generating unit ("CGU") of the Group that has been identified according to business segments as follows:

	Group	
	2024	2023
	RM'000	RM'000
Plantation	**151,062**	157,591
Manufacturing	**294,917**	304,071
Property development	**3**	3
	445,982	461,665

(b) Recognition and measurement of impairment loss

For the purpose of impairment testing, goodwill is allocated from the acquisition date, to each of the CGU of the Group that are expected to benefit from the synergies of the combination.

Goodwill is tested for impairment on an annual basis by comparing the carrying amount with the recoverable amount. The Directors are of the opinion that since all CGUs are held on a long-term basis, the value-in-use would best reflect their recoverable amount. Value-in-use is determined by discounting future cash flows over five (5) years period. Future cash flows are based on business plans, which is the best estimate of future performance. The ability to achieve the business plan targets is a key assumption in determining the recoverable amount for each CGU.

There remains a risk that the ability to achieve these business plans of the management may be adversely affected due to unforeseen changes in the respective economies in which the CGUs operate.

Key assumptions used in the value-in-use calculations are:

(i) the pre-tax discount rates, which are the weighted average cost of capital adjusted for specific risks relating to relevant segments. The discount rates used ranged from 5.2% to 7.5% (2023: 6.2% to 8.3%);

(ii) the growth rate used for the plantation companies is determined based on the management's estimate of commodity prices, palm yields, oil extraction rates as well as cost of production whilst growth rates of companies in other segments are determined based on the industry trends and past performances of the respective companies; and

(iii) profit margins are projected based on historical profit margins achieved.

In assessing the value-in-use, management is of the view that no foreseeable changes in any of the above key assumptions would cause the carrying amounts of the respective CGUs to materially exceed their recoverable amounts.

16. INTANGIBLE ASSETS

	Trademarks RM'000	Patents RM'000	Trade Formula RM'000	Technology Related Assets RM'000	Customer Lists RM'000	Total RM'000
Group						
Cost						
At 1 October 2022	5,197	72,681	78,596	3,762	40,141	200,377
Additions	-	1,755	-	-	-	1,755
Write offs	(6)	(40,921)	-	-	-	(40,927)
Acquisition through business combination	23	841	-	12,326	24,927	38,117
Currency translation differences	480	4,897	-	-	701	6,078
At 30 September 2023	**5,694**	**39,253**	**78,596**	**16,088**	**65,769**	**205,400**
Additions	**329**	**3,139**	**-**	**1,012**	**-**	**4,480**
Currency translation differences	**(427)**	**(2,858)**	**-**	**(496)**	**(1,625)**	**(5,406)**
At 30 September 2024	**5,596**	**39,534**	**78,596**	**16,604**	**64,144**	**204,474**
Accumulated amortisation and impairment losses						
At 1 October 2022						
Accumulated amortisation	2,425	52,345	21,981	783	15,048	92,582
Accumulated impairment losses	-	7,602	-	-	-	7,602
	2,425	59,947	21,981	783	15,048	100,184
Amortisation charge	376	2,531	17,419	2,385	8,549	31,260
Impairment loss	-	44	-	-	-	44
Write offs	(6)	(40,921)	-	-	-	(40,927)
Currency translation differences	232	3,895	-	-	568	4,695
At 30 September 2023						
Accumulated amortisation	**3,027**	**17,362**	**39,400**	**3,168**	**24,165**	**87,122**
Accumulated impairment losses	**-**	**8,134**	**-**	**-**	**-**	**8,134**
	3,027	**25,496**	**39,400**	**3,168**	**24,165**	**95,256**
Amortisation charge	**403**	**2,495**	**17,419**	**3,754**	**9,252**	**33,323**
Currency translation differences	**(262)**	**(2,193)**	**-**	**(281)**	**(747)**	**(3,483)**
At 30 September 2024						
Accumulated amortisation	**3,168**	**18,207**	**56,819**	**6,641**	**32,670**	**117,505**
Accumulated impairment losses	**-**	**7,591**	**-**	**-**	**-**	**7,591**
	3,168	**25,798**	**56,819**	**6,641**	**32,670**	**125,096**
Carrying amounts						
At 30 September 2023	2,667	13,757	39,196	12,920	41,604	110,144
At 30 September 2024	**2,428**	**13,736**	**21,777**	**9,963**	**31,474**	**79,378**

Intangible assets are stated at cost less accumulated amortisation and any accumulated impairment losses. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation is calculated to write off the cost of the assets to their residual values on a straight-line basis over their estimated useful lives. The principal amortisation periods are as follows:

Trademarks	-	6 to 15 years
Patents	-	6 to 20 years
Trade formula	-	5 years
Technology related assets	-	5 years
Customer lists	-	15 to 20 years

The residual values, useful lives and amortisation methods are reviewed at the end of each reporting period.

The amortisation of intangible assets amounting to RM1,640,000 (2023: RM1,973,000) and RM31,683,000 (2023: RM29,287,000) are included in cost of sales and administrative expenses respectively.

Impairment loss
In the previous financial year, the Group recognised an impairment loss amounting to RM44,000 based on value-in-use method to bring the carrying amount to its recoverable amount due to cessation of operations. The impairment loss was included in administrative expenses.

17. INVESTMENTS IN SUBSIDIARIES AND AMOUNTS OWING BY/TO SUBSIDIARIES

	Company	
	2024 **RM'000**	2023 RM'000
Investments in subsidiaries		
Unquoted shares at cost	**905,702**	821,229
Quoted shares at cost	**1,072,153**	860,757
	1,977,855	1,681,986
Market value of shares In quoted corporation	**10,789,841**	11,012,798

Investments in subsidiaries, which are eliminated on consolidation, are stated in the separate financial statements of the Company at cost less impairment losses, if any. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

All components of non-controlling interests shall be initially measured at fair value on the acquisition date, unless another measurement basis is required by MFRS. The choice of the measurement basis is made on a combination-by-combination basis. Subsequent to initial recognition, the carrying amount of the non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity.

Management reviews the investments in subsidiaries for impairment when there is an indication of impairment. Recoverable amounts of the investments in subsidiaries are assessed by reference to the fair value less cost to sell of the underlying assets or the value-in-use of the respective subsidiaries. Value-in-use is the net present value of the projected future cash flows derived from business operations of the respective subsidiaries discounted at an appropriate pre-tax discount rate. This discounted cash flows method involves the use of estimated future results and a set of assumptions to support their income and cash flows. Significant judgements and estimates were used to determine the key assumptions applied to the cash flow projections, which includes the growth rates and the appropriate pre-tax discount rates used for each of the subsidiary. Impairment losses are made when the carrying amount of the investments in subsidiaries exceed its recoverable amount.

Details of the subsidiaries are shown in Note 40 to the financial statements.

	Company	
	2024	2023
	RM'000	RM'000
Amounts owing by subsidiaries		
Non-current assets	**257,975**	359,247
Current assets		
Gross	**9,917**	8,510
Allowance for impairment losses	**(4,220)**	(4,341)
Net	**5,697**	4,169
	263,672	363,416

The management reviewed the expected repayments from subsidiaries and hence classified certain amounts owing by subsidiaries as non-current.

Amounts owing by subsidiaries, which comprise non-trade, are unsecured, repayable on demand and non-interest bearing except for an amount of RM257,975,000 and RM4,764,000 (2023: RM359,247,000 and RM3,045,000) classified as non-current and current assets respectively which are subject to interest charge of 4.33% to 6.78% (2023: 4.33% to 7.40%) per annum.

The movements in allowance for impairment losses of amounts owing by subsidiaries during the financial year were as follows:

	Company	
	2024	2023
	RM'000	RM'000
Impairment in amounts owing by subsidiaries		
At beginning of the year	**4,341**	4,341
Reversal of impairment losses	**(121)**	-
At end of the year	**4,220**	4,341

Impairment for amounts owing by subsidiaries are recognised based on the general approach of MFRS 9 as disclosed in Note 24 to the financial statements.

Information on financial risks of amounts owing by subsidiaries are disclosed in Note 42 to the financial statements.

Certain amounts owing by subsidiaries were impaired in full as the management was of the opinion that the amounts cannot be recovered.

Amounts owing to subsidiaries

Amounts owing to subsidiaries are non-trade, unsecured, payable within twelve (12) months and non-interest bearing.

18. INVESTMENTS IN ASSOCIATES

	Group 2024 RM'000	 2023 RM'000
Shares at cost		
Overseas quoted corporation	**2,374,439**	2,012,313
Unquoted corporations		
Malaysia	**28,281**	30,778
Overseas	**30,027**	30,202
	58,308	60,980
	2,432,747	2,073,293
Share of post-acquisition reserves, net of dividend received	**104,567**	243,240
Impairment loss		
Overseas quoted corporation	**(180,000)**	-
	2,357,314	2,316,533
Amount owing by an associate	**775**	894
	2,358,089	2,317,427
At market value		
Overseas quoted corporation	**538,538**	83,445

Investments in associates are measured at cost less impairment losses in the separate financial statements of the Company and accounted for using equity method in the consolidated financial statements.

Certain associates have a different financial year end, which is not conterminous with the Group. The unaudited financial statements of these associates have been used in applying the equity method of accounting. The use of the unaudited financial statements is not expected to have any significant effects on the consolidated financial statements of the Group.

Details of the associates are disclosed in Note 40 to the financial statements. As at 30 September 2024 and 30 September 2023, the Group did not have any associate, which was individually material to the Group, except for Synthomer plc ("Synthomer").

(a) Material associate and summary of financial information

The Group regards Synthomer as a material associate, which is involved in speciality chemicals business. The results of Synthomer contribute to the Group's investment holding business segment. Synthomer is a public listed company in United Kingdom with financial year ending 31 December, and the financial statements are only published half-yearly, i.e. 30 June and 31 December.

Summarised statement of financial position as at 30 June 2024 and 30 June 2023:

	Group 2024 RM'000	 2023 RM'000
Non-current assets	**9,438,923**	10,160,544
Current assets	**4,988,318**	5,200,270
Non-current liabilities	**(5,513,346)**	(6,820,091)
Current liabilities	**(2,625,692)**	(3,023,133)
Non-controlling interests	**(68,386)**	(73,889)
Net assets attributable to shareholders of Synthomer	**6,219,817**	5,443,701

Summarised statement of comprehensive income for the 12-month period ended 30 June 2024 and 30 June 2023:

	Group **2024** **RM'000**	 2023 RM'000
Revenue	**11,473,266**	11,817,075
Operating (loss)/profit after tax	**(134,376)**	15,016
Less: Special items	**(370,125)**	(738,011)
Loss for the year	**(504,501)**	(722,995)
Other comprehensive income/(loss)	**12,966**	(220,792)
Total comprehensive loss	**(491,535)**	(943,787)

Special items comprised mainly non-operating charges incurred on impairment loss of a business division, amortisation of acquired intangibles, restructuring and site closure costs.

Summarised capital commitment and contingent liabilities based on the latest published financial statements as at 31 December 2023 and 31 December 2022:

	Group **2024** **RM'000**	 2023 RM'000
Capital commitment – property, plant and equipment	**48,532**	186,726
Contingent liabilities – environmental liability	**-**	15,465

The reconciliation of the above summarised financial information to the carrying amount of the Group's interests in Synthomer is as follows:

	Group **2024** **RM'000**	 2023 RM'000
Net assets attributable to shareholders of Synthomer	**6,219,817**	5,443,701
Proportion of ownership interest held by the Group	**27%**	27%
Group's share of net assets	**1,672,509**	1,462,722
Goodwill	**739,252**	716,682
	2,411,761	2,179,404
Impairment losses	**(180,000)**	-
Carrying amount of Group's interest in Synthomer	**2,231,761**	2,179,404

Impairment testing on investment in Synthomer

As at 30 September 2024, the market value of the Group's investment in Synthomer amounted to RM538.5 million (2023: RM83.4 million), which was lower than its gross carrying amount of RM2,411.8 million (2023: RM2,179.4 million). Management has performed an impairment assessment to determine the recoverable amount of the investment based on value-in-use calculations.

Based on impairment assessment performed, an impairment loss for investment in Synthomer of RM180.0 million (2023: Nil) was recognised and included in administrative expenses. The impairment was mainly due to under performance of operations in Synthomer.

The value assigned to the key assumptions used in the value-in-use calculations represent management's assessment of future trends and are based on internal and external sources of data, where available.

The value-in-use calculations are prepared using cash flow forecast from approved financial budgets and forecasts with the following key assumptions:

(i) Cash flow projections covering a period of 5 years;
(ii) Pre-tax discount rate of 9.2% (2023: 8.8%);
(iii) Earnings before interest, tax, depreciation and amortisation ("EBITDA") growth rates ranging from 7.0% to 28.0% (2023: -35.0% to 47.0%); and
(iv) Terminal growth rate of 2.1% (2023: 2.1%).

The sensitivity analysis of each of these key assumptions assuming all other variables are held constant are as follows:

Key assumptions applied	**Changes in key assumptions**	**Additional impairment (RM' million)**
EBITDA	Decrease by 10%	494.5
Discount rate	Increase by 1%	408.5
Terminal growth rate	Decrease by 1%	317.4

(b) Other associates and summary of financial information

	Group	
	2024 **RM'000**	2023 RM'000
Summary of financial information of other associates:		
Non-current assets	**145,955**	144,466
Current assets	**460,932**	512,606
Non-current liabilities	**(70,141)**	(75,465)
Current liabilities	**(205,975)**	(219,337)
Non-controlling interests	**(2,559)**	(3,045)
Revenue	**1,059,141**	1,136,193
Profit for the year	**46,018**	71,477
Other comprehensive (loss)/income	**(2,057)**	9,388
Dividends received from other associates	**19,850**	12,482

No expected credit loss is recognised arising from amount owing by an associate as the amount is negligible.

19. INVESTMENTS IN JOINT VENTURES

	Group	
	2024 **RM'000**	2023 RM'000
Shares at cost in unquoted corporations	**165,005**	152,088
Share of post-acquisition reserves, net of dividends received	**12,555**	(5,010)
	177,560	147,078
Amounts owing by joint ventures	**83,346**	95,204
	260,906	242,282

Investments in joint ventures are stated at cost in the separate financial statements. The Group recognises its interest in a joint venture using the equity method.

Details of the joint ventures are disclosed in Note 40 to the financial statements.

The Group did not have any joint venture, which was individually material to the Group as at 30 September 2024 and 30 September 2023.

	Group	
	2024 **RM'000**	2023 RM'000
Summary of financial information of joint ventures:		
Non-current assets	**77,878**	98,901
Current assets	**692,724**	690,058
Non-current liabilities	**(85,420)**	(68,016)
Current liabilities	**(278,958)**	(371,006)
Revenue	**1,871,062**	2,657,977
Loss for the year	**(9,327)**	(20,189)
Other comprehensive loss	**(579)**	(36)

In the previous financial year, the amounts owing by joint ventures were deemed as capital contributions to the joint ventures as the repayments of these amounts were neither fixed nor expected.

The amount owing by another joint venture, denominated in Australian Dollar, was given by a subsidiary which was incorporated in Australia. This amount is non-trade, unsecured, repayable on demand and is subject to interest charge of 8.1% (2023: 6.0%) per annum.

In the previous financial year, impairment for amounts owing by joint ventures were recognised based on the general approach of MFRS 9 as disclosed in Note 24 to the financial statements.

No expected credit loss is recognised arising from amounts owing by joint ventures as the amount is negligible.

Details of the joint ventures are shown in Note 40 to the financial statements.

20. OTHER INVESTMENTS

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Equity instruments at fair value through other comprehensive income				
Unquoted corporations				
Malaysia	**70,163**	64,599	**62,088**	57,301
Overseas	**4,613**	4,613	**-**	-
	74,776	69,212	**62,088**	57,301
Quoted corporations				
Malaysia	**1,178**	104,900	**-**	-
Overseas	**682,105**	555,539	**7,984**	9,665
	683,283	660,439	**7,984**	9,665
	758,059	729,651	**70,072**	66,966
Debt instruments at fair value through profit or loss				
In an overseas quoted corporation	**78,515**	86,303	**-**	-
	836,574	815,954	**70,072**	66,966
Amounts owing by investee companies	**88,204**	106,324	**-**	-
	924,778	922,278	**70,072**	66,966

The Group has irrevocably elected to recognise equity securities that are not held for trading at fair value through other comprehensive income. These are strategic investments for which the Group consider this classification to be appropriate and relevant.

Other investment at fair value through profit or loss comprise debt instrument, which is held for trading purpose.

Information on fair value hierarchy of other investments are disclosed in Note 42 to the financial statements.

Sensitivity analysis for other investments are disclosed in Note 42 to the financial statements.

No expected credit loss is recognised arising from amounts owing by investee companies as the amount is negligible.

21. OTHER RECEIVABLES

	Group	
	2024	2023
	RM'000	RM'000
Advances to plasma plantation projects	**442,016**	480,260
Others	**-**	1,073
	442,016	481,333
Allowance for impairment losses	**(59,301)**	(80,264)
	382,715	401,069

Plasma receivables represent costs incurred for plasma plantations development, which are temporary self-funded by the Group and will be repaid by plasma farmers via financed through banks finance facilities or reimbursed directly by the plasma farmers.

Impairment for other receivables are recognised based on the general approach of MFRS 9 as disclosed in Note 25 to the financial statements.

The movements in allowance for impairment losses of advances to plasma plantation projects during the year were as follows:

	Group	
	2024	2023
	RM'000	RM'000
12-month ECL Allowance		
At beginning of the year	**80,264**	16,991
Impairment losses	**38,553**	62,915
Reversal of impairment losses	**(31,424)**	(874)
Impairment losses written off	**(19,279)**	-
Currency translation differences	**(8,813)**	1,232
At end of the year	**59,301**	80,264

Plantation subsidiaries in Indonesia have participated in the "Kredit Koperasi Primer untuk Anggotanya" scheme (herein referred to as plasma plantation projects) to provide financing and to assist in the development of oil palm plantation under this scheme for the benefit of the communities in the vicinity of their operations. The advances to plasma plantation projects are subject to interest charge ranging from 7.40% to 8.00% (2023: 6.09% to 8.00%) per annum.

Currency exposure profile and information on financial risks of other receivables are disclosed in Note 42 to the financial statements.

22. DEFERRED TAXATION

Recognised deferred tax assets and liabilities are attributable to the following:

	Liabilities		Assets		Net	
	2024	2023	**2024**	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000	**RM'000**	RM'000
Group						
Property, plant and equipment	**1,087,694**	1,075,928	**(206,494)**	(199,031)	**881,200**	876,897
Right-of-use assets	**84,649**	86,624	**-**	-	**84,649**	86,624
Intangible assets	**7,391**	13,304	**-**	-	**7,391**	13,304
Biological assets	**39,525**	35,410	**-**	-	**39,525**	35,410
Unutilised tax losses	**-**	-	**(150,516)**	(137,002)	**(150,516)**	(137,002)
Provision for retirement benefits	**-**	-	**(89,155)**	(86,771)	**(89,155)**	(86,771)
Other items	**49,418**	37,995	**(175,588)**	(173,130)	**(126,170)**	(135,135)
Tax liabilities/(assets)	**1,268,677**	1,249,261	**(621,753)**	(595,934)	**646,924**	653,327
Set off of tax	**(138,574)**	(103,218)	**138,574**	103,218	**-**	-
Net tax liabilities/(assets)	**1,130,103**	1,146,043	**(483,179)**	(492,716)	**646,924**	653,327

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realised simultaneously.

The components and movements in deferred tax liabilities and deferred tax assets (before offsetting) are as follows:

	Property, Plant and Equipment RM'000	Right-of-use Assets RM'000	Intangible Assets RM'000	Biological Assets RM'000	Other Taxable Temporary Differences RM'000	Unutilised Tax Losses RM'000	Unabsorbed Capital Allowances RM'000	Provision for Retirement Benefits RM'000	Other Deductible Temporary Differences RM'000	Total RM'000
Group										
At 1 October 2022	1,042,536	116,965	19,217	33,316	42,166	(40,096)	(202,071)	(75,026)	(104,870)	832,137
Acquisition through business combination	2,607	(9)	-	-	10,636	-	-	9	(1,004)	12,239
Recognised in profit or loss	29,449	(29,924)	(5,913)	2,140	(12,701)	(111,787)	2,678	(4,201)	(36,745)	(167,004)
Recognised in equity	-	-	-	-	-	-	-	(2,185)	-	(2,185)
Changes in tax rates	(33)	-	-	-	-	-	-	-	-	(33)
(Over)/Under provision in respect of previous years	(929)	(131)	-	-	-	18,493	(150)	(3,644)	(30,517)	(16,878)
Currency translation differences	2,298	(277)	-	(46)	1,411	(3,612)	512	(1,724)	(3,511)	(4,949)
At 30 September 2023	**1,075,928**	**86,624**	**13,304**	**35,410**	**41,512**	**(137,002)**	**(199,031)**	**(86,771)**	**(176,647)**	**653,327**
Reclassifications	**12,611**	**388**	**-**	**(198)**	**(3,549)**	**-**	**(12,611)**	**(13)**	**3,372**	**-**
Recognised in profit or loss	**16,136**	**3,726**	**(5,913)**	**6,631**	**15,241**	**(23,988)**	**(4,945)**	**8,492**	**(23,362)**	**(7,982)**
Recognised in equity	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(11,061)**	**-**	**(11,061)**
(Over)/Under provision in respect of previous years	**(3,871)**	**61**	**-**	**-**	**127**	**(1,440)**	**(10,600)**	**(7,641)**	**15,010**	**(8,354)**
Currency translation differences	**(13,110)**	**(6,150)**	**-**	**(2,318)**	**(3,913)**	**11,914**	**20,693**	**7,839**	**6,039**	**20,994**
At 30 September 2024	**1,087,694**	**84,649**	**7,391**	**39,525**	**49,418**	**(150,516)**	**(206,494)**	**(89,155)**	**(175,588)**	**646,924**

Deferred tax assets include an amount of RM157,388,000 (2023: RM116,016,000) which relates to unutilised tax losses and unabsorbed capital allowances of certain subsidiaries that suffered losses in the current and previous financial years. The Group has concluded that the deferred tax assets are recoverable through estimated future taxable profits based on the approved business plans and budgets of these subsidiaries.

The amounts of temporary differences for which no deferred tax assets/(liabilities) have been recognised in the consolidated statement of financial position are as follows:

	Group	
	2024 **RM'000**	2023 RM'000
Unabsorbed capital allowances	**2,166**	971
Deductible temporary differences	**9,640**	27,067
Tax incentives	**45,544**	44,594
Unutilised tax losses	**441,734**	277,043
Property, plant and equipment	**(408,136)**	(463,571)
	90,948	(113,896)

Unutilised tax losses of RM322,214,000 (2023: RM182,824,000) will expire as follows under the respective tax legislation of countries in which certain subsidiaries domicile:

	Group	
	2024 **RM'000**	2023 RM'000
Years of expiry		
2025	**16,863**	20,492
2026	**1,031**	1,005
2027	**777**	3,148
2028	**93,527**	91,105
2029	**1,304**	4,050
2030	**3,362**	5,906
2031	**6,049**	541
2032	**8,192**	8,192
2033	**48,385**	48,385
2034	**142,724**	-
	322,214	182,824

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the deductible temporary differences could be utilised.

The amount and availability of these items to be carried forward up to the periods as disclosed above are subject to the agreement of the respective local and foreign tax authorities. Unutilised tax losses of the subsidiaries incorporated in Malaysia can be carried forward up to 10 consecutive years of assessment immediately following the year of assessment under the tax legislation of Inland Revenue Board.

Unutilised tax losses of certain foreign subsidiaries amounting to RM19,959,000 (2023: RM20,338,000) are available for carry forward in the jurisdiction in which the foreign subsidiaries operate for a period of 5 years to 7 years respectively from the year in which those tax losses arose.

Deferred tax liabilities have not been provided by a sub-subsidiary on the taxable temporary differences as the taxable temporary differences are expected to be reversed during the pioneer status period of 10 years commencing from year of assessment 2022 when the sub-subsidiary would not be subject to income tax.

The Group has tax losses carried forward of RM1,069,952,000 (2023: RM873,791,000) which give rise to the recognised and unrecognised deferred tax assets in respect of unutilised tax losses above, which are subject to agreement by the tax authorities.

The Group is within the scope of the Organisation for Economic Co-Operation and Development (OECD) Pillar Two model rules. During the Budget Announcement on 13 October 2023, the Minister of Finance announced that the Pillar Two rules would be implemented in Malaysia in 2025 and that the Government will continue to observe international developments on this area. Since the Pillar Two legislation has not been enacted in Malaysia, the jurisdiction in which the Group is incorporated, and was not effective at the end of the reporting period, the Group has no related current tax exposure. The Group applies the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between the Pillar Two effective tax rate for each jurisdiction and the 15% minimum rate. The Group is in the process of assessing its exposure to the Pillar Two legislation for when it comes into effect.

Due to uncertainties surrounding when and how each jurisdiction will enact the legislations, the quantitative impact of the enacted or substantively enacted legislation is not yet reasonably estimable. The Group is currently engaged with tax specialists to assist them with applying the legislation.

23. BIOLOGICAL ASSETS

	Unharvested Fresh Fruit Bunches RM'000	Livestock RM'000	Growing Crops RM'000	Total RM'000
Group				
Fair value				
At 1 October 2022	145,234	7,288	59,390	211,912
Net change in fair value	10,118	1,614	-	11,732
Increase in crop sowing	-	-	58,912	58,912
Increase due to purchases and births	-	1,547	-	1,547
Decrease due to sales	-	(2,489)	-	(2,489)
Transfer to profit or loss	-	-	(60,305)	(60,305)
Currency translation differences	(149)	129	1,035	1,015
At 30 September 2023	**155,203**	**8,089**	**59,032**	**222,324**
Net change in fair value	**27,690**	**936**	**-**	**28,626**
Increase in crop sowing	**-**	**-**	**56,997**	**56,997**
Increase due to purchases and births	**-**	**505**	**-**	**505**
Decrease due to sales	**-**	**(3,631)**	**-**	**(3,631)**
Transfer to profit or loss	**-**	**-**	**(59,883)**	**(59,883)**
Currency translation differences	**(10,905)**	**(305)**	**(3,139)**	**(14,349)**
At 30 September 2024	**171,988**	**5,594**	**53,007**	**230,589**

The biological assets of the Group comprise:

(a) Unharvested fresh fruit bunches ("FFB")

The agriculture produce growing on bearer plants of the Group comprises fresh fruit bunches ("FFB") prior to harvest and are measured at fair value less costs to sell under biological assets. Any gains or losses arising from changes in fair value less costs to sell of the produce are recognised within cost of sales in profit or loss.

Management has deliberated on the oil content of such unharvested FFB and concluded that since the oil content of unharvested FFB accrues exponentially only from fifteen (15) days prior to harvest, such unharvested FFB more than fifteen (15) days prior to harvest are excluded from valuation as their fair values are considered negligible. Therefore, quantity of unharvested FFB up to fifteen (15) days prior to harvest is used for valuation purpose. The fair value of unharvested FFB is determined based on market approach, which takes into consideration the market prices of FFB and crude palm oil, where appropriate, adjusted to the estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell.

During the financial year, the Group harvested approximately 5.5 million mt (2023: 5.4 million mt) of FFB. The quantity of unharvested FFB of the Group as at 30 September 2024 included in the fair valuation of unharvested FFB was 232,731 mt (2023: 249,242 mt).

If the FFB selling price changes by 5%, profit or loss for the Group would have increased or decreased by approximately RM10.0 million (2023: RM9.4 million).

If the quantity of unharvested FFB changes by 5%, profit or loss for the Group would have increased or decreased by approximately RM10.1 million (2023: RM9.4 million).

(b) Livestock

Livestock is measured at fair value less point-of-sale cost, with any change therein recognised in profit or loss. Fair value is based on the market price of livestock of similar age, breed and genetic make-up. Point-of-sale costs include all costs that would be necessary to sell the livestock.

Livestock mainly comprises sheep and cattle.

During the financial year, the Group produced 7,131 (2023: 10,190) sheep and 390 (2023: 464) cattle. The quantity of sheep and cattle of the Group as at 30 September 2024 included in the fair valuation of livestock was 21,052 head (2023: 26,497 head) and 947 head (2023: 1,268 head) respectively.

(c) Growing crops

Growing crops are measured at fair value, which is based on the costs incurred to the end of the reporting period for these crops. As at the end of the reporting period, the yield of the crops and the future economic benefits which will flow from the crops are not fully determinable and costs incurred in relation to the crops are considered to be reasonable approximation of fair value at the date.

Growing crops mainly comprise wheat, canola, barley and lupins.

During the financial year, the Group harvested 42,804 mt (2023: 60,863 mt) of wheat, 15,065 mt (2023: 29,753 mt) of canola, 890 mt (2023: 6,307 mt) of barley and 6,441 mt (2023: 2,789 mt) of lupins. Area of crops sown for the financial year were 23,680 hectares (2023: 24,212 hectares) for wheat, 10,371 hectares (2023: 9,351 hectares) for canola, 3,370 hectares (2023: 1,814 hectares) for barley and 868 hectares (2023: 1,770 hectares) for lupins.

Sensitivity analysis for changes in volume of growing crops is not disclosed as the effect is immaterial to the Group.

The fair value of the Group's biological assets, which are estimated using unobservable inputs, is categorised within Level 3 of the fair value hierarchy with the exception of livestock which are on Level 2 (inputs are observable indirectly). Fair value assessments have been completed consistently using the same valuation techniques.

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year (2023: no transfer in either directions).

None of the biological assets of the Group as at 30 September 2024 and 30 September 2023 were pledged as securities.

24. TRADE RECEIVABLES

	Group	
	2024 **RM'000**	2023 RM'000
Trade receivables	**2,295,275**	2,460,832
Allowance for impairment losses	**(32,104)**	(39,752)
	2,263,171	2,421,080

Included in the trade receivables of the Group are amounts owing by related parties of RM93,751,000 (2023: RM109,578,000).

Impairment for trade receivables that do not contain a significant financing component are recognised based on the simplified approach using the lifetime expected credit loss ("ECL").

Lifetime ECL are the ECL that result from all possible default events over the expected life of the asset, while 12-month ECL are the portion of ECL that result from default events that are possible within the twelve (12) months after the reporting date. The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.

During this process, the probability of non-payment by the trade receivables is adjusted by forward looking information and multiplied by the amount of the expected loss arising from default to determine the lifetime ECL for the trade receivables.

The Group considers available, reasonable and supportive forward-looking information, which includes the following indicators:

(i) Internal credit rating/assessment;
(ii) External credit rating/assessment (where available);
(iii) Actual or expected significant changes in the operating results of the debtor (where available);
(iv) Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;
(v) Significant increase in credit risk on other financial instruments of the same debtor; and
(vi) Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

The allowance for impairment losses as at end of the reporting period is determined as follows:

	Gross RM'000	Expected Credit Loss Rate (%)	Allowance for Impairment Losses RM'000	Net RM'000
Group				
2024				
Not past due	**1,978,542**	**0.0%***	**428**	**1,978,114**
Past due 1 - 90 days	**279,332**	**0.6%**	**1,742**	**277,590**
Past due more than 90 days	**37,401**	**80.0%**	**29,934**	**7,467**
	2,295,275	**1.4%**	**32,104**	**2,263,171**
2023				
Not past due	2,081,086	0.0%*	90	2,080,996
Past due 1 - 90 days	326,951	0.3%	880	326,071
Past due more than 90 days	52,795	73.5%	38,782	14,013
	2,460,832	1.6%	39,752	2,421,080

* less than 0.1%

The allowance account in respect of trade receivables is used to record impairment losses, which were included in net impairment losses on financial assets. Unless the Group is satisfied that the recovery of the amount is possible, the amount considered irrecoverable is written off against the receivable directly.

The Group's normal trade credit term ranges from 5 to 150 (2023: 5 to 150) days. Other credit terms are assessed and approved on a case-by-case basis.

The movements in the allowance for impairment losses of trade receivables during the year were:

	Group	
	2024 RM'000	2023 RM'000
Lifetime ECL Allowance		
At beginning of the year	**39,752**	39,976
Acquisition through business combination	**-**	1,980
Impairment losses	**2,962**	922
Reversal of impairment losses	**(3,396)**	(3,772)
Impairment losses written off	**(5,238)**	(546)
Currency translation differences	**(1,976)**	1,192
At end of the year	**32,104**	39,752

The exposure of credit risk for trade receivables as at the end of the reporting period by business segment was:

	Group	
	2024 RM'000	2023 RM'000
Plantation	**142,450**	252,603
Manufacturing	**2,056,204**	2,128,412
Property development	**61,006**	37,196
Others	**3,511**	2,869
	2,263,171	2,421,080

Currency exposure profile of trade receivables are disclosed in Note 42 to the financial statements.

25. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Other receivables	**475,986**	529,387	**726**	91
Allowance for impairment losses	**(5,478)**	(2,343)	**-**	-
	470,508	527,044	**726**	91
Indirect tax receivables	**283,516**	276,285	**-**	-
Prepayments	**115,934**	139,020	**130**	84
Refundable deposits	**43,887**	275,087	**5**	5
	913,845	1,217,436	**861**	180

In previous financial year, included in the refundable deposits of the Group was deposit payment of RM229,200,000 for the proposed acquisition of shares in a quoted investment, which was subsequently terminated and this deposit was fully refunded in financial year ended 30 September 2024.

Impairment for other receivables, financial guarantee contracts, amounts owing by subsidiaries, associate and joint ventures are recognised based on the general approach within MFRS 9 using ECL model. The methodology used to determine the amount of the impairment is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset by comparing the risk of default occurring over the expected life with the risk of default since initial recognition.

For balances in which credit risk has not increased significantly since initial recognition of the financial asset, 12-month ECL along with gross interest income are recognised. For balances in which credit risk has increased significantly, lifetime ECL along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime ECL along with interest income on a net basis are recognised.

The probabilities of non-payments by other receivables, financial guarantee contracts, amounts owing by subsidiaries, associate and joint ventures are adjusted by forward looking information and multiplied by the amounts of the expected losses arising from defaults to determine the 12-month or lifetime ECL for the other receivables, financial guarantee contracts, amounts owing by subsidiaries, associate and joint ventures.

The Group defined significant increase in credit risk based on operating performance of the receivables, changes to contractual terms, payment delays more than thirty (30) days past due in making contractual payments and past due information.

It requires management to exercise significant judgement in determining the probabilities of default by other receivables, financial guarantee contracts, amounts owing by subsidiaries, associates and joint ventures, appropriate forward looking information and significant increase in credit risk.

The movements in allowance for impairment losses of other receivables during the year were:

	Group	
	2024 **RM'000**	2023 RM'000
12-month ECL Allowance		
At beginning of the year	**2,343**	2,218
Impairment losses	**3,640**	20
Reversal of impairment losses	**(85)**	-
Write offs	**-**	(4)
Currency translation differences	**(420)**	109
At end of the year	**5,478**	2,343

No expected credit loss is recognised arising from other receivables as the amount is negligible.

Currency exposure profile and information on financial risks of other receivables are disclosed in Note 42 to the financial statements.

26. CONTRACT ASSETS AND CONTRACT LIABILITIES

	Group	
	2024	2023
	RM'000	RM'000
Contract assets		
Accrued billings	**56,374**	74,489
Contract liabilities		
Progress billings	**(924)**	(379)
Advances from customers	**(172,250)**	(134,845)
	(173,174)	(135,224)
Net	**(116,800)**	(60,735)

(a) Accrued billings, progress billings and advances from customers

Contract assets and contract liabilities represent the timing differences in revenue recognition and the milestone billings. The milestone billings are structured and/or negotiated with customers to reflect physical completion of the contracts.

Contract assets are transferred to receivables when the rights to economic benefits become unconditional. This usually occurs when the Group issues billings to the customers. Contract liabilities are recognised as revenue when performance obligations are satisfied.

(b) The movements in the contract assets and (contract liabilities) are as follows:

	Group	
	2024	2023
	RM'000	RM'000
At beginning of the year	**(60,735)**	(59,439)
Net revenue recognised during the financial year	**568,868**	577,766
Net progress billings issued during the financial year	**(417,316)**	(470,307)
Cash received in advance	**(206,096)**	(113,316)
Currency translation differences	**(1,521)**	4,561
At end of the year	**(116,800)**	(60,735)

(c) Unsatisfied 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 for contracts that have duration of more than one (1) year.

	Group	
	2024	2023
	RM'000	RM'000
Revenue is expected to be recognised from contracts with customers:		
Within 1 year	**673,326**	610,494
Between 1 to 2 years	**60,996**	101,043
Between 2 to 5 years	**138,752**	15,871
More than 5 years	**31,188**	-
	904,262	727,408

Impairment for contract assets are recognised based on the simplified approach of MFRS 9 as disclosed in Note 24 to the financial statements.

No expected credit loss is recognised arising from contract assets as the amount is negligible.

27. DERIVATIVE FINANCIAL INSTRUMENTS

The Group classifies derivative financial instruments as financial assets or liabilities at fair value through profit or loss.

	Contract/Notional Amount Net long/(short) RM'000	**Assets RM'000**	**Liabilities RM'000**
Group			
2024			
Forward foreign exchange contracts	**(2,558,865)**	**178,869**	**16,292**
Commodities future contracts	**(467,633)**	**25,957**	**49,939**
Interest rate swap contracts	**13,899**	**620**	**-**
Commodities swap contracts	**(969)**	**-**	**143**
Total derivative financial instruments		**205,446**	**66,374**
Less: Current portion		**(204,986)**	**(66,374)**
Non-current portion		**460**	**-**
2023			
Forward foreign exchange contracts	(1,486,128)	5,321	19,670
Commodities future contracts	(121,199)	42,313	42,225
Interest rate swap contracts	25,303	1,706	-
Commodities swap contracts	(6,916)	61	291
Total derivative financial instruments		49,401	62,186
Less: Current portion		(48,152)	(62,165)
Non-current portion		1,249	21
Company			
2024			
Forward foreign exchange contracts	**20,170**	**-**	**1,379**
Total derivative financial instruments		**-**	**1,379**
Less: Current portion		**-**	**(1,379)**
Non-current portion		**-**	**-**
2023			
Forward foreign exchange contracts	-	-	-

The forward foreign exchange contracts are entered into by the Group and the Company as hedges for committed sales and purchases denominated in foreign currencies. The hedging of the foreign currencies is to minimise the exposure of the Group and of the Company to fluctuations in foreign currencies on receipts and payments.

The commodities future contracts are entered into with the objective of managing and hedging the Group's exposure to the adverse price movements in the vegetable oil commodities.

The interest rate swap contracts are entered into to convert floating rate liabilities to fixed rate liabilities to reduce the Group’s exposure from adverse fluctuations in interest rates on underlying debt instruments.

The commodities swap contracts are entered into with the objective of managing and hedging the Group’s exposure to the adverse price movement in the methane gas futures.

The Group does not have any other financial liabilities which are measured at fair value through profit or loss except for derivative financial instruments.

28. SHORT-TERM FUNDS

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**140,894**	119,415	**86,499**	99

Short-term funds represent funds deposits with licensed banks with original maturities of more than three (3) months.

The effective interest rates per annum of deposits with licensed banks at the end of the reporting dates were as follows:

	Group		Company	
	2024	2023	**2024**	2023
Deposits with licensed banks	**2.50% to 5.55%**	1.33% to 6.00%	**2.55% to 5.55%**	2.75%

The maturities and repricing of deposits with licensed banks at the end of the reporting dates were as follows:

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Maturities above 3 months to 1 year				
Deposits with licensed banks	**140,894**	119,415	**89,499**	99

In the previous financial year, deposits with licensed banks of the Group amounting to RM10,472,000 were pledged for the banking facilities granted to third parties for the purpose of the “Kredit Koperasi Primer untuk Anggotanya” scheme in Indonesia and were also held as security for a covenant under a term loan of the Group to maintain an amount equivalent to twelve (12) months of interest payable under the term loan.

Currency exposure profile and information on financial risks of short-term funds are disclosed in Note 42 to the financial statements.

No expected credit loss is recognised arising from short-term funds as the amount is negligible.

29. CASH AND CASH EQUIVALENTS

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Deposits with licensed banks	**407,294**	674,654	**-**	18,974
Money market and fixed income funds	**1,160,001**	656,498	**178,208**	51,530
Cash and bank balances	**1,218,729**	1,385,905	**33,363**	15,400
	2,786,024	2,717,057	**211,571**	85,904

Deposits with licensed banks, investments in money market and fixed income funds in Malaysia represent short-term investments in highly liquid money market and fixed income securities. These investments are readily convertible to cash and have insignificant risk of changes in value with original maturities of three (3) months or less. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts and pledged deposits, if any.

Included in the Group's cash and bank balances as at 30 September 2024 was RM85,899,000 (2023: RM182,065,000) held under Housing Development Accounts. The utilisation of this fund is subject to the Housing Developers (Housing Development Account) (Amendment) Regulations 2002.

The effective interest rates per annum of deposits with licensed banks and cash and bank balances at the end of the reporting dates were as follows:

	Group		Company	
	2024	2023	**2024**	2023
Deposits with licensed banks	**1.50% to 5.90%**	1.50% to 5.60%	**-**	5.15% to 5.35%
Cash and bank balances	**Nil to 6.50%**	Nil to 4.53%	**Nil to 2.30%**	Nil to 2.30%

The maturities and repricing of deposits with licensed banks and money market and fixed income funds at the end of the reporting dates were as follows:

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Maturities of 3 months or below				
Deposits with licensed banks	**407,294**	674,654	**-**	18,974
Money market and fixed income funds	**1,160,001**	656,498	**178,208**	51,530
	1,567,295	1,331,152	**178,208**	70,504

Currency exposure profile and information on financial risks of cash and cash equivalents are disclosed in Note 42 to the financial statements.

No expected credit loss is recognised arising from cash and cash equivalents as the amount is negligible.

30. SHARE CAPITAL

	Group and Company	
	Number of Shares	RM'000
Ordinary shares		
Issued and fully paid with no par value		
At 1 October 2022, 30 September 2023 and 30 September 2024	**399,535,463**	**507,587**

	Group and Company			
	2024 **Number of Shares**	**2024** **RM'000**	2023 Number of Shares	2023 RM'000
Treasury shares	**7,365,300**	**136,919**	6,154,500	113,109

Share capital

(i) Of the total available 399,535,463 (2023: 399,535,463) issued and fully paid ordinary shares, 7,365,300 (2023: 6,154,500) are held as treasury shares by the Company as at 30 September 2024. As at this date, the number of outstanding ordinary shares issued and fully paid, after deducting treasury shares held, is 392,170,163 (2023: 393,380,963) ordinary shares.

(ii) The holders of shares (except treasury shares) are entitled to receive dividends as and when declared by the Company are entitled to one (1) vote per ordinary share at meetings of the Company. All ordinary shares rank *pari passu* with regard to the Company's residual assets.

(iii) The shareholders of the Company via Annual General Meeting held on 21 February 2024 approved the renewal of the authority for the Directors of the Company to allot and issue new ordinary shares in the Company in relation to the dividend reinvestment plan that provides the shareholders of the Company the option to elect to reinvest, in whole or in part, their cash dividend entitlements in the new ordinary shares of the Company.

Treasury shares
Treasury shares relate to shares of the Company that are retained by the Company.

When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares that are not subsequently cancelled are classified as treasury shares in the statement of changes in equity.

When treasury shares are sold or reissued subsequently, the difference between the sales consideration net of directly attributable costs and the carrying amount of the treasury shares is recognised in equity.

The shareholders of the Company renewed the authority granted to the Directors to buy back its own shares at the Annual General Meeting held on 21 February 2024. The Directors of the Company are committed to enhancing the value of the Company to its shareholders and believe that the buy back plan can be applied in the best interests of the Company and its shareholders.

As at 30 September 2024, there were share buybacks of 1,210,800 from the open market and held as treasury shares. The average price paid for the shares repurchased was RM19.62 per share for a total cost of RM23,810,809. The shares bought back were financed by internally generated funds.

31. RESERVES

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Non-distributable				
Capital reserve	**484,441**	456,992	**-**	-
Exchange fluctuation reserve	**(143,919)**	352,940	**-**	-
Fair value reserve	**632,839**	553,048	**51,875**	48,770
Retained earnings – cost of treasury shares	**127,565**	105,292	**127,565**	105,292
	1,100,926	1,468,272	**179,440**	154,062
Distributable				
Capital reserve	**447,881**	483,762	**32,555**	32,555
Retained earnings	**5,455,279**	5,507,403	**1,516,306**	1,106,475
	5,903,160	5,991,165	**1,548,861**	1,139,030
	7,004,086	7,459,437	**1,728,301**	1,293,092

Capital reserve
Non-distributable capital reserve mainly comprises post-acquisition reserve capitalised by subsidiaries for their bonus issues and reserve capitalised on redemption of redeemable preference shares by subsidiaries. Distributable capital reserve comprises surpluses arising from disposals of quoted investments, properties and government acquisitions of land.

Exchange fluctuation reserve
Exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the presentation currency of the Group. It is also used to record the exchange differences arising from monetary items, which form part of the net investment in foreign operations of the Group, whereby the monetary item is denominated in either the functional currency of the reporting entity or the foreign operations.

Fair value reserve
Fair value reserve comprises the cumulative net change in the fair value of equity instruments measured at fair value through other comprehensive income until the investments are derecognised or impaired.

Retained earnings
Of the Company's retained earnings at year end, RM127,565,000 (2023: RM105,292,000) was utilised for the purchase of the treasury shares and is considered as non-distributable. Details of treasury shares are disclosed in Note 30 to the financial statements.

32. DEFERRED INCOME

	Group	
	2024	2023
	RM'000	RM'000
Government grants		
At cost		
At beginning of the year	**165,867**	165,003
Currency translation differences	**(768)**	864
At end of the year	**165,099**	165,867
Accumulated amortisation		
At beginning of the year	**75,578**	66,226
Amortisation charge	**8,657**	8,646
Currency translation differences	**(674)**	706
At end of the year	**83,561**	75,578
Carrying amounts	**81,538**	90,289
Deferred income is disclosed under:		
Non-current liabilities	**72,909**	81,633
Current liabilities	**8,629**	8,656
	81,538	90,289

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and that the Group will comply with the conditions associated with the grant; they are then recognised in profit or loss as other operating income on a systematic basis over the useful life of the asset.

The sub-subsidiaries, KL-Kepong Edible Oils Sdn Bhd, KL-Kepong Oleomas Sdn Bhd, Palm-Oleo (Klang) Sdn Bhd and Davos Life Science Sdn Bhd received government grants from Malaysian Palm Oil Board, which were conditional upon the construction of specific projects. The constructions of these projects were completed in previous financial years.

A sub-subsidiary, KLK Tensachem SA received government grants from its local government to finance its capital expenditure in previous financial years.

The government grants are amortised over the useful life of the assets.

33. PROVISION FOR RETIREMENT BENEFITS

	Group		Company	
	2024	2023	**2024**	2023
	RM'000	RM'000	**RM'000**	RM'000
Present value of funded obligations	**202,736**	202,537	**-**	-
Fair value of plan assets	**(183,103)**	(191,147)	**-**	-
	19,633	11,390	**-**	-
Unfunded obligations	**529,274**	541,676	**120**	92
Present value of net obligations	**548,907**	553,066	**120**	92
Represented by:				
Payable not later than 1 year	**384**	327	**-**	-
Payable later than 1 year	**548,523**	552,739	**120**	92
	548,907	553,066	**120**	92

The provision for retirement benefits of the Group payable not later than one (1) year amounting to RM384,000 (2023: RM327,000) was included in other payables.

Defined benefit obligations

(i) The Group's plantation and industrial chemical operations in Malaysia operate defined benefit plans based on the terms of the unions' collective agreements in Malaysia. These retirement benefit plans are unfunded. The benefits payable to all eligible employees on retirement are based on the last drawn salaries, the length of service and the rates set out in the union's collective agreements.

The present value of these unfunded defined benefit obligations as required by MFRS 119 *Employee Benefits* has not been used in arriving at the provision as the amount involved is insignificant to the Group and the Company. The undiscounted value of these unfunded defined benefit obligations was RM48,700,000 (2023: RM51,679,000) for the Group and RM120,000 (2023: RM92,000) for the Company as at 30 September 2024. Accordingly, no further disclosures as required by the standard are made.

(ii) All the plantation subsidiaries in Indonesia operate unfunded defined benefit plans for all its eligible employees in accordance with the Labour Law in Indonesia. The obligations of the retirement benefit plans are calculated as the present values of obligations at end of the reporting period using the projected unit credit method, which is based on the last drawn salaries at the end of the reporting period, age and the length of service.

(iii) Subsidiaries in Germany and Italy, KLK Emmerich GmbH and KLK Temix S.p.A. (formerly known as Temix Oleo S.p.A.), operate unfunded retirement benefit plans for their eligible employees. The obligations of the retirement benefit plans are determined annually by independent qualified actuaries. The discount rate is determined using the yield of first class corporate bonds at the valuation date and in the same currency in which the benefits are expected to be paid. The last actuarial valuations were on 30 September 2024.

(iv) The subsidiaries in Switzerland operate a funded defined benefit pension scheme for employees. The assets of the scheme are held separately from those of the subsidiaries.

The calculation of the funded defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

The Group determines the net interest expense or income on the net defined liability or asset for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then net defined benefit liability or asset, taking into account any changes in the net defined benefit liability or asset during the period as a result of contributions and benefit payments.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Arising from the internal restructuring of the subsidiaries in Switzerland, Kolb Distribution AG and Dr. W. Kolb AG ("Kolb Group") in Europe in financial year 2019, Kolb Group restructured their funded defined benefit plan on 1 January 2020 by transferring all active members and pensioners to a collective pension foundation ("Foundation"), which guarantees the mandatory minimum benefits defined by the Swiss law and is responsible for the investment of the assets for a period of at least 5 years from 1 January 2020 to at least 31 December 2024.

In previous financial year, the reduction of RM1,058,000 in the defined benefit plan obligation which was disclosed as negative past service cost arose from changes of assumption used by pension fund.

This funded defined benefit obligation is determined by an independent qualified actuary on an annual basis. The last actuarial valuation was on 30 September 2024.

The defined benefit plans expose the Group to actuarial risks, such as longevity risk, currency risk, interest rate risk and market (investment) risk.

These defined benefit plans are fully funded by the Group.

The Group expects RM23,168,000 (2023: RM23,804,000) in contributions to be paid to the defined benefit plans in the next financial year.

Movements in Net Defined Benefit Liabilities	**Present Value of Funded Obligations RM'000**	**Unfunded Obligations RM'000**	**Fair Value of Plan Assets RM'000**	**Present Value of Net Obligations RM'000**
Group				
At 1 October 2022	178,692	487,276	(168,981)	496,987
Included in profit or loss				
Service cost	5,433	37,535	-	42,968
Past service cost	(1,058)	-	-	(1,058)
Under provision	-	71	-	71
Interest cost/(income)	4,005	25,034	(3,822)	25,217
	8,380	62,640	(3,822)	67,198
Included in other comprehensive income				
Remeasurement (gain)/loss				
Actuarial (gain)/loss from:				
- Financial assumptions	2,507	(84)	-	2,423
- Experience assumptions	(3,940)	10,597	-	6,657
- Demographic assumptions	-	5	-	5
Return on plan assets excluding interest income	-	-	5,586	5,586
	(1,433)	10,518	5,586	14,671
Others				
Contributions paid by employer	-	(44,467)	(8,256)	(52,723)
Acquisition through business combination	-	3,733	-	3,733
Employee contributions	6,737	-	(6,737)	-
(Deposits)/Benefits paid	(6,562)	-	6,562	-
Currency translation differences	16,723	21,976	(15,499)	23,200
At 30 September 2023	**202,537**	**541,676**	**(191,147)**	**553,066**
Included in profit or loss				
Service cost	**6,248**	**29,368**	**-**	**35,616**
Under provision	**-**	**13**	**-**	**13**
Interest cost/(income)	**3,951**	**26,610**	**(3,756)**	**26,805**
	10,199	**55,991**	**(3,756)**	**62,434**
Included in other comprehensive income				
Remeasurement loss/(gain)				
Actuarial loss/(gain) from:				
- Financial assumptions	**10,362**	**18,743**	**-**	**29,105**
- Experience assumptions	**(3,324)**	**8,967**	**-**	**5,643**
- Demographic assumptions	**-**	**(61)**	**-**	**(61)**
Return on plan assets excluding interest income	**-**	**-**	**4,899**	**4,899**
	7,038	**27,649**	**4,899**	**39,586**
Others				
Contributions paid by employer	**-**	**(45,512)**	**(8,207)**	**(53,719)**
Employee contributions	**6,783**	**-**	**(6,783)**	**-**
(Deposits)/Benefits paid	**(12,498)**	**-**	**12,498**	**-**
Currency translation differences	**(11,323)**	**(50,530)**	**9,393**	**(52,460)**
At 30 September 2024	**202,736**	**529,274**	**(183,103)**	**548,907**

The amount of remeasurement loss of RM28,525,000 (2023: RM12,486,000) recognised in the other comprehensive income is net of deferred tax assets of RM11,061,000 (2023: RM2,185,000) (Note 22).

	Group	
	2024 **RM'000**	2023 RM'000
Plan assets		
Plan assets comprise:		
Other assets - unquoted	**183,103**	191,147

The plan assets are managed by the pension foundation in its pool assets and the value of the plan assets are guaranteed by the pension foundation regardless of the financial market performance and disclosed as "Other Assets - Unquoted".

	Company	
	2024 **RM'000**	2023 RM'000
Unfunded obligations		
Movements in the unfunded defined benefit obligations		
At beginning of the year	**92**	67
Expense recognised in profit or loss	**28**	25
At end of the year	**120**	92
Expense recognised in profit or loss		
Current service cost	**10**	9
Interest cost	**4**	4
Under provision	**14**	12
	28	25

	Group	
	2024 **%**	2023 %
Actuarial assumptions (expressed as weighted average)		
Principal assumptions of the unfunded plans used by plantation subsidiaries in Indonesia:		
Discount rates	**7.0 to 7.1**	7.0
Future salary increases	**5.0 to 7.5**	6.0 to 7.5
Principal actuarial assumptions of the unfunded plan operated by the sub-subsidiary in Germany:		
Discount rate	**3.5**	4.2
Future salary increases	**3.0**	3.0
Future pension increases	**2.3**	2.3
Principal actuarial assumptions of the unfunded plan operated by the sub-subsidiary in Italy:		
Discount rate	**3.2**	4.0
Future salary increases	**2.3**	2.6
Future pension increases	**2.3**	2.6
Principal actuarial assumptions of the funded plan operated by the sub-subsidiary in Switzerland:		
Discount rate	**1.2**	1.9
Future salary increases	**2.5**	2.5

As at the end of the reporting period, the weighted average duration of the funded defined benefit obligation was 12.9 years (2023: 11.9 years).

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 amount shown below:

	Group Defined Benefit Obligation Increase RM'000	 Decrease RM'000
2024		
Discount rate (0.25% movement)	**(23,141)**	**26,893**
Future salary growth (0.25% movement)	**12,886**	**(11,160)**
Life expectancy (1 year movement)	**17,569**	**(15,589)**
2023		
Discount rate (0.25% movement)	(20,119)	21,963
Future salary growth (0.25% movement)	10,601	(9,224)
Life expectancy (1 year movement)	14,376	(14,770)

Although the analysis does not account for the full distribution of cash flows expected under the plans, it does provide an approximation of the sensitivity of the assumptions shown.

34. BORROWINGS

	Group **2024** **RM'000**	 2023 RM'000	Company **2024** **RM'000**	 2023 RM'000
Non-current				
Secured				
Term loan	**518**	6,670	**-**	-
Unsecured				
Revolving credit	**15,593**	71,633	**-**	-
Term loans	**1,934,019**	1,336,265	**-**	-
Islamic Medium Term Notes	**5,000,000**	6,100,000	**500,000**	500,000
	6,949,612	7,507,898	**500,000**	500,000
	6,950,130	7,514,568	**500,000**	500,000
Current				
Secured				
Term loan	**6,142**	8,488	**-**	-
Unsecured				
Bank overdrafts	**2,861**	84,129	**-**	-
Bankers' acceptance	**279,052**	323,589	**-**	-
Export credit refinancing	**-**	3,666	**-**	-
Revolving credit	**932,606**	846,999	**-**	-
Trade financing	**1,887,254**	1,285,356	**-**	-
Term loans	**578,905**	342,466	**-**	-
Islamic Medium Term Notes	**1,100,000**	-	**-**	-
	4,780,678	2,886,205	**-**	-
	4,786,820	2,894,693	**-**	-
Total borrowings	**11,736,950**	10,409,261	**500,000**	500,000

(a) In the financial year ended 30 September 2022, the Company had issued 2 tranches of RM300 million and RM200 million of Sukuk Wakalah Islamic Medium Term Notes (“Sukuk Wakalah”) under the RM1.0 billion Sukuk Wakalah Islamic Medium Term Notes Programme ("2nd Programme"), at par with profit rate of 4.12% per annum for the 7 years tenure tranche and 4.30% per annum for the 10 years tenure tranche.

Salient features of the 2nd Programme are as follows:

- Total aggregate outstanding nominal value of the Sukuk Wakalah issued under the 2nd Programme shall not exceed RM1.0 billion.
- The tenure of the 2nd Programme is 21 years from the date of the first issuance under the programme. The tenure of the Sukuk Wakalah issued under the 2nd Programme shall be more than 1 year and up to 20 years, provided that the maturity of the Sukuk Wakalah shall not exceed the tenure of the 2nd Programme.
- The Sukuk Wakalah under the 2nd Programme shall be issued under the Shariah principle of Wakalah Bi Al-Istithmar.
- The periodic distribution rate shall be determined at the point of issuance. For the Sukuk Wakalah with periodic distributions, the profit is payable semi-annually in arrears from the date of issuance.
- Debt-to-equity ratio of the Group shall be maintained at not more than one time throughout the tenure of the 2nd Programme.

(b) In the financial year ended 30 September 2015, a subsidiary had issued RM1.1 billion 10 years Ringgit Sukuk Ijarah Islamic Medium Term Notes under the RM1.6 billion Multi-Currency Sukuk Ijarah and/or Wakalah Islamic Medium Term Notes Programme (“1st Programme”) at par with a profit rate of 4.58% per annum.

In the financial year ended 30 September 2016, the subsidiary had issued the balance of the 1st Programme of RM500 million 10 years Ringgit Sukuk Ijarah Islamic Medium Term Notes at par with a profit rate of 4.65% per annum.

Salient features of the 1st Programme are as follows:

- The 1st Programme shall comprise Ringgit denominated Islamic Medium Term Notes (“Ringgit Sukuk”) and non-Ringgit denominated Islamic Medium Term Notes (“Non-Ringgit Sukuk”) issuances.
- The aggregate outstanding nominal value of the Ringgit Sukuk and Non-Ringgit Sukuk issued under the 1st Programme shall not exceed RM1.6 billion (or its equivalent in foreign currencies).
- The tenure of the 1st Programme is 12 years from the date of the first issuance under the programme. The tenure of the Ringgit Sukuk/Non-Ringgit Sukuk issued under the 1st Programme shall be more than 1 year and up to 12 years, provided that the maturity of the Ringgit Sukuk/Non-Ringgit Sukuk shall not exceed the tenure of the 1st Programme.
- The Ringgit Sukuk/Non-Ringgit Sukuk under the 1st Programme may be issued under the Shariah principle(s) of Ijarah and/or Wakalah Bi Al-Istithmar.
- The expected periodic distribution rate (under the principle of Wakalah Bi Al-Istithmar) or periodic distribution rate (under the principle of Ijarah) (if any) shall be determined at the point of issuance. For the Ringgit Sukuk/Non-Ringgit Sukuk with periodic distributions, the profit is payable semi-annually in arrears from the date of issuance of the Ringgit Sukuk/Non-Ringgit Sukuk with the last periodic distribution to be made on the relevant maturity dates.
- Debt-to-equity ratio of the subsidiary (group results) shall be maintained at not more than one time throughout the tenure of the 1st Programme.

(c) In the financial year ended 30 September 2019, a subsidiary had issued 2 tranches of RM1.0 billion each of Sukuk Wakalah Islamic Medium Term Notes (“Sukuk Wakalah”) under the RM2.0 billion Sukuk Wakalah Islamic Medium Term Notes Programme (“2nd Programme"), at par with profit rate of 3.75% per annum for the 10 years tenure tranche and 3.95% per annum for the 15 years tenure tranche.

Salient features of the 2nd Programme are as follows:

- Total aggregate outstanding nominal value of the Sukuk Wakalah issued under the 2nd Programme shall not exceed RM2.0 billion.
- The tenure of the 2nd Programme is 20 years from the date of the first issuance under the programme. The tenure of the Sukuk Wakalah issued under the 2nd Programme shall be more than 1 year and up to 20 years, provided that the maturity of the Sukuk Wakalah shall not exceed the tenure of the 2nd Programme.
- The Sukuk Wakalah under the 2nd Programme shall be issued under the Shariah principle of Wakalah Bi Al-Istithmar.
- The periodic distribution rate shall be determined at the point of issuance. For the Sukuk Wakalah with periodic distributions, the profit is payable semi-annually in arrears from the date of issuance.
- Debt-to-equity ratio of the subsidiary (group results) shall be maintained at not more than one time throughout the tenure of the 2nd Programme.

(d) In the financial year ended 30 September 2022, a subsidiary had issued 2 tranches of RM1.5 billion 10 years and RM500 million 15 years Sukuk Wakalah Islamic Medium Term Notes (“Sukuk Wakalah”) under the RM2.0 billion Sukuk Wakalah Islamic Medium Term Notes Programme ("3rd Programme"), at par with profit rate of 4.17% per annum for the 10 years tenure tranche and 4.55% per annum for the 15 years tenure tranche.

Salient features of the 3rd Programme are as follows:

- Total aggregate outstanding nominal value of the Sukuk Wakalah issued under the 3rd Programme shall not exceed RM2.0 billion.
- The tenure of the 3rd Programme is 30 years from the date of the first issuance under the programme. The tenure of the Sukuk Wakalah issued under the 3rd Programme shall be more than 1 year and up to 30 years, provided that the maturity of the Sukuk Wakalah shall not exceed the tenure of the 3rd Programme.
- The Sukuk Wakalah under the 3rd Programme shall be issued under the Shariah principle of Wakalah Bi Al-Istithmar.
- The periodic distribution rate shall be determined at the point of issuance. For the Sukuk Wakalah with periodic distributions, the profit is payable semi-annually in arrears from the date of issuance.
- Debt-to-equity ratio of the Group shall be maintained at not more than one time throughout the tenure of the 3rd Programme.

(e) The secured term loan of the Group is secured by the fixed charge over property, plant and equipment of overseas subsidiaries as disclosed in Note 11 to the financial statements.

(f) Certain unsecured term loans, bank overdrafts and revolving credit are supported by corporate guarantees of RM1,438.7 million (2023: RM1,095.6 million) issued by a subsidiary. The bank overdraft facilities are renewable annually.

(g) The interest/profit rates per annum applicable to borrowings for the year were as follows:

	Group		Company	
	2024	2023	**2024**	2023
Bank overdrafts	**4.20% to 4.70%**	0.70% to 4.67%	**-**	-
Term loans	**0.71% to 6.36%**	0.71% to 7.00%	**-**	-
Trade financing	**2.97% to 7.83%**	2.02% to 6.22%	**-**	-
Export credit refinancing	**-**	3.30% to 3.55%	**-**	-
Bankers' acceptance	**3.10% to 3.97%**	1.84% to 3.97%	**-**	-
Revolving credit	**3.95% to 6.61%**	1.43% to 6.69%	**-**	-
Islamic Medium Term Notes	**3.75% to 4.65%**	3.75% to 4.65%	**4.12% to 4.30%**	4.12% to 4.30%

(h) An amount of RM2,231,104,000 (2023: RM1,215,158) of the Group's borrowings consist of floating rate borrowings, of which interest rates reprice within a year.

(i) Fair value hierarchy of borrowings are disclosed in Note 42 to the financial statements.

(j) Currency exposure profiles of borrowings are disclosed in Note 42 to the financial statements.

(k) Information on financial risks of borrowings are disclosed in Note 42 to the financial statements.

35. TRADE PAYABLES

	Group	
	2024 **RM'000**	2023 RM'000
Trade payables	**794,137**	867,846

Included in trade payables are amounts owing to related parties of RM103,666,000 (2023: RM188,315,000).

The normal trade credit terms granted to the Group ranged from 5 to 90 (2023: 5 to 90) days.

Currency exposure profiles and information on financial risks of trade payables are disclosed in Note 42 to the financial statements.

36. OTHER PAYABLES

	Group		Company	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Other payables	**404,018**	477,275	**27**	555
Accruals	**783,495**	729,966	**10,456**	10,602
Deposits received	**1,676**	77	**-**	-
Indirect tax payable	**15,116**	13,268	**-**	-
	1,204,305	1,220,586	**10,483**	11,157

Currency exposure profiles and information on financial risks of other payables are disclosed in Note 42 to the financial statements.

37. RELATED PARTY TRANSACTIONS

(a) Identities of related parties

Parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties could be individuals or other parties. The Group has related party relationship with its subsidiaries, associates and joint ventures as disclosed in Note 40 to the financial statements, and which Directors have substantial direct/indirect shareholding.

(b) The Company has a controlling related party relationship with all its subsidiaries. Significant inter-company transactions of the Company are as follows (in addition to related party disclosures mentioned elsewhere in the financial statements):

	Company	
	2024 **RM'000**	2023 RM'000
Rental paid to a subsidiary	**234**	234
Interest received from subsidiaries	**20,637**	20,674
Corporate services fees received from subsidiaries	**226**	-
Corporate services fees paid to subsidiaries	**188**	128
Car park fee paid to a subsidiary	**9**	10

(c) Significant related party transactions

Set out below are the significant related party transactions which are carried out on mutually agreed terms for the financial year (in addition to related party disclosures mentioned elsewhere in the financial statements).

	Group	
	2024 **RM'000**	2023 RM'000
(i) Transactions with associates and joint ventures		
Processing fee earned	**771**	703
Sale of goods	**393,972**	599,597
Sale of electricity	**1,250**	1,225
Purchase of goods	**1,721,696**	1,738,845
Service charges paid	**2,239**	1,944
Research and development services paid	**17,195**	16,857

	Group **2024** **RM'000**	 2023 RM'000
(ii) Transactions with companies in which certain Directors are common directors and/or have direct or deemed interests		
Sale of goods		
Chlor-Al Chemical Pte Ltd	**32,214**	31,467
Siam Taiko Marketing Co Ltd	**1,733**	1,406
Taiko Acid Works Sdn Bhd	**10,028**	10,453
Taiko Marketing (Singapore) Pte Ltd	**-**	1,035
TMK Chemical Berhad	**171,096**	232,064
Freight income earned		
Chlor-Al Chemical Pte Ltd	**-**	79
TMK Chemical Berhad	**101**	212
Storage tanks rental received		
TMK Chemical Berhad	**4,716**	4,563
Service charge earned		
Chlor-Al Chemical Pte Ltd	**347**	-
Purchase of goods		
Borneo Taiko Clay Sdn Bhd	**6,197**	6,117
Bukit Katho Estate Sdn Bhd	**8,468**	8,261
Chlor-Al Chemical Pte Ltd	**43,652**	7,419
Kampar Rubber & Tin Co Sdn Bhd	**11,786**	12,239
Kekal & Deras Sdn Bhd	**2,963**	2,607
Ladang Tai Tak (Kota Tinggi) Sdn Bhd	**14,817**	10,624
Malay Rubber Plantations (M) Sdn Bhd	**16,317**	14,114
PT Agro Makmur Abadi	**92,490**	85,275
PT Bumi Karyatama Raharja	**-**	1,007
PT Java Taiko Mineralindo	**3,017**	2,586
PT Safari Riau	**41,810**	44,312
Taiko Acid Works Sdn Bhd	**5,755**	2,472
Taiko Clay Marketing Sdn Bhd	**6,328**	6,881
Taiko Drum Industries Sdn Bhd	**2,536**	2,031
Taiko Marketing (Singapore) Pte Ltd	**-**	40,804
TMK Chemical Berhad	**39,962**	54,391
Management fees paid		
Farming Management Services Pty Ltd	**3,142**	3,609
Handling charges paid		
TMK Chemical Berhad	**133**	1,940
Aircraft operating expenses and management services paid		
Smooth Route Sdn Bhd	**2,379**	2,068
Fixed charge and fixed charge recoverable earned from		
Taiko Acid Works Sdn Bhd	**28**	29
Sales commissions charged by		
TMK Chemical Berhad	**37**	97
(iii) Transactions between subsidiaries and non-controlling interests		
Sale of goods		
Mitsui & Co Ltd	**139,867**	120,184
Mitsui & Co (Malaysia) Sdn Bhd	**380,950**	318,920
Mitsui & Co (U.S.A) Inc	**19,478**	-
Mitsui Plastics Trading (Shanghai) Co Ltd	**723**	1,730
Purchase of goods		
Alami Commodities Sdn Bhd	**3,563**	-
PT Kimia Tirta Utama	**-**	23,423
PT Sawit Asahan Indah	**-**	2,664
PT Tanjung Bina Lestari	**-**	10,468
PT Tanjung Sarana Lestari	**801,400**	1,480,509
Rental of land		
PT Perkebunan Nusantara II	**38,542**	32,259

38. CAPITAL COMMITMENTS

	Group	
	2024 **RM'000**	2023 RM'000
Capital expenditure		
Approved and contracted	**607,420**	1,018,306
Approved but not contracted	**913,461**	1,579,127
	1,520,881	2,597,433
Joint venture		
Share of capital commitment of a joint venture	**57,699**	31,194

39. FINANCIAL GUARANTEE CONTRACTS

(a) The Group provides financial guarantee contracts of RM12.8 million (2023: RM9.3 million) to certain financial institutions for loan facilities granted to plasma plantation projects as at 30 September 2024.

(b) A subsidiary provides financial guarantee contracts of RM1,438.7 million (2023: RM1,095.6 million) to certain financial institutions for credit facilities utilised by certain sub-subsidiaries as at 30 September 2024.

(c) Financial guarantee contracts issued are initially measured at fair value. Subsequently, they are measured at higher of:

  (i) the amount of the loss allowance; and
  (ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance to the principles of MFRS 15 *Revenue from Contracts with Customers.*

(d) No financial guarantee contracts have been recognised at the end of the reporting period as the amount is negligible.

40. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

(a) The names of subsidiaries, associates and joint ventures are detailed below:

Subsidiaries	**Country of Incorporation**	**Principal Country of Operation**	**Percentage of Equity Held**		**Principal Activities**
			2024	2023	
Held by the Company: **INVESTMENT HOLDING**					
Caruso Enterprises Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
Whitmore Holdings Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
Enternal Edge Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
BKB Overseas Investments Ltd ††	British Virgin Islands	British Virgin Islands	**100**	100	Investment holding
Synergy Motion Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
Caruso Ventures Pte Ltd †	Singapore	Singapore	**100**	100	Investment holding
Chemical Company of Malaysia Berhad	Malaysia	Malaysia	**100**	100	Investment holding

Notes to the Financial Statements (Continued)

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held 2024	2023	Principal Activities
Held by the Company:					
PLANTATION					
Kuala Lumpur Kepong Berhad	Malaysia	Malaysia	**48^**	47^	Plantation
Held through Subsidiaries:					
Whitmore Holdings Sdn Bhd:					
PLANTATION					
PT Satu Sembilan Delapan †	Indonesia	Indonesia	**-**	92	Plantation
PT Tekukur Indah †	Indonesia	Indonesia	**-**	90	Plantation
Caruso Ventures Pte Ltd:					
INVESTMENT HOLDING					
Caruso Australia Ventures Pty Ltd ††	Australia	Australia	**100**	100	Investment holding
Caruso Epping Pty Ltd ††	Australia	Australia	**100**	100	Trustee company
Caruso Epping Unit Trust ††	Australia	Australia	**100**	100	Joint venture partner in property development
Caruso Greenvale Pty Ltd ††	Australia	Australia	**100**	100	Trustee company
Caruso Greenvale Unit Trust ††	Australia	Australia	**100**	100	Joint venture partner in property development
Vivaldi Victoria Pty Ltd ††	Australia	Australia	**100**	100	Trustee company
Vivaldi Victoria Unit Trust ††	Australia	Australia	**100**	100	Dormant
Chemical Company of Malaysia Berhad:					
MANUFACTURING					
CHEMICALS AND TRANSPORTATION SERVICES					
CCM Chemicals Sdn Bhd	Malaysia	Malaysia	**100**	100	Manufacturing and marketing of chlor-alkali and coagulant products and marketing of industrial and specialty chemicals
Malay-Sino Chemical Industries Sendirian Berhad	Malaysia	Malaysia	**99**	98	Manufacturing of chemicals
Malay-Sino Agro-Chemical Products Sdn Bhd	Malaysia	Malaysia	**100**	100	Manufacture and sale of methyl chloride
Circular Agency Sdn Bhd	Malaysia	Malaysia	**100**	100	General transportation and workshop services
North-South Transport Sdn Bhd	Malaysia	Malaysia	**100**	100	General transportation and workshop services
Malay-Sino Properties Sdn Bhd	Malaysia	Malaysia	**100**	100	Letting of storage warehouse facilities
See Sen Chemical Berhad	Malaysia	Malaysia	**61**	61	Manufacturing of chemicals

Notes to the Financial Statements (Continued)

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held 2024	2023	Principal Activities
Chemical Company of Malaysia Berhad:					
MANUFACTURING					
CHEMICALS AND TRANSPORTATION SERVICES					
CCM Polymers Sdn Bhd	Malaysia	Malaysia	**100**	100	Design, manufacture, sales and trading of specialty chemicals
PT CCM Indonesia †	Indonesia	Indonesia	**100**	100	Dormant
CCM Usaha Kimia (M) Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
CCM Water Systems Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
CCM Singapore Pte Ltd †	Singapore	Singapore	**100**	100	Dormant
MANAGEMENT SERVICES					
CCM Management Sdn Bhd (formerly known as CCM International Sdn Bhd)	Malaysia	Malaysia	**100**	100	Provision of management services
INVESTMENT HOLDING					
CCM Agri-Max Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
Innovative Resins Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
CCM Siam Ltd †	Thailand	Thailand	**100**	100	Dormant
CCM Fertilizers Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
CCM Investments Limited ††	British Virgin Islands	British Virgin Islands	**-**	100	Liquidated
PT CCM Agripharma (*In Member’s Voluntary Liquidation*)	Indonesia	Indonesia	**100**	100	Dormant
Kuala Lumpur Kepong Berhad:					
PLANTATION					
PENINSULAR MALAYSIA					
Uni-Agro Multi Plantations Sdn Bhd	Malaysia	Malaysia	**51**	51	Plantation
Betatechnic Sdn Bhd	Malaysia	Malaysia	**100**	100	Operating biogas capture plants
Gunong Pertanian Sdn Bhd	Malaysia	Malaysia	**100**	100	Extraction of crude palm oil
Taiko Plantations Sendirian Berhad	Malaysia	Malaysia	**100**	100	Management of plantation
Golden Complex Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
Jasachem Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
KL-Kepong Plantation Holdings Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held		Principal Activities
			2024	2023	
PLANTATION					
SABAH					
Berakan Maju Sdn Bhd	Malaysia	Malaysia	**100**	95	Plantation
Bornion Estate Sdn Bhd	Malaysia	Malaysia	**63**	63	Plantation
Dynasive Enterprise Sdn Bhd	Malaysia	Malaysia	**100**	95	Investment holding
Excellent Challenger (M) Sdn Bhd	Malaysia	Malaysia	**100**	95	Plantation
Gunaria Sdn Bhd	Malaysia	Malaysia	**100**	95	Investment holding
KLK Agri Oils Sdn Bhd	Malaysia	Malaysia	**100**	95	Plantation and kernel crushing
KLK Sawit Nusantara Sdn Bhd	Malaysia	Malaysia	**100**	95	Plantation and investment holding
KL-Kepong (Sabah) Sdn Bhd	Malaysia	Malaysia	**100**	100	Plantation
Minat Teguh Sdn Bhd	Malaysia	Malaysia	**100**	95	Investment holding
Rakanan Jaya Sdn Bhd	Malaysia	Malaysia	**100**	95	Plantation
Ratus Sempurna Sdn Bhd	Malaysia	Malaysia	**100**	95	Investment holding
Sabah Cocoa Sdn Bhd ^^	Malaysia	Malaysia	**100**	99	Plantation
Sabah Holdings Corporation Sdn Bhd	Malaysia	Malaysia	**70**	70	Investment holding
Desa Talisai Sdn Bhd † (*In Member's Voluntary Liquidation*)	Malaysia	Malaysia	**100**	95	Dormant
Desa Talisai Palm Oil Mill Sdn Bhd † (*In Member's Voluntary Liquidation*)	Malaysia	Malaysia	**100**	95	Dormant
KLK Biofuel Sdn Bhd	Malaysia	Malaysia	**100**	95	Dormant
Sijas Plantations Sdn Bhd † (*In Member's Voluntary Liquidation*)	Malaysia	Malaysia	**100**	95	Dormant
Sabang Mills Sdn Bhd †	Malaysia	Malaysia	**-**	95	Dissolved on 8 April 2024
INDONESIA					
PT ADEI Plantation & Industry †	Indonesia	Indonesia	**100**	95	Plantation, kernel crushing, refining and sales of palm products
PT Alam Karya Sejahtera AKS †	Indonesia	Indonesia	**62**	62	Plantation
PT Bumi Makmur Sejahtera Jaya †	Indonesia	Indonesia	**95**	95	Plantation
PT Hutan Hijau Mas †	Indonesia	Indonesia	**92**	92	Plantation
PT Indonesia Plantation Synergy †	Indonesia	Indonesia	**100**	96	Plantation
PT Jabontara Eka Karsa †	Indonesia	Indonesia	**95**	95	Plantation
PT Karya Bakti Sejahtera Agrotama †	Indonesia	Indonesia	**100**	95	Plantation
PT Karya Makmur Abadi †	Indonesia	Indonesia	**100**	100	Plantation
PT Langkat Nusantara Kepong †	Indonesia	Indonesia	**60**	60	Plantation
PT Malindomas Perkebunan †	Indonesia	Indonesia	**92**	92	Plantation
PT Menteng Jaya Sawit Perdana †	Indonesia	Indonesia	**100**	100	Plantation
PT Mulia Agro Permai †	Indonesia	Indonesia	**100**	100	Plantation

Notes to the Financial Statements (Continued)

Subsidiaries	**Country of Incorporation**	**Principal Country of Operation**	**Percentage of Equity Held**		**Principal Activities**
			2024	2023	
PLANTATION					
INDONESIA					
PT Parit Sembada †	Indonesia	Indonesia	**95**	95	Plantation
PT Pinang Witmas Sejati †	Indonesia	Indonesia	**60**	60	Plantation
PT Prima Alumga †	Indonesia	Indonesia	**100**	96	Plantation
PT Primabahagia Permai †	Indonesia	Indonesia	**100**	96	Plantation
PT Putra Bongan Jaya †	Indonesia	Indonesia	**100**	100	Plantation
PT Satu Sembilan Delapan †	Indonesia	Indonesia	**92**	-	Plantation
PT Sinergi Agro Industri †	Indonesia	Indonesia	**100**	96	Plantation
PT Steelindo Wahana Perkasa †	Indonesia	Indonesia	**95**	95	Plantation, kernel crushing, refining and sales of palm products
PT Sekarbumi Alamlestari †	Indonesia	Indonesia	**65**	65	Plantation
PT Tekukur Indah †	Indonesia	Indonesia	**100**	-	Plantation
PT Appllied Agricultural Resources Indonesia †	Indonesia	Indonesia	**100**	100	Agronomic service and research
PT KLK Agriservindo †	Indonesia	Indonesia	**100**	100	Management of services
SINGAPORE					
Collingwood Plantations Pte Ltd †**	Singapore	Singapore	**100**	100	Investment holding
KLK Agro Plantations Pte Ltd †	Singapore	Singapore	**100**	100	Investment holding
PAPUA NEW GUINEA					
Ang Agro Forest Management Ltd †***	Papua New Guinea	Papua New Guinea	**100**	100	Dormant
MAURITIUS					
Liberian Palm Developments Limited ††	Mauritius	Mauritius	**100**	100	Investment holding
EBF (Mauritius) Limited ††	Mauritius	Mauritius	**100**	100	Investment holding
EPO (Mauritius) Limited ††	Mauritius	Mauritius	**100**	100	Investment holding
LIBERIA					
LIBINC Oil Palm Inc †	Liberia	Liberia	**100**	100	Plantation
Equatorial Palm Oil (Liberia) Incorporated †	Liberia	Liberia	**100**	100	Management of plantation
Liberian Agriculture Developments Corporation †	Liberia	Liberia	**100**	100	Dormant

Notes to the Financial Statements (Continued)

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held 2024	2023	Principal Activities
MANUFACTURING *OLEOCHEMICALS*					
Palm-Oleo Sdn Bhd	Malaysia	Malaysia	**80**	80	Manufacturing and sale of oleochemicals
Palm-Oleo (Klang) Sdn Bhd	Malaysia	Malaysia	**80**	80	Manufacturing and sales of oleochemicals
KSP Manufacturing Sdn Bhd	Malaysia	Malaysia	**80**	80	Renting of properties
Palmamide Sdn Bhd	Malaysia	Malaysia	**80**	80	Renting of properties
KL-Kepong Oleomas Sdn Bhd	Malaysia	Malaysia	**96**	96	Manufacturing and sales of oleochemicals
Davos Life Science Sdn Bhd	Malaysia	Malaysia	**100**	100	Manufacturing of palm phytonutrients and other palm derivatives
KLK Bioenergy Sdn Bhd	Malaysia	Malaysia	**96**	96	Manufacturing of biodiesel
KLK Emmerich GmbH †	Germany	Germany	**100**	100	Manufacturing and sale of oleochemicals
Taiko Palm-Oleo (Zhangjiagang) Co Ltd †	People's Republic of China	People's Republic of China	**80**	80	Manufacturing and sales of oleochemicals
Shanghai Jinshan Jingwei Chemical Co Ltd †	People's Republic of China	People's Republic of China	**100**	100	Renting of property
PT KLK Dumai †	Indonesia	Indonesia	**100**	100	Manufacturing of basic organic chemicals from agricultural products
KLK Oleo (Shanghai) Co Ltd †	People's Republic of China	People's Republic of China	**100**	100	Trading and distribution of oleochemicals
KLK OLEO Americas Inc ††	United States of America	United States of America	**100**	100	Trading and distribution of oleochemicals
KLK Tensachem SA †	Belgium	Belgium	**100**	100	Manufacturing of alcohol ether sulphates, alcohol sulphates and sulphonic acids
KLK Oleo India Private Limited †	India	India	**100**	-	Trading of oleochemical products
KL-Kepong Industrial Holdings Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
KLK Premier Capital Limited	British Virgin Islands	Malaysia	**80**	80	Investment holding
KLK Indahmas Sdn Bhd	Malaysia	Malaysia	**100**	100	Manufacturing of oleochemicals and property investment

Notes to the Financial Statements (Continued)

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held 2024	2023	Principal Activities
MANUFACTURING					
OLEOCHEMICALS					
Capital Glogalaxy Sdn Bhd	Malaysia	Malaysia	**80**	80	Trading of oleochemicals and hedging of future contracts related to these products
KLK Temix S.p.A. † (formerly known as Temix Oleo S.p.A.)	Italy	Italy	**90**	90	Production and distribution of fatty alcohols and derivatives, fatty acids, fatty esters and other chemicals
PT KLK Oleo Servindo †	Indonesia	Indonesia	**100**	-	Provision of management and consultation services
PT Prima Dumai Indobulking †	Indonesia	Indonesia	**100**	100	Dormant
NON-IONIC SURFACTANTS AND ESTERS					
Kolb Distribution AG #	Switzerland	Switzerland	**100**	100	Distribution of non-ionic surfactants and esters
Dr. W. Kolb AG #	Switzerland	Switzerland	**100**	100	Manufacturing of non-ionic surfactants and esters
Dr. W. Kolb Netherlands BV #	Netherlands	Netherlands	**100**	100	Manufacturing of non-ionic surfactants and esters
Kolb France SARL ††	France	France	**100**	100	Distribution of non-ionic surfactants and esters
Dr. W. Kolb Deutschland GmbH ††	Germany	Germany	**100**	100	Distribution of non-ionic surfactants and esters
KLK Kolb Specialties BV #	Netherlands	Netherlands	**100**	100	Manufacturing and distribution of non-ionic surfactants and esters
KLK Chemicals Holding Netherlands BV ††	Netherlands	Netherlands	**100**	100	Investment holding
Kolb Distribution BV ††	Netherlands	Netherlands	**100**	100	Dormant
REFINERIES AND KERNEL CRUSHING					
KL-Kepong Edible Oils Sdn Bhd	Malaysia	Malaysia	**100**	100	Refining, manufacturing and sale of palm and shortening products

Notes to the Financial Statements (Continued)

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held 2024	2023	Principal Activities
MANUFACTURING ***REFINERIES AND CRUSHING KERNEL***					
Fajar Palmkel Sdn Berhad	Malaysia	Malaysia	**100**	100	Kernel crushing, refining and manufacturing and sales of palm and cocoa butter substitutes products
KLK Premier Oils Sdn Bhd	Malaysia	Malaysia	**100**	100	Kernel crushing, refining, manufacturing and sale of palm products
PT Perindustrian Sawit Synergi †	Indonesia	Indonesia	**100**	100	Kernel crushing, refining, manufacturing and sale of palm products and oleochemicals
Astra-KLK Pte Ltd #	Singapore	Singapore	**51**	51	Marketing of refined palm oil products and provision of logistics services related to palm products
KLK Plantations and Trading Pte Ltd #	Singapore	Singapore	**100**	100	Management of plantation, marketing and trading of palm oil refined products
KLK Alami Edible Oils Sdn Bhd (formerly known as KLK Golden Oils Sdn Bhd)	Malaysia	Malaysia	**65**	100	Refining, manufacturing and sale of palm oil and specialty fat products
KLK Oils and Fats (Zhang Jiagang) Co Ltd †	People's Republic of China	People's Republic of China	**100**	-	Dormant
KW Global Enterprises (Private) Limited †	Pakistan	Pakistan	**60**	-	Dormant
Golden Yield Sdn Bhd (*In Member's Voluntary Liquidation*)	Malaysia	Malaysia	**100**	100	Dormant
GLOVE PRODUCTS					
KL-Kepong Rubber Products Sdn Bhd	Malaysia	Malaysia	**100**	100	Manufacturing and trading in rubber products
PARQUET FLOORING					
KLK Hardwood Flooring Sdn Bhd	Malaysia	Malaysia	**100**	100	Manufacturing and marketing of parquet flooring products
B.K.B Flooring Sdn Bhd †	Malaysia	Malaysia	**-**	100	Dissolved on 13 February 2024

Subsidiaries	**Country of Incorporation**	**Principal Country of Operation**	**Percentage of Equity Held**		**Principal Activities**
			2024	2023	
MANUFACTURING					
NUTRACEUTICAL,COSMETOCEUTICAL & PHARMACEUTICAL PRODUCTS					
Davos Life Science Pte Ltd †	Singapore	Singapore	**100**	100	Sales of pharmaceutical and bio-pharmaceutical intermediates and fine chemicals and investment holding
Centros Life Science Pte Ltd †	Singapore	Singapore	**100**	100	Sales of pharmaceutical and bio-pharmaceutical intermediates and fine chemicals
Biogene Life Science Pte Ltd † *(In strike off process)*	Singapore	Singapore	**100**	100	Dormant
STORAGE & DISTRIBUTION					
Stolthaven (Westport) Sdn Bhd	Malaysia	Malaysia	**51**	51	Storing and distribution of bulk liquid
PROPERTY					
Aura Muhibah Sdn Bhd	Malaysia	Malaysia	**100**	60	Property development
Colville Holdings Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
KL-K Holiday Bungalows Sendirian Berhad	Malaysia	Malaysia	**100**	100	Operating holiday bungalows
KL-Kepong Complex Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
KL-Kepong Country Homes Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
KL-Kepong Property Development Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
KL-Kepong Property Management Sdn Bhd	Malaysia	Malaysia	**100**	100	Property management and property development
KLK Land Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
Kompleks Tanjong Malim Sdn Bhd	Malaysia	Malaysia	**80**	80	Property development
Palermo Corporation Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
Scope Energy Sdn Bhd	Malaysia	Malaysia	**60**	60	Property development
Selasih Ikhtisas Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
KLK Park Homes Sdn Bhd	Malaysia	Malaysia	**100**	100	Property development
Menara KLK Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment property
KLK Retail Centre Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment property
KLK Landscape Services Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
KLK Coalfields Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
KLK Management Services Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
Inovatif Progresif Sdn Bhd †	Malaysia	Malaysia	**100**	-	Dormant
Oasis Innovation Sdn Bhd †	Malaysia	Malaysia	**100**	-	Dormant

Notes to the Financial Statements (Continued)

Subsidiaries	Country of Incorporation	Principal Country of Operation	Percentage of Equity Held 2024	2023	Principal Activities
INVESTMENT HOLDING					
Ablington Holdings Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
KL-Kepong Equity Holdings Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
Quarry Lane Sdn Bhd	Malaysia	Malaysia	**100**	100	Investment holding
KL-Kepong International Ltd ††	Cayman Islands	Cayman Islands	**100**	100	Investment holding
KLK Overseas Investments Limited ††	British Virgin Islands	British Virgin Islands	**100**	100	Investment holding
KLKI Holdings Limited †	United Kingdom	United Kingdom	**100**	100	Investment holding
Ladang Perbadanan-Fima Berhad	Malaysia	Malaysia	**100**	100	Investment holding and property leasing
Ortona Enterprise Sdn Bhd	Malaysia	Malaysia	**100**	100	Money lending
Draw Fields Sdn Bhd	Malaysia	Malaysia	**100**	100	Dormant
OTHERS					
Somerset Cuisine Limited †	United Kingdom	United Kingdom	**100**	100	Manufacturing of jams and preserves
KLK Farms Pty Ltd †	Australia	Australia	**100**	100	Farming
KLK Assurance (Labuan) Limited †	Malaysia	Malaysia	**100**	100	Offshore captive insurance
Rainbow State Limited ∆	British Virgin Islands	British Virgin Islands	**100**	50	Owning and operating of aircraft

† Companies not audited by BDO PLT.

\# Companies audited by member firms of BDO International.

†† These companies are not required to be audited in the country of incorporation. The results of these companies are consolidated based on the unaudited financial statements.

** The Group held 100% (2023: 100%) of Collingwood Plantations Pte Ltd with 82% (2023: 82%) held by KLK Group and 18% (2023: 18%) held by another subsidiary.

*** The Group held 100% (2023: 100%) of Ang Agro Forest Management Ltd (“AAFM”) with 99.9% (2023: 82%) held by KLK Group and 0.1% (2023: 18%) held by another subsidiary upon the completion of conversion of 19,365,705 units of redeemable convertible preference shares in AAFM to 19,365,705 units of ordinary shares on 27 July 2023.

^ The Group consolidated KLK Group’s results even though it owns only 47.9% of the voting rights due to the Group being the single largest shareholder and has control over this entity.

^^ The KLK Group’s effective shareholdings in Sabah Cocoa Sdn Bhd (“SC”) increased from 99% to 100% upon transfer of 2.99% equity interest in SC from a 70%-owned subsidiary, Sabah Holdings Corporation Sdn Bhd to KLK on 6 June 2024.

∆ On 10 October 2023 and 17 April 2024, KLK's wholly-owned subsidiary, KLK Overseas Investments Limited had completed the acquisition of 50% equity interest in Rainbow State Limited (“RSL”). The transaction was recognised as an asset acquisition instead of business combination as substantially all of the fair value of the gross assets acquired was concentrated in a single identifiable asset, namely an airplane. Following the completion, RSL is now a wholly-owned subsidiary of the Group.

A subsidiary has undertaken to provide financial support to certain sub-subsidiaries to enable them to continue to operate as going concerns.

Associates	**Country of Incorporation /Principal Country of Operation**	**Percentage of Equity Held** **2024**	2023	**Principal Activities**
Held through Subsidiaries:				
See Sen Chemical Berhad:				
BASF See Sen Sdn Bhd	Malaysia	**30**	30	Manufacture of sulphuric acid products
Chemical Company of Malaysia Berhad:				
Orica-CCM Energy Systems Sdn Bhd	Malaysia	**45**	45	Blending of bulk emulsions, trading of blasting products and provision of blasting related services and technology to the mining, quarrying and construction industries
Caruso Ventures Pte Ltd:				
Satterley Forrestfield Pty Ltd	Australia	**40**	40	Land development or subdivision
Kuala Lumpur Kepong Berhad:				
Applied Agricultural Resources Sdn Bhd	Malaysia	**50**	50	Agronomic service and research
FKW Global Commodities (Pvt) Limited	Pakistan	**30**	30	Trading in commodities
Kumpulan Sierramas (M) Sdn Bhd	Malaysia	**50**	50	Property development
Malaysia Pakistan Venture Sdn Bhd	Malaysia	**38**	38	Investment holding
MAPAK Edible Oils (Private) Limited	Pakistan	**30**	30	Manufacturing and marketing of palm and other soft oils
Phytopharma Co Ltd	Japan	**25**	25	Import, export and distribution of herbal medicine and raw materials thereof, raw materials of pharmaceutical products and cosmetic products
Synthomer plc	United Kingdom	**27**	27	Speciality chemicals manufacturer
Joint Ventures				
Held through Subsidiaries:				
Caruso Ventures Pte Ltd:				
Riverlee Caruso Epping Pty Ltd	Australia	**50**	50	Property development
Satterley Greenvale Joint Venture	Australia	**25**	25	Land development or subdivision
Kuala Lumpur Kepong Berhad:				
PT Kreasijaya Adhikarya	Indonesia	**50**	50	Refining of crude palm oil and bulking installation

(b) Acquisitions and disposals of subsidiaries

2024

Changes in shareholdings in subsidiaries

(i) On 19 December 2023, the Company's wholly-owned subsidiary, Whitmore Holdings Sdn Bhd ("WHSB") had disposed the following companies to a group subsidiary, KLK Plantations and Trading Pte Ltd ("KLKPT"):

- 92% equity interest in PT Satu Sembilan Delapan ("SSD") for cash consideration of RM262.7 million; and
- 90% equity interest in PT Tekukur Indah ("TKI") for cash consideration of RM12.4 million.

On 4 September 2024, KLKPT and PT ADEI Plantation & Industry, a group subsidiary, had completed the acquisition of the remaining 10% equity interest in TKI for a cash consideration of RM1.1 million.

Accordingly, the Group’s effective shareholdings in SSD and TKI were 44.08% and 47.91% respectively.

(ii) On 31 January 2024, the Company and its wholly-owned subsidiary, Enternal Edge Sdn Bhd (“EESB”) entered into a share transfer agreement with another wholly-owned subsidiary of the Company, Chemical Company of Malaysia Berhad (“CCMB”) to dispose of 66.94% and 31.56% respective equity interests in Malay-Sino Chemical Industries Sendirian Berhad (“MSCI”), for a purchase consideration of RM205.4 million and RM96.8 million respectively. The consideration was satisfied with the allotment and issuance of 79,629,412 and 37,535,228 new ordinary shares of CCMB to the Company and EESB respectively.

(iii) On 31 January 2024, the Company entered into a share transfer agreement with CCMB to dispose of the Company’s 61.39% equity interest in See Sen Chemical Berhad (“SSCB”) for a purchase consideration of RM39.5 million. The consideration was satisfied with the allotment and issuance of 15,312,610 new ordinary shares of CCMB to the Company.

Upon completion of the above-mentioned disposals of shares in (ii) and (iii), the Group’s effective shareholdings in CCMB, MSCI and SSCB remain unchanged. The restructuring will streamline and consolidate the Industrial Chemical division of the Group all under CCMB.

Changes in shareholdings in sub-subsidiaries

(i) On 12 September 2023, a subsidiary of the Group, Kuala Lumpur Kepong Bhd (“KLKB”) entered into a share sale agreement with Alami Commodities Sdn Bhd to dispose 35% of equity share in a wholly-owned subsidiary, KLK Alami Edible Oils Sdn Bhd (“KAEO”) (formerly known as KLK Golden Oils Sdn Bhd), for a cash consideration of RM21.9 million. Upon the completion of disposal of shares on 6 December 2023, KLK group’s effective shareholdings in KAEO reduced to 65%.

(ii) On 5 February 2024, KLKB served a notice of unconditional voluntary take-over offer to the Board of Directors of KLK Sawit Nusantara Sdn Bhd (“KSN”) informing KLKB’s intention to acquire all the remaining 40,238,161 ordinary shares in KSN, representing approximately 4.57% of the total issued shares of KSN, not already held by KLKB, for a cash offer price of RM3.42 per share.

On 30 April 2024, KLKB completed the compulsory acquisition of all the remaining 4.57% equity interest in KSN for a total cash consideration of RM137.6 million after the expiry of the take-over offer.

KSN became a wholly-owned subsidiary of KLK group upon completion of the take-over offer.

(iii) On 13 May 2024, KLK group's wholly-owned subsidiary, KLK Plantations and Trading Pte Ltd had completed the acquisition of 5% equity interest in PT ADEI Plantation & Industry ("ADEI") for a cash consideration of RM45.0 million.

Upon the completion of the acquisition, ADEI became a wholly-owned subsidiary of KLK group.

(iv) On 18 June 2024, KLKB's wholly-owned subsidiary, KLK Land Sdn Bhd entered into a Share Sale Agreement ("SSA") with UEM Land Berhad, a wholly-owned subsidiary of UEM Sunrise Berhad to acquire the remaining 40% shareholdings in Aura Muhibah Sdn Bhd ("AMSB") for a cash consideration of RM386.2 million.

Upon the completion of the SSA on 28 June 2024, AMSB became a wholly-owned subsidiary of KLK group.

Incorporation of sub-subsidiaries

Sub-subsidiaries incorporated during the financial year ended 30 September 2024 were as follows:

Sub-subsidiaries incorporated	Percentage of Equity Held	Date of Incorporation
PT KLK Oleo Servindo	100	3 October 2023
KLK Oleo India Private Limited	100	9 May 2024
KLK Oils and Fats (Zhang Jiagang) Co Ltd	100	8 August 2024
KW Global Enterprises (Private) Limited	100	17 August 2024
Inovatif Progresif Sdn Bhd	100	2 September 2024
Oasis Innovation Sdn Bhd	100	2 September 2024

2023

Acquisition of a sub-subsidiary

On 31 March 2023, KLK Emmerich GmbH ("KLK Emmerich"), a wholly-owned subsidiary of KLK group, had completed the acquisition of 90% equity interest in KLK Temix S.p.A. (formerly known as Temix Oleo S.p.A.) ("Temix") for a cash consideration of RM143.3 million.

The acquisition represented an opportunity for KLK group to diversify its products, access to key customers and alignment to product specialisation strategy across European operation.

The recognised amounts of assets acquired and liabilities assumed at the date of acquisition were:

	RM'000
Property, plant and equipment	80,259
Right-of-use assets	1,804
Intangible assets	38,117
Derivative financial assets	1,878
Inventories	64,018
Trade and other receivables	126,907
Cash and bank balances	34,453
Trade and other payables	(111,178)
Tax payable	(9,829)
Borrowings	(49,349)
Deferred tax liabilities	(12,239)
Provision for retirement benefits	(3,733)
Lease liabilities	(1,836)
Total identifiable net assets at fair value	159,272
Purchase consideration settled in cash and cash equivalents	143,345
Non-controlling interests	15,927
Fair value of identifiable net assets	159,272
Purchase consideration settled in cash and cash equivalents	143,345
Cash and cash equivalents acquired	(34,453)
Net cash outflow arising from acquisition of a sub-subsidiary	108,892

In the 6 months to 30 September 2023, Temix contributed revenue of RM214.1 million and loss of RM462,000.

If the acquisition had occurred on 1 October 2022, Management estimated that KLK group's consolidated revenue would have been RM23.9 billion and consolidated profit for the financial year ended 30 September 2023 would have been RM997.3 million.

Changes in shareholdings in sub-subsidiaries

(i) On 14 February 2023, KL-Kepong Plantation Holdings Sdn Bhd, a wholly-owned subsidiary of KLK group, had completed the acquisition of 5% equity interest in PT Putra Bongan Jaya ("PBJ") for a cash consideration of RM8.0 million.

PBJ became a wholly-owned sub-subsidiary of the Group upon completion of the acquisition.

(ii) On 10 April 2023, KLK group's wholly-owned subsidiary, KLK Plantations and Trading Pte Ltd had completed the acquisition of 1% equity interest in PT Perindustrian Sawit Synergi ("PSS") for a cash consideration of RM23.9 million.

Following the completion of acquisition, PSS is a wholly-owned sub-subsidiary of the Group.

(iii) On 28 August 2023, KLK group's wholly-owned subsidiary, KLK Plantations and Trading Pte Ltd had completed the acquisition of 5% equity interest in PT Parit Sembada ("PS") for a cash consideration of RM7.6 million.

After completion of acquisition, KLK group's effective shareholdings in PS had increased from 90% to 95%.

(c) Material non-controlling interests

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

	2024			2023		
	Kuala Lumpur Kepong Berhad RM'000	**Other Subsidiaries with Immaterial NCI RM'000**	**Total RM'000**	Kuala Lumpur Kepong Berhad RM'000	Other Subsidiaries with Immaterial NCI RM'000	Total RM'000
NCI percentage of ownership interest and voting interest	**52%**			53%		
Carrying amount of NCI	**8,441,110**	**62,510**	**8,503,620**	9,302,717	41,180	9,343,897
Profit allocated to NCI	**456,925**	**2,187**	**459,112**	592,544	2,332	594,876

Summary of financial information of Kuala Lumpur Kepong Berhad before inter-company elimination:	**2024 RM'000**	2023 RM'000
Total assets	**30,529,757**	30,126,391
Total liabilities	**(15,522,825)**	(13,982,632)
Revenue	**22,273,698**	23,647,586
Profit for the year	**738,125**	990,697
Total comprehensive (loss)/income	**(195,953)**	1,252,448
Net increase/(decrease) in cash and cash equivalents	**217,934**	(335,738)

(d) Dividends paid to non-controlling interests for the financial year ended 30 September 2024 were RM319,442,000 (2023: RM650,683,000).

41. SEGMENT INFORMATION - GROUP

The Group has four (4) reportable segments which are the Group's strategic business units. The strategic business units offer different products and are managed separately as they require different technology and marketing strategies. The Company's Managing Director and the Chief Executive Officer of KLK Group review internal management reports of each of the strategic business units on a monthly basis.

Operating segment results are reviewed regularly by the chief operating decision maker, which in this case is the Company's Managing Director and the Chief Executive Officer of KLK Group, to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

The reportable segments are summarised below:

Plantation	Cultivation and processing of palm and rubber products
Manufacturing	Manufacturing of chemicals and transportation services, oleochemicals, non-ionic surfactants and esters, rubber gloves, parquet flooring products, pharmaceutical products, storing and distribution of bulk liquid, refining of palm products, kernel crushing and trading of palm products
Property development	Development of residential and commercial properties
Investment holding/Others	Investment in quoted and unquoted corporations, investment in money market and fixed income funds and placement of deposits with licensed banks, Australia property investment, farming, management services and speciality chemicals manufacturing by an associate

Inter-segment pricing is determined based on negotiated terms in a manner similar to transactions with third parties.

The accounting policies of operating segments are the same as those described in the respective notes to the financial statements. Performance is measured based on segment profit before tax as included in the internal management reports that are reviewed by the Company's Managing Director and the Chief Executive Officer of KLK Group. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate with these industries. These policies have been applied consistently throughout the current and previous financial years.

Segment assets exclude tax assets.

Segment liabilities exclude tax liabilities.

(a) Business segment

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/Others RM'000	Elimination RM'000	Consolidated RM'000
2024						
Revenue						
Sales to external customers	3,774,138	18,769,184	229,429	287,401	-	23,060,152
Inter-segment sales	1,460,284	70,116	-	675,596	(2,205,996)	-
Total revenue	5,234,422	18,839,300	229,429	962,997	(2,205,996)	23,060,152
Results						
Operating results	1,656,941	303,844	49,503	(130,761)	(45,612)	1,833,915
Finance costs	(16,068)	(147,951)	(2,964)	(352,095)	45,612	(473,466)
Share of profit/(loss) of equity accounted associates, net of tax	4,209	13,757	(100)	(135,653)	-	(117,787)
Share of loss of equity accounted joint ventures, net of tax	-	(1,056)	-	(2,781)	-	(3,837)
Segment results	1,645,082	168,594	46,439	(621,290)	-	1,238,825
Profit before taxation						1,238,825
Taxation						(480,857)
Profit for the year						757,968
Assets						
Operating assets	11,221,664	12,482,137	2,860,466	2,176,967	-	28,741,234
Associates	23,475	97,663	4,708	2,232,243	-	2,358,089
Joint ventures	-	57,982	-	202,924	-	260,906
Segment assets	11,245,139	12,637,782	2,865,174	4,612,134	-	31,360,229
Tax assets						683,752
Total assets						32,043,981
Liabilities						
Segment liabilities	870,228	5,220,719	282,919	8,604,244	-	14,978,110
Tax liabilities						1,187,497
Total liabilities						16,165,607

Notes to the Financial Statements (Continued)

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/Others RM'000	Elimination RM'000	Consolidated RM'000
2024						
Other information						
Depreciation of property, plant and equipment	625,236	370,511	2,311	19,662	-	1,017,720
Depreciation of right-of-use assets	34,088	33,509	-	510	-	68,107
Depreciation of investment properties	21	9	-	-	-	30
Non-cash expenses						
Property, plant and equipment written off	1,437	1,214	-	-	-	2,651
Write off of						
- trade receivables	-	1,429	-	-	-	1,429
- other receivables	573	-	-	-	-	573
- plasma project receivables	1,099	-	-	-	-	1,099
Provision for retirement benefits	41,283	21,101	-	50	-	62,434
Amortisation of intangible assets	-	33,323	-	-	-	33,323
Amortisation of deferred income	-	(8,657)	-	-	-	(8,657)
Impairment of						
- property, plant and equipment	-	2,955	-	-	-	2,955
- Investment in an associate	-	-	-	180,000	-	180,000
- trade receivables	13	2,934	-	15	-	2,962
- other receivables	3,634	6	-	-	-	3,640
- plasma project receivables	38,553	-	-	-	-	38,553
Reversal of impairment of						
- property, plant and equipment	-	(4,568)	-	-	-	(4,568)
- trade receivables	-	(3,396)	-	-	-	(3,396)
- other receivables	(85)	-	-	-	-	(85)
- plasma project receivables	(31,424)	-	-	-	-	(31,424)
Write down of inventories	26,981	122,457	-	-	-	149,438
Write back of inventories	-	(62,351)	-	(21)	-	(62,372)
Fair value surplus on deemed disposal of a joint venture	-	-	-	(8,556)	-	(8,556)
Surplus on government acquisitions of land	-	-	-	(53,860)	-	(53,860)
Surplus on disposal of land	-	-	-	(14,579)	-	(14,579)
Surplus on voluntary liquidation of a subsidiary	-	(10,232)	-	-	-	(10,232)

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/Others RM'000	Elimination RM'000	Consolidated RM'000
2023						
Revenue						
Sales to external customers	3,535,092	20,563,847	218,106	336,352	-	24,653,397
Inter-segment sales	1,709,605	31,555	-	1,136,645	(2,877,805)	-
Total revenue	5,244,697	20,595,402	218,106	1,472,997	(2,877,805)	24,653,397
Results						
Operating results	1,190,529	531,880	64,694	167,442	(49,546)	1,904,999
Finance costs	(19,469)	(136,686)	(2,430)	(332,223)	49,546	(441,262)
Share of profit/(loss) of equity accounted associates, net of tax	4,649	19,696	(18)	(193,945)	-	(169,618)
Share of (loss)/profit of equity accounted joint ventures, net of tax	-	(20,600)	-	5,181	-	(15,419)
Segment results	1,175,709	394,290	62,246	(353,545)	-	1,278,700
Profit before taxation						1,278,700
Taxation						(192,907)
Profit for the year						1,085,793
Assets						
Operating assets	11,685,333	11,470,924	2,716,803	2,746,042	-	28,619,102
Associates	29,052	99,630	7,805	2,180,940	-	2,317,427
Joint ventures	-	66,063	-	176,219	-	242,282
Segment assets	11,714,385	11,636,617	2,724,608	5,103,201	-	31,178,811
Tax assets						728,722
Total assets						31,907,533
Liabilities						
Segment liabilities	1,309,944	4,298,902	274,633	7,638,177	-	13,521,656
Tax liabilities						1,188,065
Total liabilities						14,709,721

2023	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/Others RM'000	Elimination RM'000	Consolidated RM'000
Other information						
Depreciation of property, plant and equipment	624,333	330,404	1,721	13,026	-	969,484
Depreciation of right-of-use assets	32,235	28,266	-	481	-	60,982
Depreciation of investment properties	-	12	-	-	-	12
Non-cash expenses						
Property, plant and equipment written off	3,241	4,394	-	-	-	7,635
Write off of						
- trade receivables	-	1,220	-	-	-	1,220
Provision for retirement benefits	48,882	18,272	-	44	-	67,198
Amortisation of intangible assets	-	31,260	-	-	-	31,260
Amortisation of deferred income	-	(8,646)	-	-	-	(8,646)
Impairment of						
- property, plant and equipment	-	27,821	-	-	-	27,821
- intangible assets	-	44	-	-	-	44
- trade receivables	-	922	-	-	-	922
- plasma project receivables	62,915	-	-	-	-	62,915
Reversal of impairment of						
- trade receivables	-	(3,772)	-	-	-	(3,772)
- plasma project receivables	(874)	-	-	-	-	(874)
Write down of inventories	85,066	80,742	-	1	-	165,809
Write back of inventories	-	(109,293)	-	-	-	(109,293)
Surplus on disposal of a business line	-	(76,443)	-	-	-	(76,443)
Surplus on government acquisition of land	-	-	-	(42,218)	-	(42,218)
Surplus on disposal of land	-	-	-	(10,212)	-	(10,212)

Additions to non-current assets, other than financial instruments (including investments in associates and joint ventures) and deferred tax assets, are as follows:

	Plantation RM'000	Manufacturing RM'000	Property Development RM'000	Investment Holding/ Others RM'000	Total RM'000
2024					
Capital expenditure	**554,039**	**1,069,967**	**3,056**	**67,395**	**1,694,457**
Right-of-use assets	**34,390**	**8,981**	**-**	**-**	**43,371**
Investment properties	**-**	**-**	**24,973**	**-**	**24,973**
Land held for property development	**-**	**-**	**2,674**	**-**	**2,674**
Intangible assets	**-**	**4,480**	**-**	**-**	**4,480**
	588,429	**1,083,428**	**30,703**	**67,395**	**1,769,955**
2023					
Capital expenditure	657,735	992,359	555	21,051	1,671,700
Right-of-use assets	14,894	25,725	-	500	41,119
Investment properties	-	-	4,297	-	4,297
Land held for property development	-	-	20,827	-	20,827
Intangible assets	-	1,755	-	-	1,755
	672,629	1,019,839	25,679	21,551	1,739,698

(b) Geographical segments

In determining the geographical segment of the Group, revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets. The amounts of non-current assets do not include financial instruments, investments in associates, joint ventures and deferred tax assets.

(i) Revenue from external customers by geographical location of customers

	2024 RM'000	2023 RM'000
Malaysia	**4,326,773**	4,220,128
Far East	**3,104,125**	3,107,805
Middle East	**398,900**	555,172
South East Asia	**7,251,617**	7,977,508
Southern Asia	**1,959,786**	1,770,951
Europe	**4,908,239**	5,286,654
North America	**534,278**	503,446
South America	**113,691**	137,599
Australia	**311,830**	372,500
Africa	**82,646**	636,495
Others	**68,267**	85,139
	23,060,152	24,653,397

(ii) Non-current assets other than financial instruments, investments in associates, joint ventures, other receivables, derivative financial assets and deferred tax assets and additions to capital expenditure, right-of-use assets and investment properties by geographical location of assets

	Non-current Assets		**Additions to Capital Expenditure, Right-of-use Assets and Investment Properties**	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Malaysia	**10,045,869**	9,338,200	**1,032,185**	947,907
Indonesia	**4,932,744**	5,449,684	**439,122**	539,211
Australia	**468,619**	484,115	**30,895**	20,933
People's Republic of China	**433,234**	415,296	**87,237**	91,415
Europe	**1,419,481**	1,493,742	**132,048**	109,003
Liberia	**197,509**	241,271	**3,571**	7,354
Others	**38,997**	13,450	**37,743**	1,293
	17,536,453	17,435,758	**1,762,801**	1,717,116

(c) There is no major customer with revenue equal or more than 10% of the Group's revenue.

42. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

Financial instruments of the Group and the Company are categorised as follows:

(i) Financial assets at amortised cost ("FA");
(ii) Fair value through profit or loss ("FVTPL");
(iii) Fair value through other comprehensive income ("FVOCI"); and
(iv) Financial liabilities at amortised cost ("FL").

	Carrying Amounts RM'000	**FA RM'000**	**FVTPL RM'000**	**FVOCI RM'000**	**FL RM'000**
Group					
2024					
Financial assets					
Other investments	**924,778**	**88,204**	**78,515**	**758,059**	**-**
Trade receivables	**2,263,171**	**2,263,171**	**-**	**-**	**-**
Other receivables, net of prepayments and indirect tax	**897,110**	**897,110**	**-**	**-**	**-**
Derivative financial assets	**205,446**	**-**	**205,446**	**-**	**-**
Money market and fixed income funds	**1,160,001**	**-**	**1,160,001**	**-**	**-**
Cash, deposits and bank balances	**1,766,917**	**1,766,917**	**-**	**-**	**-**
	7,217,423	**5,015,402**	**1,443,962**	**758,059**	**-**
Financial liabilities					
Borrowings	**11,736,950**	**-**	**-**	**-**	**11,736,950**
Trade payables	**794,137**	**-**	**-**	**-**	**794,137**
Other payables, net of indirect tax and provision for retirement benefits	**1,188,805**	**-**	**-**	**-**	**1,188,805**
Lease liabilities	**373,109**	**-**	**-**	**-**	**373,109**
Derivative financial liabilities	**66,374**	**-**	**66,374**	**-**	**-**
	14,159,375	**-**	**66,374**	**-**	**14,093,001**

	Carrying Amounts RM'000	FA RM'000	FVTPL RM'000	FVOCI RM'000	FL RM'000
2023					
Financial assets					
Other investments	922,278	106,324	45,024	770,930	-
Trade receivables	2,421,080	2,421,080	-	-	-
Other receivables, net of prepayments and indirect tax	1,203,200	1,203,200	-	-	-
Derivative financial assets	49,401	-	49,401	-	-
Money market and fixed income funds	656,498	-	656,498	-	-
Cash, deposits and bank balances	2,179,974	2,179,974	-	-	-
	7,432,431	5,910,578	750,923	770,930	-
Financial liabilities					
Borrowings	10,409,261	-	-	-	10,409,261
Trade payables	867,846	-	-	-	867,846
Other payables, net of indirect tax and provision for retirement benefits	1,206,991	-	-	-	1,206,991
Lease liabilities	183,525	-	-	-	183,525
Derivative financial liabilities	62,186	-	62,186	-	-
	12,729,809	-	62,186	-	12,667,623
Company					
2024					
Financial assets					
Other investments	**70,072**	**-**	**-**	**70,072**	**-**
Other receivables, net of prepayments	**731**	**731**	**-**	**-**	**-**
Amounts owing by subsidiaries	**263,672**	**263,672**	**-**	**-**	**-**
Money market and fixed income funds	**178,208**	**178,208**	**-**	**-**	**-**
Cash, deposits and bank balances	**119,862**	**119,862**	**-**	**-**	**-**
	632,545	**562,473**	**-**	**70,072**	**-**
Financial liabilities					
Borrowings	**500,000**	**-**	**-**	**-**	**500,000**
Other payables	**10,483**	**-**	**-**	**-**	**10,483**
Lease liabilities	**831**	**-**	**-**	**-**	**831**
Derivative financial liabilities	**1,379**	**-**	**1,379**	**-**	**-**
Amount owing to subsidiaries	**656**	**-**	**-**	**-**	**656**
	513,349	**-**	**1,379**	**-**	**511,970**
2023					
Financial assets					
Other investments	66,966	-	-	66,966	-
Other receivables, net of prepayments	96	96	-	-	-
Amounts owing by subsidiaries	363,416	363,416	-	-	-
Money market and fixed income funds	51,530	-	51,530	-	-
Cash, deposits and bank balances	34,473	34,473	-	-	-
	516,481	397,985	51,530	66,966	-
Financial liabilities					
Borrowings	500,000	-	-	-	500,000
Other payables	11,157	-	-	-	11,157
Lease liabilities	1,026	-	-	-	1,026
Amount owing to subsidiaries	544	-	-	-	544
	512,727	-	-	-	512,727

(b) Net gains and losses arising from financial instruments

	Group		Company	
	2024 RM'000	2023 RM'000	**2024 RM'000**	2023 RM'000
Net gains/(losses) on:				
Financial instruments at fair value through profit or loss	**173,855**	26,036	**2,945**	2,777
Other investments				
- recognised in other comprehensive income/(loss)	**158,112**	(50,868)	**3,105**	(1,162)
- recognised in profit or loss	**38,100**	33,102	**3,314**	1,871
	196,212	(17,766)	**6,419**	709
Financial assets at amortised cost	**(171,111)**	38,181	**(1,209)**	34,053
Financial liabilities at amortised cost	**(476,542)**	(445,248)	**(21,013)**	(34,823)
	(277,586)	(398,797)	**(12,858)**	2,716

(c) Fair value of financial instruments

The carrying amounts of cash and bank balances, deposits with licensed banks, short-term receivables and payables reasonably approximate fair values due to the relatively short-term nature of these financial instruments.

The fair values of other financial assets and liabilities, together with the carrying amounts shown in the statements of financial position, are as follows:

	Carrying Amounts/ Fair Values	
	2024 RM'000	2023 RM'000
Group		
Other investments	**924,778**	922,278
Money market and fixed income funds	**1,160,001**	656,498
Derivative financial instruments		
Forward foreign exchange contracts	**162,577**	(14,349)
Commodities future contracts	**(23,982)**	88
Interest rate swap contracts	**620**	1,706
Commodities swap contracts	**(143)**	(230)
Other receivables	**382,715**	401,069
Borrowings	**(11,736,950)**	(10,409,261)
Company		
Other investments	**70,072**	66,966
Derivative financial instruments		
Forward foreign exchange contracts	**(1,379)**	-
Money market and fixed income funds	**178,208**	51,530
Amounts owing by subsidiaries	**257,975**	359,247
Borrowings	**(500,000)**	(500,000)

Fair value hierarchy

The table below analyses financial instruments carried at fair value and those not carried at fair value for which fair value is disclosed.

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Group				
2024				
Fair value of financial instruments carried at fair value				
Other investments	**761,798**	**-**	**74,776**	**836,574**
Money market and fixed income funds	**1,160,001**	**-**	**-**	**1,160,001**
Derivative financial instruments				
Forward foreign exchange contracts	**-**	**162,577**	**-**	**162,577**
Commodities future contracts	**(23,982)**	**-**	**-**	**(23,982)**
Interest rate swap contracts	**-**	**620**	**-**	**620**
Commodities swap contracts	**-**	**(143)**	**-**	**(143)**
	1,897,817	**163,054**	**74,776**	**2,135,647**
Fair value of financial instruments not carried at fair value				
Other investments	**-**	**-**	**88,204**	**88,204**
Other receivables	**-**	**-**	**382,715**	**382,715**
Borrowings	**-**	**-**	**(11,736,950)**	**(11,736,950)**
	-	**-**	**(11,266,031)**	**(11,266,031)**
2023				
Fair value of financial instruments carried at fair value				
Other investments	746,742	-	69,212	815,954
Money market and fixed income funds	656,498	-	-	656,498
Derivative financial instruments				
Forward foreign exchange contracts	-	(14,349)	-	(14,349)
Commodities future contracts	88	-	-	88
Interest rate swap contracts	-	1,706	-	1,706
Commodities swap contracts	-	(230)	-	(230)
	1,403,328	(12,873)	69,212	1,459,667
Fair value of financial instruments not carried at fair value				
Other investments	-	-	106,324	106,324
Other receivables	-	-	401,069	401,069
Borrowings	-	-	(10,409,261)	(10,409,261)
	-	-	(9,901,868)	(9,901,868)

	Level 1 RM'000	Level 2 RM'000	Level 3 RM'000	Total RM'000
Company				
2024				
Fair value of financial instruments carried at fair value				
Other investments	**7,984**	**-**	**62,088**	**70,072**
Money market and fixed income funds	**178,208**	**-**	**-**	**178,208**
Derivative financial instruments				
Forward foreign exchange contracts	**-**	**(1,379)**	**-**	**(1,379)**
	186,192	**(1,379)**	**62,088**	**246,901**
Fair value of financial instruments not carried at fair value				
Amounts owing by subsidiaries	**-**	**-**	**257,975**	**257,975**
Borrowings	**-**	**-**	**(500,000)**	**(500,000)**
	-	**-**	**(242,025)**	**(242,025)**
2023				
Fair value of financial instruments carried at fair value				
Other investments	9,665	-	57,301	66,966
Money market and fixed income funds	51,530	-	-	51,530
	61,195	-	57,301	118,496
Fair value of financial instruments not carried at fair value				
Amounts owing by subsidiaries	-	-	359,247	359,247
Borrowings	-	-	(500,000)	(500,000)
	-	-	(140,753)	(140,753)

The following table shows a reconciliation of Level 3 fair value of other investments:

	Group		**Company**	
	2024 **RM’000**	2023 RM’000	**2024** **RM’000**	2023 RM’000
At beginning of the year	**69,212**	62,931	**57,301**	56,233
Additions	**-**	4,601	**-**	-
Net change in fair value	**5,564**	1,680	**4,787**	1,068
At end of the year	**74,776**	69,212	**62,088**	57,301

There were no transfers between all three (3) levels of the fair value hierarchy during the financial year.

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

The Group measures the fair value of an asset or a liability by taking into account the characteristics of the asset or liability if market participants would take these characteristics into account when pricing the asset or liability. The Group has considered the following characteristics when determining fair value:

(i) the condition and location of the asset; and

(ii) restrictions, if any, on the sale or use of the asset.

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

The following summarises the methods used in determining the fair values of financial instruments reflected in the above table.

Level 1 Fair Value

Investments in quoted shares and commodities future contracts

The fair values of investments that are quoted in an active market and commodities future contracts are determined by reference to their quoted closing bid price at the end of the reporting period.

Money market and fixed income funds

The fair values of money market funds and fixed income funds are based on quoted price of the funds at the end of the reporting period.

Level 2 Fair Value

Forward foreign exchange contracts, interest rate swap contracts and commodities swap contracts

The fair value of forward foreign exchange contracts, interest rate swap contracts and commodities swap contracts are based on their quoted price at the end of the reporting period.

Level 3 Fair Value

Financial instruments not carried at fair value

Fair value of the following financial instruments not carried at fair value, which is determined for disclosure purposes, is calculated based on present value of future cash flows discounted at the market rate of interest at the end of the reporting date:

- Other receivables
- Borrowings
- Amounts owing by subsidiaries

Fair value of other unquoted investments is estimated based on adjusted net asset method.

Transfer 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 (2023: no transfer in either directions).

(d) Financial risk management objectives and policies

The Group’s activities expose it to a variety of financial risks, including foreign currency risk, interest rate risk, price fluctuation risk, credit risk and liquidity and cash flow risk. The Group’s overall financial risk management objective is to ensure that the Group creates value for its shareholders whilst minimising potential adverse effects on its financial performance and positions. The Group operates within an established risk management framework and clearly defined guidelines that are approved by the Board of Directors.

The Group has exposure to the following risks from the use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

(e) 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 its receivables from customers, investment securities and derivative assets used for hedging. 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.

(i) Receivables

Risk management objectives, policies and processes for managing the risk

Management has a credit policy in place and exposure to credit risk is monitored on an on-going basis. Credit worthiness review is regularly performed for new customers and existing customers who trade on credit, to mitigate exposure on credit risk. Where appropriate, the Group requires its customers to provide collateral before approvals are given to trade on credit.

At each reporting date, the Group assesses whether any of the receivables are credit impaired.

The gross carrying amounts of credit impaired receivables are written off (either partially or fully) when there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtors does not have assets or sources of income that could generate sufficient cash flows to repay the amount subject to the write off. Nevertheless, receivables that are written off could still be subject to enforcement activities.

There are no significant changes as compared to previous year.

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 ensure that receivables that are neither past due nor impaired are stated 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. Any receivables having significant balances past due the agreed credit periods, which are deemed to have higher credit risk, are monitored individually.

Other than other receivables as disclosed in Note 21 to the financial statements, none of the receivables are secured by financial guarantees given by banks, shareholders or directors of the customers.

The Group and Company do not have any significant exposure to any individual customer.

(ii) Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than the Group. Transactions involving derivative financial instruments are with approved financial institutions.

Exposure to credit risk, credit quality and collateral

As at the end of the reporting period, the Group invested in both domestic and overseas securities. The maximum exposure to credit risk is represented by the carrying amounts in the statements of financial position.

In view of the sound credit rating of counterparties, management does not expect any counterparty to fail to meet its obligations.

The investments and other financial assets are unsecured.

(iii) Financial guarantees

Risk management objectives, policies and processes for managing the risk

The Group provides unsecured financial guarantees to banks in respect of banking facilities granted to plasma plantation projects.

A subsidiary provides unsecured financial guarantees to banks in respect of banking facilities granted to certain sub-subsidiaries. The Group monitors on an on-going basis the results of the sub-subsidiaries and repayments made by the sub-subsidiaries.

Exposure to credit risk, credit quality and collateral

As at end of the reporting period, there was no indication that any plasma plantation projects or subsidiary would default on repayment. The maximum exposure to credit risk in relation to financial guarantee contracts provided as credit enhancements is represented by the outstanding banking facilities of the subsidiaries, if any, as at the end of the reporting period.

Recognition and measurement of impairment loss of financial guarantee contracts

The Group assume that there is a significant increase in credit risk when the financial position of the subsidiaries deteriorate significantly. The Group and the Company consider a financial guarantee to be credit impaired when:

(a) the subsidiaries are unlikely to repay its credit obligation to the bank in full; or
(b) the subsidiaries are continuously loss making and is having a deficit shareholders' fund.

The Group determines the probability of default of the guaranteed loans individually using internal information available.

The financial guarantees have not been recognised since the fair value was not material.

Maturity profile of financial guarantee contracts of the Group at the end of each reporting period based on contractual undiscounted repayment obligations is repayable upon any default by the plasma plantation projects or subsidiaries in respect of the guaranteed bank facilities.

(iv) Inter-company balances

Risk management objectives, policies and processes for managing the risk

The Company provides unsecured loans and advances to subsidiaries. The Company monitors the results of the subsidiaries regularly.

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.

(f) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's exposure to liquidity risk arises principally from its various payables, loans and borrowings.

The Group maintains sufficient levels of cash and cash equivalents and adequate amounts of credit facilities to meet its working capital requirements. In addition, the Group strives to maintain flexibility in funding by keeping its credit lines available at a reasonable level. As far as possible, the Group raises funding from financial institutions and prudently balances its portfolio with some short and long-term funding so as to achieve overall cost effectiveness.

At the end of the reporting period, approximately 41% and Nil (2023: 28% and Nil) of the Group's and of the Company's loans and borrowings will mature in less than one (1) year based on the carrying amount reflected in the financial statements.

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

The table below summarises the maturity profile of the Group's and the Company's financial liabilities as at end of the reporting period based on undiscounted contractual payments:

	Carrying Amounts RM'000	Contractual Interest/ Coupon Rate	Contractual Cash Flows RM'000	Less than 1 year RM'000	1 – 2 years RM'000	2 – 5 years RM'000	More than 5 years RM'000
Group							
2024							
Borrowings	**11,736,950**	**0.71% to 7.83%**	**13,695,410**	**5,115,070**	**907,850**	**2,889,239**	**4,783,251**
Trade payables	**794,137**	**-**	**794,137**	**794,137**	**-**	**-**	**-**
Other payables, net of indirect tax	**1,188,805**	**-**	**1,188,805**	**1,188,805**	**-**	**-**	**-**
Lease liabilities	**373,109**	**0.19% to 12.00%**	**867,130**	**37,135**	**29,188**	**58,154**	**742,653**
Derivative financial liabilities	**66,374**	**-**	**66,374**	**66,374**	**-**	**-**	**-**
	14,159,375		**16,611,856**	**7,201,521**	**937,038**	**2,947,393**	**5,525,904**
2023							
Borrowings	10,409,261	0.71% to 7.00%	12,384,994	3,209,355	1,718,153	2,203,684	5,253,802
Trade payables	867,846	-	867,846	867,846	-	-	-
Other payables, net of indirect tax	1,206,991	-	1,206,991	1,206,991	-	-	-
Lease liabilities	183,525	0.19% to 12.00%	313,285	32,794	31,214	46,355	202,922
Derivative financial liabilities	62,186	-	62,186	62,165	21	-	-
	12,729,809		14,835,302	5,379,151	1,749,388	2,250,039	5,456,724
Company							
2024							
Borrowings	**500,000**	**4.12% to 4.30%**	**620,263**	**20,960**	**20,960**	**356,808**	**221,535**
Other payables	**10,483**	**-**	**10,483**	**10,483**	**-**	**-**	**-**
Amounts owing to subsidiaries	**656**	**-**	**656**	**656**	**-**	**-**	**-**
Lease liability	**831**	**4.19%**	**896**	**234**	**234**	**428**	**-**
Derivative financial liabilities	**1,379**		**1,379**	**1,379**	**-**	**-**	**-**
	513,349		**633,677**	**33,712**	**21,194**	**357,236**	**221,535**
2023							
Borrowings	500,000	4.12% to 4.30%	641,281	21,018	20,960	62,937	536,366
Other payables	11,157	-	11,157	11,157	-	-	-
Amounts owing to subsidiaries	544	-	544	544	-	-	-
Lease liability	1,026	4.19%	1,129	234	234	661	-
	512,727		654,111	32,953	21,194	63,598	536,366

(g) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other prices that will affect the Group's financial position or cash flows.

(i) Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases, inter-company advances 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 United States Dollar ("USD"), Pound Sterling ("GBP"), Euro, Australian Dollar ("AUD"), Singapore Dollar ("SGD"), Indonesian Rupiah (“Rp”), Japanese Yen (“JPY”) and Renminbi (“RMB”).

Risk management objectives, policies and processes for managing the risk

Foreign currencies exposures of the Group are hedged through forward exchange contracts. Most of the forward exchange contracts have maturities of less than one (1) year after the end of the reporting period. Where necessary, the forward exchange contracts are rolled over at maturity.

Exposure to foreign currency risk

The Group's significant 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 was:

	Denominated in foreign currencies							
Group	**USD RM'000**	**GBP RM'000**	**Euro RM'000**	**AUD RM'000**	**SGD RM'000**	**Rp RM'000**	**JPY RM'000**	**RMB RM'000**
2024								
Other investments	**43,760**	**-**	**-**	**-**	**7,984**	**-**	**-**	**-**
Trade and other receivables	**654,561**	**3,171**	**356,660**	**1,949**	**24,431**	**25,006**	**1,009**	**439**
Short-term funds	**122,922**	**-**	**-**	**-**	**9,806**	**-**	**-**	**-**
Cash and cash equivalents	**93,157**	**288**	**77,545**	**23,332**	**4,017**	**2**	**22**	**3**
Borrowings	**(114,995)**	**-**	**(45,917)**	**-**	**-**	**-**	**-**	**-**
Trade and other payables	**(105,231)**	**(18)**	**(169,892)**	**(108)**	**(5,542)**	**-**	**(1)**	**-**
Lease liabilities	**(61,990)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Forward exchange contracts	**150,710**	**-**	**17,183**	**(1,379)**	**-**	**(1,056)**	**(25)**	**171**
Exposure in the statement of financial position	**782,894**	**3,441**	**235,579**	**23,794**	**40,696**	**23,952**	**1,005**	**613**
2023								
Other investments	45,880	-	-	42,730	17,643	-	-	-
Trade and other receivables	572,852	1,812	399,372	5,866	8,500	127,243	496	12,704
Short-term funds	100,449	-	-	10,877	-	-	-	-
Cash and cash equivalents	182,050	547	127,551	3,837	11,458	4	22	5
Borrowings	(241,894)	-	-	-	-	-	-	-
Trade and other payables	(101,304)	(14)	(161,513)	(4,122)	(6,829)	-	(1,345)	-
Lease liabilities	(72,932)	-	-	-	-	-	-	-
Forward exchange contracts	(16,963)	-	3,031	-	-	(221)	(107)	(88)
Exposure in the statement of financial position	468,138	2,345	368,441	59,188	30,772	127,026	(934)	12,621

	Denominated in foreign currencies			
	USD RM'000	**AUD RM'000**	**SGD RM'000**	**Rp RM'000**
Company				
2024				
Other receivables	**765**	**-**	**90**	**-**
Short-term funds	**76,594**	**-**	**9,806**	**-**
Cash and cash equivalents	**125**	**23,069**	**254**	**-**
Amounts owing by subsidiaries	**-**	**190,343**	**-**	**-**
Forward exchange contracts	**-**	**(1,379)**	**-**	**-**
Exposure in the statement of financial position	**77,484**	**212,033**	**10,150**	**-**
2023				
Cash and cash equivalents	19,133	3,478	637	-
Amounts owing by subsidiaries	-	195,940	-	44,001
Other payables	-	(519)	-	-
Exposure in the statement of financial position	19,133	198,899	637	44,001

Currency risk sensitivity analysis

The sensitivities of the Group's profit after tax and equity to the possible change in the following foreign currencies against the respective functional currencies of the Group entities are shown below. This analysis assumes that all other variables, in particular interest rates, remained constant and ignores any impact of forecasted sales and purchases.

A 5% strengthening of the functional currencies of the Group entities against the foreign currencies at the end of the reporting period would have increased/(decreased) profit after tax and equity by the amounts shown below:

	2024		2023	
	Profit/(Loss) RM'000	**Equity RM'000**	Profit/(Loss) RM'000	Equity RM'000
Group				
Functional currency/Foreign currency				
RM/GBP	**(7)**	**-**	(12)	(843)
RM/Euro	**13,351**	**-**	5,181	-
RM/USD	**43,592**	**(157)**	49,980	-
RM/SGD	**(1,846)**	**(399)**	(936)	(882)
RM/Rp	**(5,224)**	**-**	(10,069)	-
RM/AUD	**(1,433)**	**-**	(979)	-
RM/JPY	**(70)**	**-**	(5)	-
CHF/Euro	**(9,605)**	**-**	(11,838)	-
RMB/USD	**(1,748)**	**-**	(1,590)	-
Euro/USD	**(3,899)**	**-**	(7,908)	-
Rp/USD	**6,849**	**-**	3,970	-
USD/RM	**(616)**	**-**	(1,495)	-
USD/Rp	**-**	**-**	(128)	-
SGD/USD	**(16)**	**-**	(4)	-
Company				
Functional currency/Foreign currency				
RM/USD	**(3,874)**	**-**	(957)	-
RM/SGD	**(508)**	**(399)**	(32)	(483)
RM/Rp	**-**	**-**	(2,200)	-
RM/AUD	**(10,602)**	**-**	(9,945)	-

A 5% weakening of the functional currencies of the Group entities against the foreign currencies at the end of the reporting period would have equal but opposite effect on profit after tax and equity.

(ii) Interest rate risk

The Group's fixed rate borrowings are exposed to a risk of change in their fair value due to changes in interest rates. The Group's floating rate borrowings are exposed to a risk of change in cash flows due to changes in interest rates. Money market and fixed income funds, deposits with licensed banks, short-term receivables and payables are not significantly exposed to interest rate risk.

Risk management objectives, policies and processes for managing the risk

The Group through its Treasury Committee reviews the funding requirements for its business operations and capital expenditure and adopts a policy to secure an appropriate mix of fixed and floating rate exposure suitable for the Group.

To achieve this objective, the Group has obtained the most competitive cost of capital through the issuance of Islamic Medium Term Notes, long-term and short-term borrowings and trade financing facilities.

Exposure to interest rate risk

The interest rate profile of the Group's and the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	Group		**Company**	
	2024 **RM'000**	2023 RM'000	**2024** **RM'000**	2023 RM'000
Fixed rate instruments				
Financial assets	**1,930,895**	1,566,948	**554,285**	435,208
Financial liabilities	**(9,878,955)**	(9,377,629)	**(500,831)**	(501,026)
	(7,948,060)	(7,810,681)	**53,454**	(65,818)
Floating rate instruments				
Financial assets	**1,054,939**	927,487	**1,417**	9,683
Financial liabilities	**(2,231,104)**	(1,215,158)	**-**	-
	(1,176,165)	(287,671)	**1,417**	9,683

Interest rate risk sensitivity analysis

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial liabilities at fair value through profit or loss, and the Group does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

Cash flow sensitivity analysis for floating rate instruments

A change of 50 basis points in interest rates at the end of the reporting period would have increased/(decreased) profit after tax and equity by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency rates, remain constant.

	2024		2023	
	Profit/(Loss) **RM'000**	**Equity** **RM'000**	Profit/(Loss) RM'000	Equity RM'000
Group				
Floating rate instruments				
Increase by 50 basis points	**(4,532)**	**-**	(773)	-
Decrease by 50 basis points	**4,532**	**-**	773	-

	2024		2023	
	Profit/(Loss) RM'000	**Equity RM'000**	Profit/(Loss) RM'000	Equity RM'000
Company				
Floating rate instruments				
Increase by 50 basis points	**5**	**-**	37	-
Decrease by 50 basis points	**(5)**	**-**	(37)	-

(iii) Debt and equity price risk

Debt and equity price risk arises from the Group's investments in debt and equity securities.

Risk management objectives, policies and processes for managing the risk

Management of the Group monitors the equity investments on a portfolio basis. Material investments within the portfolio are managed on an individual basis and all material buy and sell decisions are approved by the Board of Directors.

Debt and equity price risk sensitivity analysis

The analysis assumes that all other variables remain constant.

A 5% increase in debt and equity prices at the end of the reporting period would have increased the Group's and the Company's equity by RM38,089,000 (2023: RM37,337,000) and RM399,000 (2023: RM483,000) respectively. A 5% decrease in debt and equity prices would have equal but opposite effect on equity.

(iv) Commodity price risk

The Group is exposed to price fluctuation risk on commodities mainly of palm oil and rubber.

Risk management objectives, policies and processes for managing the risk

The prices of these commodities are subject to fluctuations due to uncontrollable factors such as weather, global demand and global production of similar and competitive crops. The Group mitigates the risk to the price volatility through hedging in the futures market and where deemed prudent, the Group sells forwards in the physical market.

Commodity price risk sensitivity analysis

A 5% increase/(decrease) of the commodities price at the end of the reporting period, with all other variables held constant, would have increased/(decreased) profit after tax and equity by the amounts shown below:

	2024		2023	
	Profit/(Loss) RM'000	**Equity RM'000**	Profit/(Loss) RM'000	Equity RM'000
Group				
5% increase in commodities prices	**(18,455)**	**-**	825	-
5% decrease in commodities prices	**18,455**	**-**	(825)	-

43. CAPITAL MANAGEMENT

The Group’s objectives when managing capital is 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 Directors monitor and are determined to maintain an optimal debt-to-equity ratio that complies with debt covenants and regulatory requirements.

The net debt-to-equity ratios at the end of the reporting period were:

	Group	
	2024	2023
	RM'000	RM'000
Total borrowings (Note 34)	**11,736,950**	10,409,261
Less: Short-term funds (Note 28)	**(140,894)**	(119,415)
Less: Cash and cash equivalents (Note 29)	**(2,786,024)**	(2,717,057)
Net debt	**8,810,032**	7,572,789
Total equity	**15,878,374**	17,197,812
Net debt-to-equity ratio	**0.55**	0.44

There were no changes in the Group's approach to capital management during the year.

Under the requirement of Bursa Malaysia Practice Note No. 17/2005, the Company is required to maintain a consolidated shareholders' equity equal of more than 25% of the issued and paid-up capital (excluding treasury shares) and such shareholders' equity is not less than RM40 million. The Company has complied with this requirement.

The Group is not subject to any other externally imposed capital requirements other than as disclosed in Note 34 to the financial statements.

44. EVENT SUBSEQUENT TO THE REPORTING PERIOD

On 30 October 2024, KLK group's wholly-owned subsidiary, KLK Land Sdn Bhd ("KLKL"), entered into a Shareholders' Agreement ("SHA") with AME Industrial Park Sdn Bhd ("AMEIP"), a company principally involved in investment holding and property development, and Oasis Innovation Sdn Bhd ("Oasis Innovation"), wherein KLKL and AMEIP hold 40% and 60% equity interest respectively therein, to jointly undertake an industrial development on a parcel of freehold land (with a net development area of approximately 151.2 acres) in the State of Selangor ("Joint Development").

Upon completion of SHA, Oasis Innovation becomes an associate of the Group.

The Joint Development is premised on the acquisition by Oasis Innovation from KLK of a parcel of freehold land together with the oil palm trees planted thereon (measuring approximately 178.0 acres) for RM230.5 million in Mukim Ijok, Daerah Kuala Selangor, Negeri Selangor.

AME Development Sdn Bhd will oversee the Joint Development as project manager.

The Joint Development will enable KLK to unlock the value of the Group's property development potential in Peninsular Malaysia. The Joint Development with AMEIP allows KLKL to leverage AMEIP's extensive experience, ensuring a successful and strategic expansion into industrial property development.

Barring unforeseen circumstances, the SHA shall be completed in the fourth quarter of calendar year 2024 and the acquisition of freehold land from KLK shall be completed in the third quarter of calendar year 2025, upon KLK's receipt of the purchase price for the land.

45. AUTHORISATION FOR ISSUE

The financial statements were authorised for issue by the Board of Directors on 9 December 2024.

Statement by Directors and Statutory Declaration

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 125 to 226 are drawn up in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2024 and of their financial performance and cash flows for the financial year then ended.

On behalf of the Board

DATO' LEE HAU HIAN
(Managing Director)

DATO' YEOH ENG KHOON
(Director)

9 December 2024

Statutory Declaration
Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Goo Swee Eng @ Goh Swee Eng (MIA: CA15953), being the officer primarily responsible for the financial management of Batu Kawan Berhad, do solemnly and sincerely declare that the financial statements set out on pages 125 to 226 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 at Ipoh in the)
State of Perak Darul Ridzuan)
on 9 December 2024.)

GOO SWEE ENG @ GOH SWEE ENG
(Chief Financial Officer)

Before me:

KONG WAI NGEE
Commissioner for Oaths
Ipoh,
Perak Darul Ridzuan,
Malaysia.

Independent Auditors’ Report to the Members

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Batu Kawan Berhad, which comprise the statements of financial position as at 30 September 2024 of the Group and of the Company, and the statements of profit or loss, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information, as set out on pages 125 to 226.

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 30 September 2024, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards ("MFRSs"), 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 ("ISAs"). Our responsibilities under those standards are further described in the *Auditors’ Responsibilities for the Audit of the Financial Statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and Other Ethical Responsibilities

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

Key Audit Matters

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

(a) **Annual impairment assessment of the carrying amount of goodwill on consolidation**

As at 30 September 2024, goodwill on consolidation of the Group was allocated to three (3) Cash Generating Units (“CGUs”) identified according to business segments, which comprised plantation, manufacturing and property development with a total carrying amount of RM446.0 million (2023: RM461.7 million) as disclosed in Note 15 to the financial statements. In relation to this, management is required to perform impairment assessment on an annual basis.

We determined the impairment assessment of goodwill on consolidation for the plantation and manufacturing CGUs to be a key audit matter because it requires management to exercise significant judgements and estimates in determining the recoverable amount of goodwill on consolidation for these CGUs. The significant judgements and estimates include future results, and the key assumptions applied to the cash flow projections of the CGUs, include projected growth rates, budgeted profit margins and appropriate pre-tax discount rates for the respective CGUs. The projected growth rates used for the plantation CGU are determined based on management’s estimate of commodity prices, palm yields, oil extraction rates and cost of production, whilst the projected growth rates of the manufacturing CGU are determined based on the industry trends and past performances.

Audit response
Our audit procedures included the following:

(i) compared cash flow projections against recent performance and assessed the key assumptions in projections to available external industry sources of data, where applicable;

(ii) compared prior period projections to actual outcomes to assess the reliability of management’s forecasting process;

(iii) verified projected growth rates and budgeted profit margins by assessing evidence available to support these key assumptions used in the cash flow projections;

(iv) verified pre-tax discount rates used by management for the CGUs by comparing to weighted average cost of capital of the Group and its relevant risk factors; and

(v) performed sensitivity analysis of our own to stress test the key assumptions in the impairment assessment.

(b) Impairment assessment of the carrying amount of investment in an associate

As at 30 September 2024, the carrying amount of the Group’s investment in Synthomer plc (“Synthomer”) amounted to RM2,231.8 million (2023: RM2,179.4 million), which is net of impairment loss of RM180.0 million (2023: Nil) as disclosed in Note 18 to the financial statements. Management has performed an impairment assessment due to the carrying amount of the investment exceeded the market value of Synthomer of RM538.5 million (2023: RM83.4 million), which was based on its share price as at 30 September 2024 quoted on the London Stock Exchange.

We considered this to be a key audit matter because it requires management to exercise significant judgements and estimates on the key assumptions in determining the recoverable amount of Synthomer based on value-in-use calculations. The value-in-use calculations reflect certain key assumptions made by management including estimated earnings before interest, tax, depreciation and amortisation (“EBITDA”) growth rates, terminal growth rate and discount rate applied.

Audit response
Our audit procedures included the following:

(i) compared cash flow projections against recent performance and assessed the key assumptions in projections to available external industry sources of data, including developing an auditor’s point of estimate, where applicable;

(ii) compared prior period projections to actual outcomes to assess the reliability of management’s forecasting process;

(iii) verified EBITDA growth rates and terminal growth rate by assessing evidence available to support these key assumptions used in the cash flow projections;

(iv) verified pre-tax discount rate used by the management for the associate by comparing to weighted average cost of capital of the associate and its relevant risk factor; and

(v) performed sensitivity analysis of our own to stress test the key assumptions in the impairment assessment.

(c) Impairment assessment of the carrying amounts of property, plant and equipment and right-of-use assets related to the Group's rubber glove operation

As at 30 September 2024, the total carrying amount of property, plant and equipment and right-of-use assets related to the Group's rubber glove operation was RM291.0 million as disclosed in Note 11 to the financial statements. Management considered the continued losses of the rubber glove operation as an indication of impairment.

We identified this to be a key audit matter due to continued losses of the rubber glove operation and it requires management to exercise significant judgements and estimates in determining the recoverable amount of the CGU based on value-in-use calculations. The key assumptions include projected growth rates and forecasted margins as well as determining an appropriate pre-tax discount rate used for the CGU.

Audit response

Our audit procedures included the following:

(i) compared cash flow projections against recent performance and assessed the key assumptions in projections to available external industry sources of data, where applicable;

(ii) compared prior period projections to actual outcomes to assess the reliability of management's forecasting process;

(iii) verified projected growth rates and forecasted margins by assessing evidence available to support these key assumptions used in the cash flow projections;

(iv) verified pre-tax discount rate used by the management for the CGU by comparing to the weighted average cost of capital of the Group and its relevant risk factors; and

(v) performed sensitivity analysis of our own to stress test the key assumptions in the impairment assessment.

Information Other than the Financial Statements and Auditors' Report Thereon

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

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

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

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

Responsibilities of the Directors for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with MFRSs, 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 ISAs 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 ISAs, we exercise professional judgement and maintain professional skepticism 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 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.

- 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 achieves fair presentation.

- 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 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 40 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.

BDO PLT
201906000013 (LLP0018825-LCA) & AF 0206
Chartered Accountants

LUM CHIEW MUN
Partner
03039/04/2025 J
Chartered Accountant

KUALA LUMPUR

9 December 2024

Analysis of Shareholdings

At 2 December 2024

Total Number of Issued Shares : 399,535,463 ordinary shares (including 9,203,400 treasury shares)
Voting Rights : One (1) vote per share in the case of a poll and one (1) vote per person on a show of hands

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	No. of Shares	% of Issued Shares
Less than 100	114	2,864	0.00
100 – 1,000	1,548	1,031,322	0.26
1,001 – 10,000	2,186	7,915,784	2.03
10,001 – 100,000	627	18,540,933	4.75
100,001 – less than 5% of issued shares	132	152,497,192	39.07
5% and above of issued shares	3	210,343,968	53.89
TOTAL	**4,610**	**390,332,063**	**100.00**

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS

	Name	No. of Shares	% of Issued Shares^
1.	Arusha Enterprise Sdn Bhd	165,125,639	42.304
2.	Wan Hin Investments Sdn Berhad	23,206,329	5.945
3.	Yeoh Chin Hin Investments Sdn Berhad	22,012,000	5.639
4.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Di-Yi Sdn Bhd (PB)	15,450,054	3.958
5.	Maybank Nominees (Tempatan) Sdn Bhd - Pledged Securities Account for Lembaga Kemajuan Tanah Persekutuan (415321)	11,500,000	2.946
6.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Heah Seok Yeong Realty Sdn Berhad (PB)	10,271,903	2.632
7.	Malaysia Nominees (Tempatan) Sendirian Berhad - Pledged Securities Account for High Quest Holdings Sdn Bhd (20-00217-000)	9,200,000	2.357
8.	Lee Chan Investments Sdn Bhd	9,159,275	2.347
9.	Decarats MG Sdn Bhd	8,000,000	2.049
10.	High Quest Holdings Sdn Bhd	7,116,780	1.823
11.	Teoh Guat Eng Holdings Sdn Bhd	6,132,188	1.571
12.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Heah Seok Yeong Realty Sdn Berhad (PB)	4,981,873	1.276
13.	Di-Yi Sdn Bhd	3,992,873	1.023
14.	Key Development Sdn Berhad	3,570,821	0.915
15.	Cengal Emas Sdn Bhd	3,380,996	0.866
16.	Malay-Sino Formic Acid Sdn Bhd	3,167,290	0.811
17.	Malay Rubber Plantations (Malaysia) Sdn Berhad	2,868,172	0.735
18.	Congleton Holdings Sdn Bhd	2,859,697	0.733
19.	Steppe Structure Sdn Bhd	2,284,728	0.585
20.	Chinchoo Investment Sdn Berhad	2,229,619	0.571

Analysis of Shareholdings (Continued)

At 2 December 2024

THIRTY LARGEST SECURITIES ACCOUNT HOLDERS (Continued)

	Name	No. of Shares	% of Issued Shares^
21.	Lembaga Kemajuan Tanah Persekutuan (FELDA)	2,024,300	0.519
22.	Gan Teng Siew Realty Sdn Berhad	1,764,918	0.452
23.	Lee Oi Loon	1,649,771	0.423
24.	Citigroup Nominees (Asing) Sdn Bhd - CBNY for Dimensional Emerging Markets Value Fund	1,621,150	0.415
25.	Dato' Lee Hau Hian	1,583,444	0.406
26.	Arusha Enterprise Sdn Bhd	1,540,785	0.395
27.	CIMSEC Nominees (Tempatan) Sdn Bhd - CIMB for Lyne Ching Sdn Berhad (PB)	1,525,377	0.391
28.	Tan Sri Dato' Seri Lee Oi Hian	1,451,256	0.372
29.	Key Development Sdn Berhad	1,165,090	0.298
30.	Lee Nyit Kean	1,126,730	0.289
	TOTAL	**331,963,058**	**85.046**

^ Calculated based on 390,332,063 ordinary shares (excluding 9,203,400 treasury shares).

SUBSTANTIAL SHAREHOLDERS BASED ON REGISTER OF SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest		Total	
Name	No. of Shares	%^	No. of Shares	%^	No. of Shares	%^
Arusha Enterprise Sdn Bhd	166,974,581	42.77	6,035,462[1]	1.54	173,010,043	44.32
Wan Hin Investments Sdn Berhad	23,206,329	5.94	173,010,043[1]	44.32	196,216,372	50.26
Yeoh Chin Hin Investments Sdn Berhad	22,012,000	5.63	-	-	22,012,000	5.63
Di-Yi Sdn Bhd	19,442,927	4.98	196,216,372[1]	50.26	215,659,299	55.25
High Quest Holdings Sdn Bhd	16,316,780	4.18	196,216,372[1]	50.26	212,533,152	54.44
Tan Sri Dato' Seri Lee Oi Hian	1,715,428	0.43	218,590,309[2]	56.00	220,305,737	56.44
Dato' Lee Hau Hian	1,583,444	0.40	215,924,419[3]	55.31	217,507,863	55.72
Dato' Yeoh Eng Khoon	323,564	0.08	22,105,474[4]	5.66	22,429,038	5.74
Grateful Blessings Inc	-	-	215,659,299[1]	55.25	215,659,299	55.25
Grateful Blessings Foundation	-	-	215,659,299[1]	55.25	215,659,299	55.25
Cubic Crystal Corporation	-	-	212,533,152[1]	54.44	212,533,152	54.44
High Quest Anstalt	-	-	212,533,152[1]	54.44	212,533,152	54.44

^ Calculated based on 390,332,063 ordinary shares (excluding 9,203,400 treasury shares).

Notes:

[1] Deemed interest by virtue of Section 8(4) of the *Companies Act 2016* ("**Act**").

[2] Deemed interest in the shares held by his children and a company by virtue of Section 8(4) of the Act. Tan Sri Dato' Seri Lee Oi Hian is also deemed to have an interest by virtue of Section 8(4) of the Act via other companies. Nevertheless, he does not have any economic or beneficial interest in the shares of the Company as his deemed interest is held via the interest of his family members as discretionary beneficiaries of Grateful Blessings Foundation (which said family members' interest is held subject to the discretion of Grateful Blessings Foundation Council).

[3] Deemed interest in the shares held by his child and by virtue of Section 8(4) of the Act.

[4] Deemed interest in the shares held by his spouse and children, and by virtue of Section 8(4) of the Act.

Analysis of Shareholdings (Continued)

At 2 December 2024

DIRECTORS' INTERESTS BASED ON REGISTER OF DIRECTORS' SHAREHOLDINGS

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%^**	**No. of Shares**	**%^**
Company:				
Batu Kawan Berhad				
Tan Sri Dato' Seri Lee Oi Hian	1,715,428	0.43	218,590,309[1]	56.00
Dato' Lee Hau Hian	1,583,444	0.40	215,924,419[2]	55.31
Dato' Yeoh Eng Khoon	323,564	0.08	22,105,474[3]	5.66
Mr. Quah Chek Tin	-	-	-	-
Dr. Tunku Alina Binti Raja Muhd Alias	-	-	-	-
Mr. Lee Yuan Zhang	10,271	*	-	-
Mr. Lim Ban Aik	6,200	*	5,000[4]	*
Ms. Susan Yuen Su Min	-	-	-	-

^ Calculated based on 390,332,063 ordinary shares (excluding 9,203,400 treasury shares).

Notes:

* Less than 0.01%.

[1] Deemed interest in the shares held by his children and a company by virtue of Section 8(4) of the Act. Tan Sri Dato' Seri Lee Oi Hian is also deemed to have an interest by virtue of Section 8(4) of the Act via other companies. Nevertheless, he does not have any economic or beneficial interest in the shares of the Company as his deemed interest is held via the interest of his family members as discretionary beneficiaries of Grateful Blessings Foundation (which said family members' interest is held subject to the discretion of Grateful Blessings Foundation Council).

[2] Deemed interest in the shares held by his child and by virtue of Section 8(4) of the Act.

[3] Deemed interest in the shares held by his spouse and children, and by virtue of Section 8(4) of the Act.

[4] Deemed interest in the shares held by his spouse.

Name	Direct Interest		Deemed Interest	
	No. of Shares	**%^**	**No. of Shares**	**%^**
Subsidiary:				
Kuala Lumpur Kepong Berhad				
Tan Sri Dato' Seri Lee Oi Hian	154,175	0.01	526,411,454	48.01
Dato' Lee Hau Hian	86,249	*	526,222,354	47.99
Dato' Yeoh Eng Khoon	347,072	0.03	4,936,566	0.45
Dr. Tunku Alina Binti Raja Muhd Alias	1,020	*	-	-
Mr. Lim Ban Aik	3,060	*	-	-

^ Calculated based on 1,096,405,067 ordinary shares (excluding 2,581,799 treasury shares).

* Less than 0.01%.

By virtue of their deemed interests in the shares of the Company, Tan Sri Dato' Seri Lee Oi Hian and Dato' Lee Hau Hian are deemed to have an interest in the shares of the other subsidiaries of the Company to the extent of the Company's interest in the respective subsidiaries.

Other than as disclosed above, none of the other Directors has any interest in the shares of its related corporations.

Properties Held by the Group

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
PLANTATION							
MALAYSIA							
Kedah							
Ladang Pelam Baling	Freehold	–	2,960	Oil palm and rubber estate	1986 1992	–	55,187
Ladang Batu Lintang Serdang	Freehold	–	1,808	Oil palm estate and palm oil mill	1986	45	47,274
Ladang Buntar Serdang	Freehold	–	549	Oil palm estate	1986	–	16,677
Perak							
Ladang Lekir Manjung	Freehold	–	3,306	Oil palm estate	2008	–	159,798
Ladang Changkat Chermin Manjung	Leasehold	2080	2,525	Oil palm estate, palm oil mill and biogas power plant	2008	41 1	68,076
Ladang Raja Hitam Manjung	Freehold	–	1,497	Oil palm estate	2008	–	51,046
Ladang Kuala Kangsar Padang Rengas	Freehold Leasehold	– 2896	1,007 333	Oil palm and rubber estate	1979* 2016	–	64,457
Ladang Subur Batu Kurau	Freehold	–	1,281	Oil palm estate	1986	–	32,294
Ladang Glenealy Parit	Freehold	–	1,059	Oil palm estate	1992	–	24,287
Ladang Serapoh Parit	Freehold	–	936	Oil palm and rubber estate	1979* 1992	–	14,121
Ladang Allagar Trong	Freehold Leasehold	– 2908	525 248	Oil palm estate	1986	–	11,921
Selangor							
Ladang Changkat Asa Hulu Selangor	Freehold	–	1,543	Oil palm and rubber estate, palm oil mill and rubber factory	1979*	44 49	32,352
Ladang Tuan Mee Sungai Buloh	Freehold	–	995	Oil palm estate and palm oil mill	1979*	52	32,099
Ladang Kerling Kerling	Freehold	–	1,222	Oil palm and rubber estate	2002 1979* 1985	–	63,094

\# Titled area is in hectares except otherwise indicated

* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
Negeri Sembilan							
Ladang Ayer Hitam Bahau	Freehold	–	2,640	Oil palm estate	1985	–	42,119
Ladang Batang Jelai Rompin	Freehold	–	2,051	Oil palm and rubber estate	1985	–	45,447
Ladang Jeram Padang Bahau	Freehold	–	1,943	Oil palm and rubber estate, palm oil mill, rubber factory and biogas power plant	1985	 34 35 6	37,164
Ladang Kombok Rantau	Freehold	–	1,910	Oil palm and rubber estate	1985	–	42,358
Ladang Ulu Pedas Pedas	Freehold	–	922	Oil palm estate	1985	–	17,266
Ladang Gunong Pertanian Simpang Durian	Leasehold	2077	686	Oil palm estate	1985	–	15,605
Johor							
Ladang Landak Paloh	Leasehold	2068 and 2078	4,451	Oil palm estate	1979*	–	25,642
Ladang Kekayaan Paloh	Leasehold	2068 and 2078	4,436	Oil palm estate, palm oil mill and biogas power plant	1979*	 18 8	26,030
Ladang Voules Segamat	Freehold	–	4,514	Oil palm and rubber estate and rubber factory	1979*	 51	73,831
Ladang Paloh Paloh	Freehold	–	2,003	Oil palm estate	1979*	–	36,118
Ladang Fraser Kulai	Freehold	–	1,915	Oil palm estate	1979*	–	43,978
Ladang Sungei Penggeli Bandar Tenggara	Leased property	2087	942	Oil palm estate	1988	–	27,288
Ladang Ban Heng Pagoh, Muar	Freehold	–	631	Oil palm estate	1979*	–	13,536
Ladang Sungai Bekok Bekok	Freehold	–	625	Oil palm estate	1979*	–	10,630

\# Titled area is in hectares except otherwise indicated

* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
Ladang See Sun Renggam	Freehold	–	589	Oil palm estate	1984	–	13,735
Pahang							
Ladang Sungei Kawang Lanchang	Freehold	–	2,317	Oil palm and rubber estate	1979*	–	37,697
Ladang Renjok Bentong	Freehold	–	1,578	Oil palm and rubber estate	1979*	–	40,846
Ladang Tuan Bentong	Freehold Leasehold	– 2030 and 2057	910 443	Oil palm and rubber estate	1979*	–	21,733
Ladang Selborne Padang Tengku, Kuala Lipis	Freehold	–	1,256	Rubber estate	1992	–	26,607
Kelantan							
Ladang Kuala Gris Kuala Krai	Freehold	–	2,429	Oil palm and rubber estate	1992	–	46,838
Ladang Kerilla Tanah Merah	Freehold	–	2,176	Oil palm and rubber estate	1992	–	40,257
Ladang Pasir Gajah Kuala Krai	Freehold Leasehold	– 2907	952 1,127	Oil palm estate and palm oil mill	1981*	43	33,990
Ladang Sungai Sokor Tanah Merah	Freehold	–	1,603	Oil palm and rubber estate	1992	–	33,751
Ladang Kuala Hau Machang	Freehold Leasehold	– 2326	305 242	Rubber estate	1980*	–	11,626
Sabah							
Tawau Region							
Ladang Jatika	Leasehold	Between 2068 and 2083	3,507	Oil palm estate	1991	–	66,615
Ladang Sigalong	Leasehold	Between 2063 and 2079	2,864	Oil palm estate	1983	–	44,784

\# Titled area is in hectares except otherwise indicated

* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
Ladang Pangeran	Leasehold	Between 2063 and 2080	2,855	Oil palm estate and palm oil mill	1983	23	31,295
Ladang Sri Kunak	Leasehold	Between 2063 and 2076	2,770	Oil palm estate	1983	–	18,345
Ladang Pang Burong	Leasehold	Between 2063 and 2080	2,535	Oil palm estate	1983	–	30,450
Ladang Pinang	Leasehold	Between 2068 and 2085	2,420	Oil palm estate	1983	–	28,320
Ladang Tundong	Leasehold	Between 2063 and 2073	2,133	Oil palm estate, palm oil mill and biogas power plant	1983	37 14	21,320
Ladang Ringlet	Leasehold	Between 2065 and 2081	1,834	Oil palm estate	1989	–	34,388
Lahad Datu Region							
Ladang Tungku	Leasehold	2085	3,418	Oil palm estate	1991*	–	107,504
Ladang Bornion	Leasehold	2078	3,233	Oil palm estate and palm oil mill	1992	26	61,328
Ladang Bukit Tabin	Leasehold	2079	2,916	Oil palm estate	1993	–	93,205
Ladang Segar Usaha	Leasehold	2077	2,792	Oil palm estate	1990*	–	70,996
Ladang Rimmer	Leasehold	2085	2,726	Oil palm estate and palm oil mill	1991*	– –	78,576
Ladang Sungai Silabukan	Leasehold	2079	2,654	Oil palm estate	1993	–	43,393
Ladang Lungmanis	Leasehold	2085	1,656	Oil palm estate and palm oil mill	1991*	24	38,533
Sugut Region							
Ladang Sungai Sabang	Leasehold	Between 2068 and 2098	838	Oil palm estate	2021	–	163,256
	Leased property	Between 2031 and 2099	3,812	Oil palm estate and palm oil mill	2021	23	

Titled area is in hectares except otherwise indicated

* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
Ladang Rakanan Jaya North	Leasehold	Between 2095 and 2099	3,294	Oil palm estate	2021	–	109,682
	Leased property	Between 2032 and 2099	657	Oil palm estate	2021	–	
Ladang Excellent Challenger I	Leasehold	Between 2079 and 2095	2,986	Oil palm estate	2021	–	96,950
	Leased property	Between 2033 and 2098	520	Oil palm estate	2021	–	
Ladang Berakan Maju	Leasehold	Between 2079 and 2081	622	Oil palm estate	2021	–	98,936
	Leased property	Between 2031 and 2099	2,389	Oil palm estate	2021	–	
Ladang Excellent Challenger II	Leasehold	Between 2078 and 2095	920	Oil palm estate and palm oil mill	2021	16	87,186
	Leased property	Between 2032 and 2099	1,939	Oil palm estate	2021	–	
Ladang Rakanan Jaya South	Leasehold	2095	277	Oil palm estate	2021	–	32,980
	Leased property	Between 2031 and 2098	691	Oil palm estate	2021	–	
Sandakan Region							
Ladang Minat Teguh	Leasehold	Between 2077 and 2887	2,788	Oil palm estate	2021	–	111,561
	Leased property	Between 2031 and 2099	51	Oil palm estate	2021	–	
Ladang Desa Talisai North	Leasehold	2082	2,415	Oil palm estate	2021	–	71,074
Ladang Meliau	Leasehold	Between 2087 and 2094	2,206	Oil palm estate	2021	–	79,226
	Leased property	Between 2032 and 2097	51	Oil palm estate	2021	–	

\# Titled area is in hectares except otherwise indicated

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
Ladang Desa Talisai South	Leasehold	2082	1,637	Oil palm estate and palm oil mill	2021	32	50,493
Ladang Sijas	Leasehold	2087	1,011	Oil palm estate and seed production, training & research centre	2021	22	31,300
INDONESIA							
Bangka Belitung Region							
Kebun Steelindo Wahana Perkasa	Hak Guna Usaha	2045	13,667	Oil palm estate, palm oil mill, refinery, kernel crushing plant and biogas power plant	1994	24 8 and 11 11 12	207,585
Kebun Parit Sembada	Hak Guna Usaha	2045	3,828	Oil palm estate and palm oil mill	2003	16	6,365
Kebun Alam Karya Sejahtera AKS	Hak Guna Usaha	2050, 2051 and 2053	2,501	Oil palm estate	2010	–	35,096
Kebun Bumi Makmur Sejahtera Jaya	Hak Guna Usaha	Application in progress	382	Oil palm estate	2009	–	19,141
Riau Region							
Kebun Mandau	Hak Guna Usaha	2045	11,569	Oil palm estate, palm oil mill, refinery, kernel crushing plant and biogas power plant	1996	21 11 17 11	101,889
Kebun Nilo	Hak Guna Usaha	2028	12,754	Oil palm estate and palm oil mills	1996	21 and 12	283,828
	Hak Guna Usaha	2054	1,364	Oil palm estate	2005	–	47,201
Kebun Sekarbumi Alamlestari	Hak Guna Usaha	2044	5,718	Oil palm estate and palm oil mill	2009	28	36,230
	Hak Guna Usaha	Application in progress	370	Oil palm estate		–	
North Sumatra Region							
PT Langkat Nusantara Kepong **	Leased property	2039	21,384	Oil palm estate and palm oil mills	2009	10 and 5	298,723

\# Titled area is in hectares except otherwise indicated

** PT Langkat Nusantara Kepong operates on the property owned by the joint venture partner, PT Perkebunan Nusantara II.

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
South Sumatra Region							
Kebun Pinang Witmas Sejati	Hak Guna Usaha	2034 and 2038	14,980	Oil palm estate and palm oil mill	2021	20	550,017
Lampung Region							
Kebun Prima Alumga	Hak Guna Usaha	2029, 2046 and 2049	8,504	Oil palm estate	2010	–	274,716
North Kalimantan Region							
Kebun Primabahagia Permai	Hak Guna Usaha	2046	7,731	Oil palm estate and palm oil mill	2021	4	444,658
	Hak Guna Usaha	Application in progress	2,290	Oil palm estate	2021	–	
	Izin Lokasi	Extension in progress	1,487	–	2021	–	
	Hak Guna Usaha	2057	1,310	Oil palm estate	2021	–	
	Hak Guna Usaha	2043	1,017	Oil palm estate	2021	–	
East Kalimantan Region							
Kebun Jabontara Eka Karsa	Hak Guna Usaha	2033	14,086	Oil palm estate and palm oil mill	2006	9	150,573
Kebun Putra Bongan Jaya	Hak Guna Usaha	2044	11,602	Oil palm estate and palm oil mill	2018	2	354,894
	Hak Guna Usaha	Application in progress	476	–	2018	–	
Kebun Sinergi Agro Industri	Hak Guna Usaha	2044	10,104	Oil palm estate and palm oil mill	2021	7	450,244
	Hak Guna Usaha	2045	3,255	Oil palm estate	2021	–	
Kebun Malindomas Perkebunan	Hak Guna Usaha	2043	7,971	Oil palm estate	2007	–	69,659
Kebun Hutan Hijau Mas	Hak Guna Usaha	2029 and 2043	7,288	Oil palm estate	2007	–	54,774
	Hak Guna Bangunan	2029	29	Palm oil mill and biogas power plant	2009	15 8	

\# Titled area is in hectares except otherwise indicated

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
Kebun Satu Sembilan Delapan	Hak Guna Usaha	2044	5,677	Oil palm estate	Between 2008 and 2009	–	67,096
	Hak Guna Bangunan	2029	28	Palm oil mill	2014	10	
Kebun Tekukur Indah	Hak Guna Usaha	2055	1,497	Oil palm estate	Between 2012 and 2016	–	44,480
Kebun Karya Bakti Sejahtera Agrotama	Hak Guna Usaha	2053	1,378	Oil palm estate	2021	–	163,491
	Hak Guna Usaha	2059	2,867	Oil palm estate	2021	–	
Kebun Indonesia Plantation Synergy	Hak Guna Usaha	2054	3,556	Oil palm estate	2021	–	156,460
	Hak Guna Bangunan	2036	21	Palm oil mill and biogas power plant	2021	8 6	
Central Kalimantan Region							
Kebun Karya Makmur Abadi	Hak Guna Usaha	2051	9,397	Oil palm estate and palm oil mill	2007	9	228,577
Kebun Mulia Agro Permai	Hak Guna Usaha	2040	9,056	Oil palm estate and palm oil mill	2006	11	128,861
Kebun Menteng Jaya Sawit Perdana	Hak Guna Usaha	Application in progress	1,437	Oil palm estate	2007	–	36,991
LIBERIA							
Palm Bay Estate Grand Bassa County	Leasehold	2063	13,007	Oil palm estate, palm oil mill, bulking installation, kernel crushing plant and biogas power plant	2013	– 6 5 5 3	148,412
MANUFACTURING							
MALAYSIA							
KL-Kepong Oleomas Klang, Selangor	Leasehold	2097	19	Oleochemical factory	2004	15 to 18	30,726
Palm-Oleo Rawang, Selangor	Freehold	–	15	Oleochemical, soap noodles and industrial amides factories	1991 1994	28 and 33	16,936
Malay-Sino Chemical Industries Lot 3557 and 4524 Kawasan Perindustrian Teluk Kalung Kemaman, Terengganu	Leasehold	2056 and 2059	14	Chemical factory	Between 1996 and 2023	2 to 26	17,361

Titled area is in hectares except otherwise indicated

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
See Sen Chemical Lot 2989 and 3558 Kawasan Perindustrian Teluk Kalung Kemaman, Terengganu	Leasehold	2055	12	Chemical factory	1995	28	4,904
Palm-Oleo (Klang) Klang, Selangor	Leased property	2088	7	Oleochemical factory	2007	33 and 43	25,279
KLK Premier Oils Lahad Datu, Sabah	Leasehold	2066	4	Kernel crushing plant and refinery	1998	21 17	5,487
	Leasehold	2110	2	PKC warehouse	2007	15	4,432
Malay-Sino Chemical Industries Lot 70810 and 70811 4½ Miles, Jalan Lahat Ipoh, Perak	Leasehold	2074	5	Chemical factory and Methyl Chloride factory	1996* and 2023 2011	2 and 48 14	12,793 119
KL-Kepong Edible Oils Pasir Gudang, Johor	Leasehold	2045	5	Refinery	1985	– to 41	23,670
KLK Hardwood Flooring Ipoh, Perak	Leasehold	2089	5	Parquet factory	1994	30	2,491
KL-Kepong Rubber Products Ipoh, Perak	Leasehold	2084	4	Disposable gloves plant	2020	–	130,345
	Freehold	–	3	Rubber gloves factory	2012	40	
KLK Alami Edible Oils Telok Panglima Garang, Selangor	Freehold	–	2	Refinery	2023	8 to 20	18,171
See Sen Chemical PT 6326, Bandar Sri Sendayan Seremban, Negeri Sembilan	Freehold	–	2	Chemical factory	2013	10	8,661
See Sen Chemical PTD 21873, Pasir Gudang Industrial Estate Pasir Gudang, Johor	Leasehold	2039	2	Chemical factory	1979	39	2,051
Fajar Palmkel Rawang, Selangor	Freehold	–	16,000 sq m	Kernel crushing plant and refinery	2019	5 1	33,175
KLK Bioenergy Shah Alam, Selangor	Leasehold	2074	1	Biodiesel plant	2009	39	2,660

Titled area is in hectares except otherwise indicated

* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
KLK Indahmas Klang, Selangor	Leasehold	2097	52	Industrial land	2019	–	175,570
Malay-Sino Chemical Industries Lot 541, Kg Acheh Industrial Estate Sitiawan, Perak	Leasehold	2087	1	Industrial land with warehouse	1996*	35	531
See Sen Chemical Lot 5441, Kawasan Perindustrian Teluk Kalung Kemaman, Terengganu	Leasehold	2056	9,013 sq m	Acid pipeline	2003	–	83
Malay-Sino Properties Lot 9878, Kg Acheh Industrial Estate Sitiawan, Perak	Leasehold	2093	4,282 sq m	Industrial land with warehouse	1996*	29	196
CCM Chemicals Pasir Gudang Works Plot 411, Pasir Gudang Industrial Estate Pasir Gudang, Johor	Leasehold	2051	10	Industrial land, chemical factory and offices	2010*	24 to 31	38,806
CCM Water Systems No 4 & 6 Jalan Kemajuan Satu 16/17A Shah Alam, Selangor	Leasehold	2094	1	Industrial land, chemical factory and offices	2010*	29	11,957
CCM Polymers No 69, Jalan P10/21 Selaman Industrial Park Section 10 Bandar Baru Bangi, Selangor	Leasehold	2098	7,969 sq m	Industrial land, chemical factory and offices	2018	12	23,710
Innovative Resins No 32, 34 and 36 Jalan P10/16 Selaman Industrial Park Section 10 Bandar Baru Bangi, Selangor	Leasehold	2098	2,915 sq m	Industrial land and chemical semi-detached factory	2002 and 2006	23	2,664
INDONESIA							
PT Perindustrian Sawit Synergi Sangkulirang, East Kalimantan	Hak Guna Bangunan	2042	15	Refinery and kernal crushing plant	2016	– –	980
PT KLK Dumai Dumai Timur, Riau	Leased property	2031	12,876 sq m	Oleochemical factory	2011	10	14,474
PT Prima Dumai Dumai Timur, Riau	Leased property	2025	1	Industrial land	2021	–	1,453

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* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
BELGIUM							
KLK Tensachem SA Ougree	Freehold	–	10	Surfactant factory	2014	17 to 94	20,914
CHINA							
Taiko Palm-Oleo (Zhangjiagang) Zhangjiagang City, Jiangsu	Leasehold	2054	20	Oleochemical factory	2004	19	43,464
Shanghai Jinshan Jingwei Chemical Jinshan, Shanghai	Leasehold	2052	2	Oleochemical factory	2008	19	2,204
GERMANY							
KLK Emmerich Emmerich Am Rhein	Freehold	–	21	Oleochemical factory	2010	31 to 71	23,745
KLK Emmerich Dusseldorf	Leasehold	2104	6	Oleochemical factory	2015	19 to 114	34,675
NETHERLANDS							
Dr. W. Kolb Netherlands BV Moerdijk	Freehold	–	8	Ethoxylation factory	2007	31	82,814
KLK Kolb Specialties BV Delden	Freehold	–	17	Chemical specialty factory	2018	21 to 77	42,151
ITALY							
KLK Temix S.p.A Calderara di Reno	Freehold	–	8	Oleochemical factory	2023	10 to 40	37,013
SWITZERLAND							
Dr. W. Kolb AG Hedingen	Freehold	–	2	Ethoxylation factory	2007	2 to 60	99,827
PROPERTY DEVELOPMENT							
MALAYSIA							
Aura Muhibah Senai, Johor	Freehold	–	1,012	Property development operating as oil palm estate	2016	–	901,373
KL-Kepong Country Homes Ijok, Selangor	Freehold Freehold Leasehold	– – 2082, 2108 and 2117	54 658 11	Property development Property development operating as oil palm estate	1979 1979 2010 2018	– –	29,078
Colville Holdings Setul, Negeri Sembilan	Freehold	–	421	Property development operating as oil palm estate	1985	–	10,431

\# Titled area is in hectares except otherwise indicated

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
KL-Kepong Property Development Gombak, Selangor	Freehold	–	403	Property development operating as oil palm estate	2004	–	171,191
	Leasehold	2094	1	Property development	2020	–	1,405
Palermo Corporation Bagan Samak, Kedah	Freehold	–	351	Property development operating as oil palm estate	1986	–	13,018
Scope Energy Tanjung Kupang, Johor	Freehold	–	203	Property development	2016	–	883,921
KLK Park Homes Ijok, Selangor	Freehold	–	102 33	Property development Property development operating as oil palm estate	2020	–	45,010
Kompleks Tanjong Malim Hulu Selangor, Selangor	Freehold	–	172	Property development operating as oil palm estate	1979	–	9,648
KL-Kepong Property Management Paloh, Johor	Freehold	–	26	Property development operating as oil palm estate	1979*	–	392
KL-Kepong Complex Sungai Buloh, Selangor	Freehold	–	8	Property development	1979	–	3,214
Menara KLK No 1, Jalan PJU 7/6 Mutiara Damansara Petaling Jaya, Selangor	Freehold	–	5,730 sq m	Office building	2003	15	43,710
INVESTMENT PROPERTY							
MALAYSIA							
Innovative Resins No 5, Jalan 4/12E Section 4 Bandar Baru Bangi, Selangor	Leasehold	2097	130 sq m	Terraced house	2021*	23	445
Chemical Company of Malaysia Lot 3880, Mukim of Bukit Raja Klang, Selangor	Freehold	–	2	Industrial land, plant and warehouse	2021*	38	6,146

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* Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares[#]	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
OTHERS							
MALAYSIA							
Stolthaven (Westport) Klang, Selangor	Leased property	2054 and 2082	15	Bulking installation	2006 2014 2022	10 and 26	61,233
Circular Agency Lot 202186, 202187 and 202188, Zarib Industrial Park Ipoh, Perak	Leasehold	2092	1	Land with office building and workshop	1996*	30	1,558
Wisma Taiko 1, Jalan S.P. Seenivasagam	Freehold	–	2,984 sq m	Head Office building	1983	39	31,773
Ipoh, Perak	Leasehold	2892	2,408 sq m		2000		1,613
Kelkay Bulking Installation Port Klang, Selangor	Leased property	2029	3,968 sq m	Bulking installation	1975 2014	49	290
Chemical Company of Malaysia Lot 10010 and 10111 Mukim 16 Seberang Perai Pulau Pinang	Freehold	–	9,970 sq m	Agriculture land	2021*	–	270
INDONESIA							
SWP Bulking Installation East Belitung	Hak Guna Bangunan	2035	20	Bulking installation and jetty	2005	15 and 19 18	8,957
SWP Warehouse East Belitung	Hak Guna Bangunan	2026	49,875 sq m	Warehouse	2018	19	850
PT Hutan Hijau Mas Berau, East Kalimantan	Hak Pakai	2035	8	Jetty	2010	10	96
Citra Towers Tower Utara Lantai 22 Jalan Benyamin Suaeb Blok A6 Kemayoran, Jakarta	Sijil Hak Milik	Issuance in process	1,148 sq m	Office space	2021	5	12,954

[#] Titled area is in hectares except otherwise indicated

[*] Year of last revaluation

Properties Held by the Group (Continued)

At 30 September 2024

Location	Tenure	Year Lease Expiring	Titled Area Hectares#	Description / Existing Use	Year of Acquisition / Last Revaluation	Age of Buildings (Years)	Net Carrying Amounts RM'000
AUSTRALIA							
Chilimony Farm Northampton Western Australia	Freehold	–	16,189	Cereal and cattle farm	2012 2013	–	88,517
Wyunga Farm Dandaragan Western Australia	Freehold	–	5,678	Cereal farm	2013 2014	–	29,481
Erregulla Farm Mingenew Western Australia	Freehold	–	10,215	Cereal and sheep farm	2004* 2018	–	37,997
Mungedar Farm Dandaragan Western Australia	Freehold	–	9,888	Cereal and cattle farm	2014 2016 2020	–	83,556
Warrening Gully Farm Williams Western Australia	Freehold	–	5,119	Cereal and sheep farm	2004* 2014	–	28,497
Jonlorrie Farm York Western Australia	Freehold	–	4,927	Cereal and sheep farm	2013 2014	–	67,394
Tatchbrook Farm Arthur River Western Australia	Freehold	–	6,516	Cereal and sheep farm	2015 2016 2017	–	51,255

\# Titled area is in hectares except otherwise indicated

* Year of last revaluation

PROXY FORM

BATU KAWAN BERHAD

196501000504 (6292-U)

No. of Shares Held	CDS Account No.	Tel. No.

I/We ____

(full name in capital letters as per NRIC/Passport/Certificate of Incorporation)

NRIC/Passport/Company No. ____

of ____

(full address)

being a member of BATU KAWAN BERHAD hereby appoint

______________________________ NRIC/Passport No. ______________________

(full name in capital letters as per NRIC/Passport)

*and/or ______________________________ NRIC/Passport No. ______________________

(full name in capital letters as per NRIC/Passport)

or failing him/her, the CHAIRMAN OF THE MEETING as my/our proxy/proxies to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Conference Hall, Ground Floor, Wisma Taiko, No. 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak Darul Ridzuan on Friday, 28 February 2025 at 2.15 p.m. and at any adjournment thereof, and to vote as indicated below:

Resolution	Relating to:	For	Against
	Re-election of the following Directors who retire by rotation in accordance with the Company's *Constitution*:		
1	Dato' Yeoh Eng Khoon		
2	Mr. Lee Yuan Zhang		
3	Ms. Susan Yuen Su Min		
4	Payment of Directors' fees		
5	Payment of Directors' benefits		
6	Re-appointment of Auditors and their remuneration		
7	Proposed Renewal of Authority to Buy Back Shares		
8	Proposed Renewal of Shareholders' Mandate for Recurrent Related Party Transactions of a Revenue or Trading Nature		
9	Proposed Renewal of Authority for Directors to Allot and Issue New BKB Shares in relation to the Dividend Reinvestment Plan		

** Please delete if inapplicable.*

Please indicate with a tick (√) how you wish your vote to be cast

For appointment of two (2) proxies, percentage of shareholding to be represented by the proxies:	
	Percentage (%)
Proxy 1	
Proxy 2	

____

Signature of Shareholder

Date: ______________________

Notes:

(a) A member of the Company entitled to attend and vote at the meeting is entitled to appoint not more than two (2) proxies to exercise all or any of his/her rights to attend and vote at the same meeting on his/her behalf. A proxy may but need not be a member of the Company. Where a member appoints two (2) proxies, the appointments shall be invalid unless he/she specifies in the instrument appointing the proxies the proportion of shareholdings to be represented by each proxy.

(b) Where the proxy form is executed by a corporation, it must be signed under its common seal or where the corporation does not have a common seal, by any two (2) of its authorised officers or under the hand of its officer or attorney duly authorised. In the case of a corporation with a single director, it shall be signed by the single director and countersigned by the company secretary of the corporation.

(c) When a member of the Company is an exempt authorised nominee, as defined under the *Securities Industry (Central Depositories) Act 1991*, who holds shares in the Company for multiple beneficial owners in one (1) securities account ("**omnibus account**"), there is no limit to the number of proxies which the exempt authorised nominee may appoint in respect of each omnibus account it holds.

(d) The appointment of proxy may be made in hardcopy form or by electronic means as specified below and must be received by the Company not less than twenty-four (24) hours before the time appointed for the taking of the poll:

- In hardcopy form
  The original proxy form shall be deposited at the Company Share Registrar's office, Boardroom Share Registrars Sdn Bhd ("**Boardroom**"), 11th Floor, Menara Symphony, No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan, Malaysia.
- Electronically
  The proxy form can be electronically lodged with Boardroom via Boardroom Smart Investor Portal at *https://investor.boardroomlimited.com*. Please follow the procedures set out in the Administrative Guide for such lodgement. Alternatively, the proxy form can be emailed to Boardroom at *bsr.helpdesk@boardroomlimited.com*.

(e) The power of attorney or other authority (if any) under which it is signed or a notarially certified or office copy of that power or authority, shall be deposited with Boardroom not less than twenty-four (24) hours before the time appointed for the taking of the poll.
(f) If neither "for" nor "against" is indicated above, the proxy will vote or abstain as he/she thinks fit.
(g) Only members whose names appear on the General Meeting Record of Depositors or Register of Members as at 21 February 2025 shall be entitled to attend and vote at this Annual General Meeting or appoint proxies in his/her stead or in the case of a corporation, a duly authorised representative to attend and vote in his/her stead.

Personal Data Privacy

By submitting the duly executed proxy form, the member (i) consents to the Company (and/or its agents/service providers) collecting, using and disclosing the personal data therein in accordance with the Personal Data Protection Act 2010, for the purpose of the Annual General Meeting, including any adjournment thereof and (ii) warrants that where the member discloses the personal data of the member's proxy(ies), attorney(s) and/or representative(s) to the Company (and/or its agents/service providers), the member has obtained the prior consent of such persons for the collection, use and disclosure by the Company (and/or its agents/service providers) of the personal data of such persons for the purpose of the Annual General Meeting, including any adjournment thereof, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Fold here

Affix Stamp
Here

BATU KAWAN BERHAD
C/O BOARDROOM SHARE REGISTRARS SDN BHD
11th Floor, Menara Symphony,
No. 5, Jalan Prof. Khoo Kay Kim, Seksyen 13,
46200 Petaling Jaya,
Selangor Darul Ehsan,
Malaysia

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